SENATE—*Thursday, July 17, 1997*

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

PRAYER

The guest Chaplain, Rev. Michael N. Higgs, LINC Ministries, Canby, OR, offered the following prayer:

Let us pray together:

Almighty God, Creator of the universe, Sovereign and Supreme Ruler over our Nation, we thank You today for the gifts of life and liberty, and for the many blessings we and our country have received from Your hand. Along with the 22,000 students here this week for Youth For Christ's D.C. '97 Youth Evangelism Super Conference, I thank You for the privilege of interceding on behalf of those You have appointed to lead our Nation. We acknowledge Your sovereignty in the affairs of all nations, as well as Your divine appointment of all in positions of authority. We thank You for all the Senators, for the unique gifts, talents, and abilities You have given them. May they utilize them today and each day in a way that pleases You and blesses our Nation. As they confront the problems, challenges and opportunities that our country faces, give them the wisdom to make decisions with justice, mercy, and compassion. Grant them insight and inspiration as they face difficulties and obstacles; give them not only success in their endeavors, but also joy in the journey as they serve You and our country. And as they represent a generation of youth who are searching for leadership marked by moral and ethical integrity, give them the faith and courage to do what is right in Your eyes, to honor You in their speech and conduct, and to act in a manner that will attract Your blessing to our Nation and ensure a righteous legacy for our young people. We pray this in faith, in the name of Jesus and for His glory. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

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

SCHEDULE

Mr. BROWNBACK. For the information of all Members, today the Senate will resume consideration of S. 955, the foreign operations appropriations bill. Under the previous order, following the debate time on the remaining two amendments to S. 955, the Senate will begin voting on those amendments as well as final passage. Therefore, Senators can expect three consecutive rollcall votes beginning at approximately 10 a.m. this morning.

It is the intention of the majority leader for the Senate to begin consideration of the Treasury, postal appropriations bill following the disposition of the foreign operations appropriations bill. Members can anticipate additional rollcall votes today on the Treasury, postal appropriations bill.

The majority leader has also stated that the Senate will resume consideration of the nomination of Joel Klein to be an Assistant Attorney General. Senators can expect a rollcall vote on that nomination following the conclusion of the remaining 3 hours for debate.

I thank all Senators for their attention, and I yield the floor.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1998

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

The assistant legislative clerk read as follows:

A bill (S. 955) making appropriations for foreign operations, export financing and related programs for the fiscal year ending September 30, 1998, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Bingaman amendment No. 896, to provide for Cuban-American family humanitarian support and compassionate travel.

Hutchinson amendment No. 890, to express the sense of the Senate that most-favored-nation trade status for China should be revoked.

The PRESIDENT pro tempore. The able Senator from New Mexico is recognized.

AMENDMENT NO. 896

Mr. BINGAMAN. Mr. President, I appreciate very much the chance to speak again about my amendment. Let me take just a few minutes to describe what this amendment does and then reserve a couple of the 5 minutes that is allotted for my side for any rebuttal I need to make.

This amendment is very modest. It tries to do three things. It is aimed at assisting the Cuban-American families that reside in our country, some of whom are citizens—some individuals are citizens, some are residents. It tries to assist in three respects.

First of all, it says with regard to family support payments, that residents of the United States shall not be prohibited from sending to their parents, their siblings, their spouses, or their children who currently reside in Cuba, small amounts of money, not to exceed $200 per month, to be used for the purchase of basic necessities, including food, clothing, household supplies, rent, medicines, and medical care.

Mr. President, I think this is self-explanatory. We had a policy until the shootdown of the plane some 2 years ago, nearly, at this point—we had a policy of permitting, I believe, $100 per month to be remitted by Cuban-Americans living in this country to their families in Cuba for these types of purposes. That is no longer permitted at any level. This amendment would say up to $200 per month could be sent by a person in this country to a family member in Cuba.

Second, compassionate travel—that is the second item in this amendment. It says essentially that U.S. citizens and permanent residents here can travel without limitation for periods not to exceed 30 days for each trip to attend either a medical emergency or a funeral of that person's parent, sibling, spouse, or child. As I understand it, the present law in this country is that you can go to Cuba for a very short time once a year, if you are a resident of this country, for this kind of purpose. It doesn't take a great deal of ingenuity to conjure up a situation where you would have a person's parent getting sick, having a medical emergency that required that person to return early in the year, and then have a funeral later that year which would require a return again to Cuba. This amendment says that you could do both of those trips. Neither could be more than 30 days in duration. It is a very limited provision. It is only applicable to people who have spouses, parents, siblings, and children in Cuba.

And the third item here, which I think is not just aimed at the Cuban-American community, it says that the United States Government shall not be prohibited from participating in humanitarian relief efforts of multilateral organizations of which the United States is a member, where such humanitarian relief efforts are made in the aftermath of a natural disaster in Cuba.

All we are saying here is that if there is a hurricane, if there is some natural catastrophe in Cuba, and multilateral organizations that we are a member of decide to take some action to assist the Cuban people, then we can participate along with the other members of that multilateral organization.

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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

As I indicated when I started, this is a very, very modest amendment. It is trying to deal with some very specific problems I see in our current law, and I would very much appreciate it if our colleagues could agree to this amendment. I understand it is objectionable, and I will, at this point, yield the floor and reserve the remainder of my time to allow the opponents of the amendment to explain why this is going to undermine our great democracy.

I yield the floor.

The PRESIDING OFFICER (Mr. BROWNBACK). Who yields time in opposition to the amendment?

The Senator from New Jersey.

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

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

Mr. TORRICELLI. Mr. President, on February 24, 1996, under the directions of Fidel Castro, the Cuban Air Force encountered and destroyed a civilian aircraft in the Florida straits. Murdered on that day were four innocent civilians, including Americans. At almost the same time, 100 brave Cuban citizens demonstrating in the streets of Havana were arrested for demanding democratic reforms, and they remain in jail.

In response to these actions, President Clinton, with the strong bipartisan support of this country, on that day made several changes in American policy. First, we suspended the very remittances that would be expanded by the Bingaman amendment today, and canceled flights that were encouraging tourism and travel in Cuba. It was a modest response to an egregious act. We were united then; I do not know what would divide us now.

Since the murders on that day, there has been no change in Cuban policy. Although the price of progress in American relations has always been clear—a single opposition newspaper, the scheduling of a free election, the allowing of any dissent, the opening of Cuba's jails to anyone; not all of these things, not even in their entirety, but any one of these things, to any extent, would have brought about a change in our policy.

I know people are impatient for democratic reform in Cuba and an ending of the embargo. It has been 5 years since we strengthened American law. I know patience is not always our greatest national attribute. But now—in the face of Fidel Castro, 5 years after embarking on this policy, only 18 months after the murder of these citizens, with no Cuban response, no concession and no change—to simply abandon our policy, I believe, would undermine a foreign policy objective of the United States for a free Cuba.

Mr. President, does the Senator from Florida—we have consumed 3 minutes, I believe, Mr. President?

The PRESIDING OFFICER. Two minutes remain.

Mr. TORRICELLI. Does the Senator from Florida request the 2 minutes?

Mr. GRAHAM. Yes.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, I thank my colleague, Senator TORRICELLI.

I rise today to oppose the amendment offered by our colleague from New Mexico. The policy of the United States toward Cuba is too serious, it is too delicate, it has too many ramifications to be settled in debate which this morning will provide 5 minutes per side to discuss the nuances of what is entailed in this seemingly humanitarian and benign amendment. If there is to be a change in policy, it should be the result of studied consideration of all of the implications of specific proposals, not extracting three items from a complex set of relationships that involve not only Cuba but also many other nations in the world.

Second, there is no need for this amendment. One of the principal parts of this amendment is related to humanitarian aid, particularly after a natural disaster—a very appealing concept for Americans. It is so appealing that, in fact, the United States is already the largest donor of humanitarian assistance to Cuba. In the last 4 years, the U.S. Government has licensed more than $150 million of humanitarian assistance to Cuba, more than the total of all other nations combined. So the United States has not stood by in times of humanitarian need for the people of Cuba.

With reference to travel to Cuba, American citizens already can travel to Cuba once a year with virtually no restraints in order to attend to a humanitarian family need. This would open the gates beyond that to allow unlimited visits to Cuba.

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

Mr. GRAHAM. Mr. President, I urge the Senate defer the debate on what should be our policy in the future toward Cuba to another day, when we can give it the attention that it requires, and defeat this amendment.

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

The PRESIDING OFFICER. The Senator from New Mexico controls 50 seconds.

Mr. BINGAMAN. Let me conclude by saying I am not trying to change United States policy toward Cuba. I am not trying to provide assistance to Fidel Castro. I am not trying to send a signal that Fidel Castro is a favorite statesman of this country. I do think it is appropriate for us to separate out the concerns of Cuban-American citizens and residents from this geopolitical issue, and say these modest efforts to assist Cuban-American citizens and residents to help their families and to visit their families are not something that a great nation like ours should resist.

Clearly, the humanitarian assistance my colleague from Florida cites that we have done is in the private sector. There is no public sector assistance at this time.

Mr. President, I urge the adoption of my amendment.

While I have the floor, I ask unanimous consent to add Senator BOB KERREY from Nebraska as a cosponsor of my amendment.

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

Mr. BINGAMAN. I also ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. By previous agreement, the vote will take place at a later time.

The PRESIDING OFFICER. All time has expired on the amendment.

AMENDMENT NO. 890

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Arkansas. The Senator from Arkansas is recognized for up to 5 minutes.

Mr. HUTCHINSON. Mr. President, I yield myself 2 minutes.

It has been years since this body voted on the most-favored-nation status for China. It has been 8 years since the Tiananmen Square massacre, and it has been 4 years since this Nation embarked on a policy of so-called constructive engagement which delinked our China trade policy from human rights concerns.

During these years, years since we last voted on MFN, years since the Tiananmen Square massacre, and the 4 years since we embarked upon constructive engagement, this is what has happened in these years:

The struggling democracy movement in China has been thoroughly and completely squashed.

Those students at Tiananmen Square, which we watched on television all over this Nation, are all either imprisoned or executed.

All voices of freedom in China have since been silenced—all of them—according to the 1996 State Department Report on China. All voices of dissidents have been silenced.

Chinese workers have been systematically exploited.

Weapons of mass destruction have been exported around the world so that the export of those weapons from China now poses the greatest military risk in the world today.

And people of faith in China have been persecuted and driven underground.

In addition, during these years, all political dissent has been effectively oppressed, and now there is mounting evidence that, in fact, during these years when we were year after year granting most-favored-nation status,

they were attempting to influence the American political process. There is mounting evidence that that was the case.

So I believe this vote is a vote of conscience. I believe it is a vote that we must have in this body. The abuses of the Chinese Government beg to be protested.

So when people ask me why this vote? I say because it is so egregious what is going on that we must vote, we must raise our voice, we must let the people of China know that there are people standing up for them in the United States.

The PRESIDING OFFICER. The Senator has used his 2 minutes.

Mr. HUTCHINSON. I reserve my 3 minutes.

The PRESIDING OFFICER. Who seeks to speak in opposition to the amendment?

Ms. COLLINS addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine. How much time does the Senator seek?

Ms. COLLINS. Mr. President, I seek 90 seconds, please.

The PRESIDING OFFICER. The Senator is recognized.

Ms. COLLINS. Mr. President, I rise in support of Senator HUTCHINSON's sense-of-the-Senate resolution. I want to make clear that my support of this nonbinding resolution signifies my grave concerns about most-favored-nation status for China rather than a final decision about this important policy question.

Last month, the House of Representatives debated a resolution of disapproval that would have denied most-favored-nation status for China as proposed by President Clinton. The House rejected this measure, thereby supporting the Clinton administration's proposal to extend MFN status for China for another year.

Given this action by the House, the U.S. Senate will not have a formal debate and vote this year on the President's recommendation. Nevertheless, I recognize that this issue raises some very serious issues that need more debate and consideration than the very brief debate that the Senate has given this issue today.

Like many of my colleagues in the Senate, I am very troubled by the actions of the Chinese Government in Beijing. It has a very poor record on human rights issues. It has repeatedly violated trade agreements.

The PRESIDING OFFICER. The Senator has spoken for 90 seconds. Does she seek additional time?

Ms. COLLINS. I ask unanimous consent that I be permitted to proceed for 1 additional minute.

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

Ms. COLLINS. It has a very poor record on human rights issues. It has repeatedly violated trade agreements. It engages in unacceptable weapons proliferation activities. It denies the religious freedom of its citizens. It maintains an antidemocratic posture toward Taiwan and Tibet. And, finally, our Senate investigation into campaign finance abuses has revealed a plan by China to funnel illegal political contributions into American campaigns.

Given all of the ramifications, I believe that at an appropriate time and place, the Senate should engage in a full-fledged debate that gives these matters the attention that they truly deserve.

In conclusion, I am withholding final judgment on the question of most-favored-nation status for China, but in the meantime, I am expressing my very serious concerns and reservations by supporting the nonbinding sense-of-the-Senate resolution offered by the Senator from Arkansas.

I yield the floor.

Mr. HUTCHINSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. HUTCHINSON. Might I inquire as to how much time my side has remaining?

The PRESIDING OFFICER. One minute 10 seconds. All time remains in opposition.

Mr. HUTCHINSON. It is my understanding Senator ASHCROFT from Missouri is on the way to the floor to speak in favor of my amendment. I reserve the final 1 minute and yield the floor to the opponents of the amendment.

The PRESIDING OFFICER. Who seeks recognition to speak in opposition to the amendment?

Mr. BINGAMAN. Mr. President, I ask permission to speak for up to 2 minutes in opposition to the amendment.

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

Mr. BINGAMAN. Mr. President, let me just say this whole issue of most-favored-nation status is not what the name implies. We have normal trading relations with well over 100 countries in the world, and as to each of those countries, we have so-called most-favored-nation trading status with them.

What we need to maintain with China is a normalized trading situation which then allows us to deal with the specific problems that the proponents of this resolution have identified. I agree that there are major problems in the trade imbalance that we have with China, that there are human rights abuses in China that are of concern, that there is missile proliferation that is of concern, and clearly the issue that is being raised about possible involvement by the Chinese Government in our elections is of concern. But those are specific issues that should be dealt with by a rifle-shot approach. We should not try to cut off our trade activities with a very large economy, such as China, and hamper the economic opportunities of our own private sector and the job creation that comes from that in this country through this kind of device.

So I very much oppose the notion that we should deny most-favored-nation status to China. I think we should get that issue behind us and get on to dealing with the more specific issues that do require attention in regard to our relations with China. I hope in future years we can do that. It seems like we are caught in a time war. We get to where we have an annual debate about most-favored-nation status and that is all we seem to be able to have when it comes to talking about China, and that is, unfortunately, what is happening again this year.

The PRESIDING OFFICER. Who yields time in opposition to the amendment?

Mr. MCCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, with regard to the amendment of my good friend from Arkansas, Senator HUTCHINSON, I, along with a number of other Senators, were in Hong Kong 10 days ago to watch the turnover of Hong Kong to the Chinese. I mention Hong Kong because Hong Kong is really the best indicator of what China is likely to become in the coming years.

Some people suggest that the People's Republic of China will ruin Hong Kong. Others suggest that Hong Kong will be the engine that changes China. I think clearly the latter is most likely to be the case. Even though the amendment of the Senator from Arkansas deals with MFN for China and not MFN for Hong Kong, I think it is worthy of note that no one in Hong Kong, no one, not the democracy activists, the businessmen, no one, you can't find anybody in Hong Kong who thinks terminating MFN for China is a good idea.

I cite, for example, Martin Lee, the person who most of us are familiar with who is the prodemocracy activist in Hong Kong and the one the Chinese tend to fear the most and the one who says the greatest number of things that tend to irritate the regime in Beijing. Martin Lee is not in favor of terminating MFN for China, because he believes that the economic engine that is roaring in mainland China is pulling it inevitably in the direction of democracy and human rights.

So, Mr. President, I hope that the Hutchinson amendment will not be approved. I think it sends the wrong signal.

Having said that, let me say that nobody that I know is entirely happy with the internal government in the People's Republic of China. I might say

the same thing about some of the countries that are still receiving foreign assistance from us. We are not entirely happy with what is going on in Russia these days. I, for one, am not happy with a number of things that have happened in Egypt recently, and these are countries that are foreign aid recipients of the United States.

We are not talking about foreign aid for China; we are talking about MFN for China. It seems to me it makes no sense, in terms of our growing relationship with China, to send this kind of message by terminating the trade status which benefits American business and benefits reformers in China who, in my judgment, will ultimately bring about the kind of changes in China that we would all like to see.

Mr. President, how much time remains? We are set for three votes at 10 o'clock, are we not?

The PRESIDING OFFICER. The Senator controls 2 minutes remaining in opposition. We are set for two rollcall votes at 10 o'clock.

Who seeks time? Two minutes remain for those who desire to speak in opposition; 1 minute remains for those who seek to speak in support of the amendment. Who yields time?

Mr. GRASSLEY. Mr. President, I rise to voice my opposition to the sense-of-the-Senate offered by the Senator from Arkansas. I support the President's decision to extend most-favored-nation status, or normal trading relations, to China.

The problems with China on trade, security, and human rights are well documented. And I won't take the time to repeat them here. But I'll just say that we are all concerned with China's poor record of promoting democracy, free enterprise and human rights. I'm especially concerned with the persecution of Christians in China.

But I think the question comes down to what is the best way to influence policy within China. Is it more effective to have a policy of isolationism, where we have virtually no trading relationship with China? This is what would happen if normal trading relations is revoked.

Or is it more effective to build a closer relationship with China through our trade policy? Trade serves to promote free enterprise and raise the standard of living of the Chinese people. It allows us to export our principles of liberty and democracy. I believe that the United States, and the Chinese people, are clearly better off by strengthening our relationship through trade.

Integrating China into the world community has already paid dividends. Recognizing that China still has many problems, most people would agree that significant progress has been made just in the last 10 to 20 years. I believe our economic and diplomatic relations with China have helped push this progress along.

This is not to say that we shouldn't be tough with China. Retaliatory measures can be very effective in encouraging further reforms in China. But retaliation should be targeted and specific.

I recall that last year at this time, USTR announced $2 billion in sanctions against China for breaching its commitment on intellectual property rights. Now I'm told by the administration that China has taken significant strides in cracking down on the pirating of intellectual property. Firm sanctions targeted at specific behavior can force change in China.

Revoking our normal trading relations is a blunt, ineffective tool. It would also hurt American workers, businesses, and consumers. Our $12 billion in annual exports to China would be put at risk, jeopardizing over 200,000 American jobs. And the increase in tariffs on China's exports into this county amounts to a stiff tax on American consumers.

The costs of revoking normal trading relations with China—to American workers and consumers and in terms of our inability to effectuate change in China—clearly outweigh any perceived benefits. I find it hard to believe that Beijing will suddenly promote democracy and human rights because the United States ends its trading relationship with China.

Engagement is the right policy for encouraging change in China.

Some opponents of MFN are concerned, not with these other important issues, but with the trading relationship itself. They point to the United States' expanding trade deficit with China, which last year amounted to just under $40 billion.

The current negotiations with China on its accession to the World Trade Organization is an opportunity to address the trade imbalance. We must get meaningful market access concessions from the Chinese before they are allowed into the WTO. American products deserve the same access to the Chinese market as their products enjoy in the United States.

The stakes are very high. In the agriculture sector, these negotiations will determine whether China becomes our largest export market or our biggest competitor. We cannot afford to make the same mistakes made when Japan entered the GATT in 1945. The United States is still shut out of the market in many respects. We need a tough, fair agreement with China.

It's time to move forward in our trading relationship with China. Let's get beyond this annual debate over trading status and focus on how we can best improve access to China's market for American workers and businesses, while improving the lives of the Chinese people by promoting human rights and serving as an example of democracy.

Mr. GORTON. Mr. President, my colleague from Arkansas, Mr. HUTCHINSON, has offered a sense-of-the-Senate amendment today regarding the President's decision to extend most-favored-nation trading status to the People's Republic of China for another year. Mr. HUTCHINSON believes the President's decision was wrong and would like to see MFN for China withdrawn. While I share my colleagues concerns about MFN for China, I will not support his amendment today.

As many of my colleagues know, I have grave reservations about the United States' policy of engagement with China. The President's decision to continue to provide China free and open access to the United States market and the House vote to approve that decision were, in my opinion, wrong. But, that is water under the bridge. Instead of arguing against a decision that has already been made, we should be looking forward to the MFN debate next year.

My State of Washington is on the cutting edge of trade with China. We do more business with China than virtually any other State in the Nation and rely on that business for thousands of well-paying jobs. Despite our successes, the Chinese continue to impose protectionist trade barriers against Washington State products and play politics with our exports. My State is not alone in this dilemma.

I firmly believe that the administration's policy of engagement is failing businesses throughout the United States. The United States trade deficit with China has now grown to $40 billion and is increasing every day. This is unacceptable, Mr. President. I challenge my colleagues to take a closer look at our policy of engagement with China and urge them to join me in fighting for a tougher trade policy next year. If we condition MFN on significant trade concessions from China next year, I am convinced that China will back down.

Unless we stand firm against Chinese protectionism and condition MFN and access to the United States market on trade concessions from China, we will never reap the potential benefits of truly free trade with the world's largest emerging economy.

So, Mr. President, I will vote against this amendment today, but look forward to working closely with my colleagues next year to change the way the United States does business with China.

Mr. ABRAHAM. Mr. President, I rise to express my opposition to the sense-of-the-Senate resolution opposing most favored nation [MFN] status to the People's Republic of China.

Mr. President, I hope everyone in this Chamber recognizes that terrible things continue to go on inside China. Religious persecution, political repression, and coercive family planning are

only the most visible Chinese Government policies that violate universal standards of human decency.

In response to these serious problems, some of my colleagues have called for an end to China's most-favored-nation trading status with the United States.

But I believe that that is the wrong approach. I support a 1-year extension of MFN for China. Why? First, because it is the best policy for American consumers. Those consumers will have a wider choice of affordable goods with MFN than without it. To revoke MFN would be to increase tariffs on goods purchased by the American people. It would amount to a tax hike, and I am not in favor of tax hikes, particularly those imposed on the basis of another government's behavior.

Second, I am convinced that revoking MFN would target the wrong parties for punishment. We should keep in mind that it is not the people of China with whom we have a quarrel; it is their Government. Trade and United States investment in China have a positive effect in providing more opportunities for average Chinese citizens. According to Heritage Foundation China expert Stephen J. Yates, in China, "employees at U.S. firms earn higher wages and are free to choose where to live, what to eat, and how to educate and care for their children. This real and measurable expansion of freedom does not require waiting for middle-class civil society to emerge in China; it is taking place now and should be encouraged."

Third, I am convinced that terminating MFN would be damaging to the people of Hong Kong, recently returned to Chinese rule.

All of us in Congress are concerned that China may violate the 1984 Sino-British Joint Declaration and squash freedom, both economic and political. However, in formulating United States policy with regard to Hong Kong, we must remember that repealing MFN for China will hit Hong Kong hard. Former Hong Kong Governor Chris Patten has said that rescinding MFN would devastate Hong Kong's economy.

Mr. President, I have another important reason for supporting a 1-year extension of MFN: American jobs. Using the Commerce Department's rules of thumb, United States exports to China account for roughly 200,000 American jobs. Should we stop doing business with China, I have no doubt but that other nations will step in to take our place, and to take jobs now occupied by Americans both here and in China.

Thus, by revoking MFN, we would not significantly punish the Chinese Government, but we would visit hardship on our own workers.

This is not to say that I believe we must stand idly by while human rights abuses continue in the People's Republic of China. But, rather than eliminate jobs and stifle growth through increased tariffs, in my view it would be better to take actions showing our displeasure directly with the Chinese Government.

That is why I have introduced S. 810, the China Sanctions and Human Rights Advancement Act."

This legislation would show our disapproval of Chinese Government actions, while at the same time encouraging worthwhile economic and cultural exchanges; exchanges that can lead to positive change in China.

It would:

Prohibit issuance of United States visas to Chinese Government officials who implement and enforce Chinese laws and directives that persecute religious groups.

Prohibit direct and indirect United States-taxpayer financed foreign aid for China.

Require the United States Government to publish a list of Chinese companies backed by the People's Liberation Army and operating in the United States. This would allow informed consumers and other purchasers to choose whether they wish to do business with such companies.

Prohibit Polytechnologies Inc., known as POLY, and NORINCO, the China North Industries Group—two Chinese companies whose officials have been indicted for attempting to smuggle arms into the United States—from exporting to the United States, or maintaining a physical presence here for 1 year.

In my judgment, the combination of these sanctions and a 1-year extension of MFN offers the best approach to change the behavior of the Chinese Government. These measures will direct punishment where it belongs, with the Chinese Government, not the Chinese people.

I understand my colleague from Arkansas' frustration with current Chinese Government policies. I commend his desire to effect those policies in a positive way. But it is my firm belief that we serve the cause of liberty best when we serve it most consistently. By maintaining free trade, while showing our disapproval of tyrannical practices, we stay true to our principles. We make it possible for liberty to spread while maintaining our own economic freedom intact.

I urge my colleagues to vote against the sense of the Senate resolution, to support a 1-year extension of MFN, and also to join me in pursuing more positive ways by which to influence Chinese Government policy.

Mr. KEMPTHORNE. Mr. President, I oppose the amendment offered by Senator HUTCHINSON. The sense-of-the-Senate resolution now before the Senate, even if it passed, will not end China's most-favored-trading status with the United States. The House of Representatives has voted to retain MFN status for China. Our current trading status with China will continue and based on all of the evidence I have seen, I believe this is the correct policy.

We must not mistake the decision to maintain normal trading status with China with acceptance or approval of China's abysmal policies regarding respect for human rights, religious freedom, nuclear proliferation, or respect for intellectual property rights.

I believe that by staying engaged in China, which the extension of MFN provides, is the best way to promote respect for human right, free enterprise, and democracy in the most populous country in the world. American businesses in China are advocates of human rights on a daily basis. By staying engaged in China, we can hear the cries for freedom of the Chinese people. If we as Americans cut ourselves off from China, who will hear these pleas for reform and progress and who else will be able to press China to respect human rights?

It is important to note that leading advocates of reform in China, such as Martin Lee in Hong Kong, are strong advocates for the extension of MFN to China. We must continue to bombard the Chinese with capitalism. But if we isolate China, as has been suggested, and cut off ties to the free world, that's when you condemn the persecuted and their cries are not heard. Tiananmen Square was a prodemocracy movement by young Chinese because of their exposure to free enterprise and capitalism. Exposure to democracy, not isolation from it, will allow change to come from within.

I have seen first hand the value of talking with Chinese leaders about human rights. Last year I traveled to China and I raised the issue of human rights violations with many of the officials I spoke with, including President Jiang Zemin. Pursuing trade with China is important so we can expose the Chinese people to the free enterprise system, capitalism, and other important concepts of our free and democratic society. Just like I did with my meetings with Chinese leaders, each sale, each meeting, each phone call is an opportunity to make our case for respecting human rights. Engaging the Chinese, not isolating them, is a faster way to achieve the reforms we all want.

I understand that many well-meaning groups oppose the extension of MFN to China because of China policies which suppress religious freedoms. Many Idahoans have raised this issue with me but I would like to quote the words of Rev. Nelson E. Graham, the son of Dr. Billy Graham, regarding his work in China, "In the years we have been traveling to China, we have seen a definite improvement in the area of religious freedom for China's Protestant believers, and I believe it is a mistake

to focus on the negatives and not reinforce the positive strides China has made in this area.''

I also know many folks are concerned about the findings coming out of the hearings by the Governmental Affairs Committee regarding China's efforts to influence elections in the United States. The timing of this vote coincides with hearings by the Senate Government Affairs Committee where both Democrats and Republicans conclude that China has participated in efforts to directly and indirectly influence elections in the United States.

This is of enormous concern to me because of its threat to free and fair elections in our country without foreign influence. This should be thoroughly investigated by Congress and by Federal law enforcement agencies. Americans who may have assisted in espionage by China should be prosecuted to the fullest extent of the law. If the hearings and investigations prove the Government of China did in fact attempt to influence elections, this issue must be immediately and directly confronted by diplomatic and international sanctions so that perpetrators are brought to justice and that it never, ever happens again.

But a vote on MFN for China is not a vote on the issue of Chinese espionage. A vote on MFN for China is a vote about what is best for the interests of the United States and its citizens.

Regarding the benefits of extending MFN to China, Governor Batt of Idaho states, ''There are valid concerns about China's human rights record; however, I think that to severely curtail trade with the U.S. would move us backward on this issue, not forward.'' Likewise, a recent editorial in the Idaho Statesman endorsing the extension of MFN for China states, ''The surest, long-term policy for ensuring a better life for people here and abroad is to promote free markets and friendly trading policies.''

I believe we must do what is best for ourselves and what is most likely to promote progress toward freedom and democracy for the people of China and I therefore support the extension of most-favored-nation trading status for China.

Mr. DURBIN. Mr. President, I rise in opposition to the amendment. I have serious concerns about our current trade relations with China. Last year, our merchandise trade deficit with China grew to $39.5 billion, which is an increase of more than 213 percent over the past 5 years. This year, our trade deficit with China is expected to reach $50 billion.

It is clear that, in many cases, goods from the United States are locked out of China's markets, while goods from China are allowed to enter United States markets at nondiscriminatory tariff rates. Last year, the United States imported $51.5 billion in goods from China, while China imported only $12 billion in goods from the United States. More than one-third of China's exports are sold to the United States, while only 2 percent of total United States exports are sold to China.

The piracy of intellectual property rights in China cost the United States economy $2.3 billion last year. It is estimated that as much as 97 percent of the entertainment software sold in China is counterfeit, and pirated goods produced in China have been found in Asia, the Middle East, Europe, and North and South America.

At the same time, the Government of China continues to sell weapons of mass destruction, and abuse the human rights of its citizens. China has sold missiles, missile technology, and chemical and biological weapons to countries such as Iran, Libya, Syria, and Iraq. These weapons threaten U.S. military personnel overseas, and our allies and friends around the world. And the State Department report on human rights in China describes widespread human rights abuses which violate internationally accepted standards. The report states that all public dissent against the Communist party and the Government of China has been silenced by intimidation, exile, prison terms, and other forms of detention.

The legislation which the Senate is considering today is not the appropriate vehicle for this amendment. The Trade Act of 1974 already provides a thorough mechanism for the consideration of MFN renewal for nonmarket economies such as China. This amendment is being offered without consideration by any committee of the Senate, and with limited opportunity for debate on the Senate floor.

In addition, this amendment would have no legal effect. The decision to renew MFN for China has already been made for this year. The President renewed MFN for China in May, and the House of Representatives rejected a joint resolution of disapproval. This amendment would have no impact on that decision.

Mr. President, the Government of China should not expect the United States to continue to provide nondiscriminatory tariff rates to goods from China, if China continues to restrict the access of United States products to markets in China. If the renewal of MFN for China is considered by the Senate next year under the Trade Act, I may be compelled to continue to oppose MFN for China unless there is a substantial improvement in China's trade practices, proliferation policies, and respect for human rights.

Mr. McCONNELL. I suggest the absence of a quorum, with the time to be equally charged to both sides.

Mr. HUTCHINSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. HUTCHINSON. Mr. President, it is my understanding that Senator ASHCROFT is on his way to speak in favor of the amendment.

Mr. McCONNELL. I withdraw my request.

The PRESIDING OFFICER. Who yields time?

Mr. HUTCHINSON. Mr. President, it is my understanding I have 1 minute 10 seconds. I yield the remaining time to the distinguished Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri is recognized for the remaining time.

Mr. ASHCROFT. Mr. President, I thank you very much, and I thank the Senator from Arkansas, not only for his courtesy in this matter, but for his leadership in this matter.

It is apparent, the House of Representatives having voted in favor of most-favored-nation status for China, that anything we do by expressing ourselves in the Senate won't have a real impact in terms of denying that standing to China. But it is essential that we register the displeasure and dissatisfaction of this body with the conduct of China in three basic categories that I believe are an appropriate standard by which we would measure our relationship with a variety of nations.

The first of those categories is gross trade inequities that China and the United States have. Some have said that most-favored-nation status is just general trading status. As it applies to China, it is most-favored status. We have a wide variety of other countries whose trading relationships with the United States are nearly on a parallel basis of balance. Not so with China.

Second is that the military buildup in China threatens peace and stability, not only in the Pacific rim but around the world.

And the third is that human rights abuses in China should be something we mention very clearly and we should express with deep conviction.

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

Mr. ASHCROFT. I thank the Chair.

The PRESIDING OFFICER. Is there anybody who wishes to speak in opposition?

Mr. McCONNELL. Mr. President, I ask unanimous consent that there be 2 minutes of debate equally divided prior to each vote in the series following the first vote, which I gather will be momentarily.

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

Does anybody desire to speak in opposition to the amendment?

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, let me say one more word about the amendment with regard to most-favored-nation status for China.

My own strong impression is that with regard to Russia and most of the other major nations we deal with, we have a series of concerns that we deal with on a concern-by-concern basis, a case-by-case basis. And that is exactly what we should do.

In the case of China, unfortunately, our debate has gotten to where it is sort of all or nothing, we are either going to have most-favored-nation status or we are not. And that is a very blunt instrument with which to try to deal with a very important and complex relationship. I believe it would be a great mistake for us to deny most-favored-nation status to China.

I hope very much the amendment is rejected.

The PRESIDING OFFICER (Mr. SMITH of Oregon). All time has expired.

VOTE ON AMENDMENT NO. 896

The PRESIDING OFFICER. The question is on agreeing to amendment No. 896 offered by the Senator from New Mexico, Senator BINGAMAN. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Montana [Mr. BURNS] is necessarily absent.

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

The result was announced—yeas 38, nays 61, as follows:

[Rollcall Vote No. 183 Leg.]

YEAS—38

Akaka	Dodd	Lautenberg
Baucus	Dorgan	Leahy
Biden	Durbin	Levin
Bingaman	Feingold	Lugar
Bond	Feinstein	Moseley-Braun
Boxer	Harkin	Moynihan
Breaux	Inouye	Murray
Bumpers	Jeffords	Reed
Byrd	Johnson	Roberts
Chafee	Kennedy	Sarbanes
Cleland	Kerrey	Wellstone
Conrad	Kerry	Wyden
Daschle	Landrieu	

NAYS—61

Abraham	Graham	Murkowski
Allard	Gramm	Nickles
Ashcroft	Grams	Reid
Bennett	Grassley	Robb
Brownback	Gregg	Rockefeller
Bryan	Hagel	Roth
Campbell	Hatch	Santorum
Coats	Helms	Sessions
Cochran	Hollings	Shelby
Collins	Hutchinson	Smith (NH)
Coverdell	Hutchison	Smith (OR)
Craig	Inhofe	Snowe
D'Amato	Kempthorne	Specter
DeWine	Kohl	Stevens
Domenici	Kyl	Thomas
Enzi	Lieberman	Thompson
Faircloth	Lott	Thurmond
Ford	Mack	Torricelli
Frist	McCain	Warner
Glenn	McConnell	
Gorton	Mikulski	

NOT VOTING—1

Burns

The amendment (No. 896) was rejected.

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

Mr. LEAHY. I move to reconsider the vote.

The motion to lay on the table was agreed to.

Mr. MCCONNELL. I ask unanimous consent that the next two votes be limited to 10 minutes in length each.

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

Mr. MCCONNELL. I ask unanimous consent at 11:30 the Senate proceed to consideration of Calendar 112, S. 1023, the Treasury, Postal appropriations bill.

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

AMENDMENT NO. 890

The PRESIDING OFFICER. There are 2 minutes of debate equally divided on the amendment of the Senator from Arkansas.

The Senator from Arkansas.

Mr. HUTCHINSON. I ask unanimous consent Senator FEINGOLD be added as a cosponsor to my bill

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

Mr. HUTCHINSON. Mr. President, Members can see the beautiful tie I am wearing today. It was manufactured in Little Rock, AR. It is a family business. The owner of the family business that manufactured this tie told me that the greatest threat to his economic viability is the unfair trade practices of Communist China.

I ask you to vote for this sense-of-the-Senate resolution. Suffering is not a term of economics. You cannot add it up, you cannot deduct it, you cannot redeem it in dollars.

Arguments for MFN always come down to dollars and cents. But to the average Chinese person, you can't build a wall, you can't separate the economics from the human rights violations that are going on. A product of slave labor is inexorably tied and linked to the shackled hands that made it.

I ask my colleagues, think about the enslaved, think about the oppressed, think about the imprisoned today, think about that voice of freedom that has been silenced, think about that voice of freedom in prison today, and speak for that one who cannot speak for himself. Please vote for this amendment.

Mr. MURKOWSKI. Mr. President, I urge my colleagues to vote against the pending sense-of-the-Senate resolution that China's most-favored-nation trading status should be revoked. This is the worst of all possible alternatives. Mr. President, you will recall that Teddy Roosevelt said speak softly and carry a big stick, well this resolution is just the opposite—it is speaking loudly, and carrying no stick. The traditional resolution of disapproval for MFN has already been defeated in the House of Representatives. So this vote has no force. In my view, that is the worst possible way to send a message to China.

Much has been written that this year the debate over MFN is different, that the issues have changed, but I do not think the fundamental choice has changed: Do we choose engagement—striving to bring China into the international community on terms we support—or isolation—allowing China to enter the international arena on terms beyond our control. I think the answer is obvious.

MFN should be renewed unconditionally not because it is a reward to the Government of China, but because revocation of MFN hurts the very people we want to help. We have many grave concerns with China ranging from the treatment of dissidents and Christians to weapons proliferation. But severing economic ties is not the right tool to address these issues. Revoking MFN only succeeds in hurting Americans, hurting reformers, and hurting the people of Hong Kong and Taiwan.

But what I have to say about linking MFN to Hong Kong's future is far less important than what the people of Hong Kong themselves have told lawmakers. Martin Lee, Hong Kong's leading democrat described revoking MFN as punishing Hong Kong. Miss Denise Yue, Hong Kong's Secretary for Trade and Industry, best described the threat of MFN revocation as double jeopardy, "[K]nowing that if China takes away their freedoms, the United States will respond by taking away their jobs . . ." Similarly, Hong Kong's Chief Executive designee Tung Chee Hwa has stressed that unconditional renewal of MFN is in the best interests of Hong Kong.

So I think we should listen very carefully to what those who live and work in Hong Kong have said, rather than pretending we know better.

This also applies to the Chinese on the other side of the strait—the people of Taiwan. This year, as in past years, the Government of Taiwan is quietly supporting the renewal of normal trading ties. One has only to look at investment in Southern China to understand that cutting economic ties between the United States and the People's Republic of China will have a significant and negative economic impact on Taiwan. Taiwan companies and individuals have invested more than $30 billion in over 30,000 enterprises.

My colleagues should also take note that the board of the United States-Republic of China (Taiwan) Business Council, a collection of American companies doing business in Taiwan, unanimously adopted a resolution supporting renewal of MFN. The council noted that "renewing MFN for China is good for the United States in its business with China, with Taiwan, and with Hong Kong."

Supporters of Taiwan, and I put myself firmly in that category, should also look at the history of the United States relationship with Taiwan, before rejecting the claim that economic

liberalization leads to political liberalization.

This United States commitment to the people of Taiwan was indispensable to the development of the economic and democratic miracle that is Taiwan today. This was not always the case. Martial law lasted from 1950 to 1987. During that period, individual rights and freedoms were stifled and political opposition was silenced. Yet, today, once imprisoned opposition leaders such as Peng Ming-min have been released. In fact, Peng was the DPP's Presidential candidate in last year's March election.

During this less than free and open period, the United States stood by Taiwan, maintained normal trading relations, and gave the Republic of China economic aid. Most historians agree that United States aid and investment served to enhance market-oriented economic reforms that contributed to rising living standards and expanded economic freedoms, and injected a liberalizing influence into Taiwanese society. But the transition to an open, democratic society took 50 years on an island of 20 million, and was the first democracy in 5,000 years of Chinese history.

Of course, Taiwan's success also depended on a leadership decision to reform the political structure. We certainly cannot predict what direction the People's Republic of China leadership will take the 1.2 billion mainland Chinese, but we can follow the formula that has worked before.

Hong Kong's and Taiwan's freedom and power as a model for China's future evolution rests on continued economic vibrancy. U.S. policy should strive to maintain confidence, not destroy it.

I hope that next year we can have a more constructive debate over whether this annual exercise should be scrapped in favor of a deal to grant permanent MFN status for China if they make the necessary commercial concessions to enter the World Trade Organization.

The yearly exercise of public handwringing over MFN renewal has proven a liability to a coherent China policy. MFN was never intended to serve as a weapon of punishment for every problem we have with nonmarket economies. Its original purpose of guaranteeing freedom of emigration from the former Soviet Union has been grossly distorted, and I would say without achieving any positive results. But there is a time for everything, and unfortunately now is not the time to push permanent MFN.

Integrating China into the international community poses great risks and equally great opportunities. If we continue down the road of inconsistency and fail to deal honestly with the Chinese, in concert with our allies, and based on a clear understanding of the United States national interest, we will have failed the sacred trust of the Nation.

The United States-China relationship is pivotal to the continued security and prosperity of Asia and America. We must ground that relationship in the solid foundation of the U.S. national interest—ensuring stability and security in Asia to limit the potential for conflict and tension and to provide fertile soil for democracy and economic prosperity. We must also work together with our Asian allies to design and raise its frame; their future is as much at stake as our own.

Mr. McCONNELL. Mr. President, let me say that no one in Hong Kong is in favor of terminating MFN to China—not the democrats, not the reformers, no one. I don't think there is any chance that China will change without continued economic engagement.

Therefore, Mr. President, I hope that the Hutchinson amendment will not be approved.

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

The PRESIDING OFFICER. Does the Senator from Kentucky yield time?

Mr. McCONNELL. I yield for a question.

Mr. SARBANES. My understanding is that amendment does not terminate MFN.

Mr. McCONNELL. It is a sense-of-the-Senate amendment.

Mr. SARBANES. It's virtual reality. I might vote for an amendment on substance, but this doesn't do that; is that correct?

Mr. McCONNELL. That is correct, I say to the Senator from Maryland.

Mr. BAUCUS. Mr. President, I rise in opposition to the Hutchinson amendment, which is a sense-of-the-Senate resolution stating that we should revoke China's most-favored-nation status.

MFN status should not be a political issue. It is nothing more than the normal trade status we give virtually all our trade partners. But if we are to consider MFN a political issue, a look at the facts shows that MFN for China is legally right; it is morally right; and it is right for our American national interest.

Why? First, and most simply, renewal of MFN status is right under our law.

The Jackson-Vanik law has governed renewal of MFN status for nonmarket economies since 1974. It conditions MFN on two things—the existence of a bilateral commercial agreement and freedom of emigration. And under the law, the President's choice is clear. We have a bilateral trade agreement signed with China in 1980. And China allows free emigration. Therefore, as a legal matter, the President was right to renew MFN and we should back him up.

Second, renewing MFN status is morally right.

At times people in Washington are tempted to see a vote to revoke MFN as something which might promote human rights in China. That is a fine sentiment. Senator HUTCHINSON's remarks indicate that human rights is the central reason he wants to revoke MFN status. But while those who advocate revoking MFN status to promote human rights are well-intentioned, if we actually went ahead and revoked MFN status we would see the opposite of what they intend.

To revoke MFN status, very simply, is to raise tariffs from Uruguay round to Smoot-Hawley levels. To take one example, that means raising tariffs on toys and stuffed animals from zero to 70 percent overnight. That hits one of China's major exports to the United States, at about $6 billion worth last year. And who makes them? On the whole, young Chinese working people trying to improve their lives.

What will happen if we revoke MFN status? The result should be obvious. Millions of innocent Chinese workers in toy factories and other walks of life would lose their jobs. The Chinese Government would certainly be hurt, but the lives of these workers would be ruined.

So, far from improving human rights, revoking China's MFN status would cause immense human suffering. And as the Senator said, we would be sending the Chinese people a message with his resolution. But it would not be a message of support—it would be a threat to put them out of work.

And of course, that would discredit our human rights efforts with the Chinese public. No rational person can expect anyone in China to thank us for harming their economy and inflicting misery on them, their families, or their fellow citizens.

By contrast, if human rights is our motivation, MFN is an irreplaceable part of any effective policy. As the Democracy Wall activist Wang Xizhe—until recently a political prisoner—says:

> * * * the goal of exerting effective, long-term influence over China can only be achieved by maintaining the broadest possible contacts with China, on the foundation of MFN, thus causing China to enter further into the global family and to accept globally practiced standards of behavior.

A long-term policy may emotionally be hard to accept. There are real human rights problems in China. About 3,000 political prisoners remain in jail.

Strict limits on freedom of assembly. Very severe policies in Tibet. The Senator from Arkansas is right to be concerned about these issues. We would like to solve them all in a day. But the fact is, that won't happen. This resolution will not help us solve these problems. Only by staying involved, through trade and human exchange as well as diplomacy, can we hope to make a difference.

Finally, we are Americans first and we are responsible to the American

public on our policy decisions. And renewing MFN status is right for our own national interest.

And let me give perhaps the most important example. I visited Seoul, South Korea, and Pyongyang, North Korea, during the last Memorial Day recess. And I can say from firsthand experience that we have a very complex, very dangerous situation at hand in the Korean Peninsula.

North Korea is a politically isolated government, with very severe food and economic problems, and a large and well-armed military machine. We just considered an amendment addressing the most recent provocation by North Korea. We have a commitment to joint defense of South Korea, and 37,000 men and women permanently on the line just a few miles south of the DMZ.

I spoke with their Supreme Commander, General Tilelli. I met with some of the enlisted men. I got a threat briefing from a young Army major from Wolf Point, MT.

If you go there, you know how seriously these men and women take the responsibility we have given them. You see it in their faces. It is a very dangerous place. And we here in the Senate owe it to them to pursue a very serious, responsible policy that can keep the peace, and ensure a swift victory if, God forbid, there is any conflict.

Chinese cooperation is absolutely essential to that. China is the largest country, with the most powerful army, in the region. It is probably the only country that can help make sure the North Korean Government understands the realities on the peninsula. It has played a critically important role in restraining North Korean military aggression and in preventing nuclear proliferation. And deliberately antagonizing the Chinese Government and armed services by continually threatening to revoke MFN will not help at all.

You can go on from there to many other issues. Take trade. We need a more fair, more reciprocal, better trade relationship with China. We have an opportunity to do that this year by bringing China into the World Trade Organization on a commercially acceptable basis. Cutting off MFN status would put us on the opposite track—it would balance trade at close to zero, cutting off jobs and prosperity here as well as in China.

And as we look into the next century, we must work to slow global warming, ocean pollution, and loss of biodiversity. To take just one statistic, in the next 20 years, world greenhouse emissions will grow from 6 to 9 trillion tons a year. Fully 1 trillion of the additional 3 trillion tons will come from China.

We have a chance now to moderate that trend. And a political crisis caused by revoking MFN would make that mutually beneficial effort very difficult.

Our own common sense should tell us China is a key player on all these issues. Wantonly picking a fight with the world's largest country by revoking MFN status, when only six countries in the world lack MFN status and we give 151 countries and territories tariff rates better than MFN, would be foolish.

And our allies tell us the same thing. During my trip last May, I met top national security officials in the South Korean Government. I spoke with senior officers of the Japanese Self-Defense Forces. And I met with Chinese dissidents and democratic political leaders in Hong Kong.

These are our friends. Our strategic allies. People we work with every day. People who wish us well. Not a single one of them supported revoking MFN status. Not a single one.

The right course to take is very clear. We should reject the Hutchinson amendment.

Thank you, Mr. President.

The PRESIDING OFFICER. All time has expired on the amendment.

The question is on agreeing to the amendment of the Senator from Arkansas.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Montana [Mr. BURNS] is necessarily absent.

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

The result was announced—yeas 22, nays 77, as follows:

[Rollcall Vote No. 184 Leg.]

YEAS—22

Ashcroft	Helms	Sessions
Campbell	Hollings	Smith (NH)
Coats	Hutchinson	Snowe
Collins	Inhofe	Thompson
D'Amato	Kyl	Torricelli
DeWine	Leahy	Wellstone
Faircloth	Levin	
Feingold	Mack	

NAYS—77

Abraham	Feinstein	Lugar
Akaka	Ford	McCain
Allard	Frist	McConnell
Baucus	Glenn	Mikulski
Bennett	Gorton	Moseley-Braun
Biden	Graham	Moynihan
Bingaman	Gramm	Murkowski
Bond	Grams	Murray
Boxer	Grassley	Nickles
Breaux	Gregg	Reed
Brownback	Hagel	Reid
Bryan	Harkin	Robb
Bumpers	Hatch	Roberts
Byrd	Hutchison	Rockefeller
Chafee	Inouye	Roth
Cleland	Jeffords	Santorum
Cochran	Johnson	Sarbanes
Conrad	Kempthorne	Shelby
Coverdell	Kennedy	Smith (OR)
Craig	Kerrey	Specter
Daschle	Kerry	Stevens
Dodd	Kohl	Thomas
Domenici	Landrieu	Thurmond
Dorgan	Lautenberg	Warner
Durbin	Lieberman	Wyden
Enzi	Lott	

NOT VOTING—1

Burns

So the amendment (No. 890) was rejected.

INDONESIA PROVISIONS

Mr. FEINGOLD. Mr. President, as someone gravely concerned with the human rights situation in East Timor, I am pleased to see strong language regarding military sales to Indonesia included in the foreign operations appropriations. I would like to commend the managers of the bill, the Senator from Kentucky [Mr. MCCONNELL] and the Senator from Vermont [Mr. LEAHY], for including this provision.

The bill states that any agreement to sell, license for export, or transfer lethal military equipment or helicopters to Indonesia must include a statement that these items will not be used in East Timor.

I am pleased with this language because it is important to remind Indonesia that Congress is still very concerned about the situation in East Timor. The May 29 Indonesian elections spurred new violence in East Timor. In the weeks surrounding the voting, fighting between Indonesian troops and East Timorese rebels resulted in dozens of casualties on both sides. These deaths were only the latest in the troubled region, which has been occupied by Indonesia since 1975. Human rights monitors estimate that as many as 200,000 East Timorese have died since the occupation.

Mr. President, as we all know, the Indonesian Government announced last month that it was no longer interested in participating in IMET or purchasing F-16 fighters. Congress should not relax our scrutiny of Indonesia's human rights practices and policies in East Timor just because these high-profile deals have been canceled.

Human rights organizations have expressed concerns that helicopters may be used against civilians in East Timor. Thus it is important to ensure that any such hardware provided by the United States is not used for internal repression. Certainly the answer to the East Timor problem does not lie in further arming the Indonesian military and police forces. Thus I am also pleased that the administration has reaffirmed its existing policy of precluding the sale to Indonesia of small arms, riot control equipment, and armored personnel carriers.

The bill's provision strengthens this policy, reflecting Congress' continued concerns.

LIBYA

Ms. MIKULSKI. Mr. President, I am proud to cosponsor the Lautenberg amendment to cut foreign aid to any country that violates U.N. sanctions against Libya. You cannot seek to undermine important policies of the United States and expect to receive economic assistance.

The international community imposed sanctions on Libya because of their failure to extradite their intelligence agents who were indicted for the bombing of Pan Am 103 over Lockerbie, Scotland. This one act of terrorism cost the lives of 270 people.

Libya provides sanctuary to their murderers. Yet Egypt—which receives billions of dollars of United States aid—has allowed Libyan airlines to land on their soil. They also attempted to weaken U.N. sanctions and even to build a free trade zone with Libya.

The families of those murdered on Pan Am 103 need no reminder of why we have sanctions on Libya. They live with this tragedy every day of their lives. Seven people from Maryland died in this tragedy. They were Michael Bernstein, Jay Kingham, Karen Noonan, Ann Lindsey Otenasek, Lousie Rogers, Miriam Wolf, and Jordy Williams.

They were so young. They were college students, a young Army lieutenant, a businessman and a lawyer. They were sons, daughters, and fathers. We swore that we would never forget them. We would improve airline safety, we would fight terrorism—and most importantly, we would seek justice.

One of the victims, Michael Bernstein, was a renowned Nazi hunter working for the Justice Department. Throughout his life, he sought justice for the victims of the Holocaust. How tragic that his family has not yet had justice.

His wife continues to seek justice. I ask unanimous consent that Stephenie Bernstein's letter to the Egyptian Ambassador be printed in the RECORD.

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

BETHESDA, MD,
July 16, 1997.

Ambassador AHMED MAHER EL-SAYED,
Embassy of Egypt,
Washington, DC.

DEAR MR. AMBASSADOR: During the last few years I have expressed my views to you, both in writing and in a meeting with you at the embassy, about Egypt's position on the Lockerbie bombing. I am writing now to express my concern to you about the disturbing events which took place last week at the United Nations Security Council during the discussions on renewing the sanctions imposed on Libya for its refusal to turn over the suspects wanted in the bombing. As you may remember, my husband, Michael S. Bernstein, was one of the 270 people murdered.

To learn that Egypt, an ally of the United States, requested measures leading to removal of the sanctions against Libya is appalling. The request made by Egypt to convene a special meeting of the Security Council to consider outlandish proposals such as trying the suspects in a neutral country, trying them before Scottish judges in The Hague, or establishing a special court to try the cases is not the behavior of a country which is a friend of the United States, 189 of whose citizens were murdered in the Lockerbie disaster.

The suspects wanted in this heinous crime of mass murder have been indicted by the United States and Scotland. The only acceptable locations for their trial are in the countries which brought the indictments against them. Over the years your country, a leader in the Arab world, has repeatedly promoted what Ambassador Nabil Elaraby called last week "alternative venues" for a trial. He referred to the suffering of "the innocent people of Libya, the innocent people of neighboring countries." Pointedly, the Ambassador ignored the continuous suffering of those whose loved ones were so brutally murdered. The way to end the inconvenience posed by the sanctions for Libya and its neighbors is for the suspects to be turned over for trial in either the United States or Scotland.

Egypt's misguided efforts last week and in the years after the murders have unfortunately undermined the quest for justice, and given hope to the Libyans and others who sponsor terrorism that their murderous acts will go unpunished. When Libya's U.N. ambassador can say, as he did during last week's debate that "we can from now on behave as if these sanctions were not there," he has been given hope by Egypt that something short of full compliance with basic principles of law and decency will extricate his country from the troubles which its leader has brought upon his people.

I am appalled that my government continues to give billions of dollars to a country which has so openly sought to undermine international law. Please be assured that other family members of those murdered in the Lockerbie bombing and I will work tirelessly to see that U.S. aid to Egypt does not continue at the present level.

On August 18, 1994, you wrote me that Egypt's position on the Lockerbie bombing is based on "The total respect and adherence to the U.N. resolutions concerning Libya." The actions taken by Egypt last week demonstrated a complete lack of regard for the U.N. resolutions, for the family members of those murdered, and lastly for the United States.

Sincerely,

STEPHANIE L. BERNSTEIN.

Ms. MIKULSKI. Mr. President, the Senate chose to reinstate the earmark for aid to Egypt. They cannot assume that we will continue to do this unless they become partners in the fight against terrorism.

CHINA MFN RENEWAL AND PROLIFERATION VIOLATIONS

Mr. BIDEN. Mr. President, I want to explain why I voted against the amendment offered by the Senator from Arkansas, [Mr. HUTCHINSON] calling for a revocation of China's most-favored-nation trading status. Revoking China's nondiscriminatory trading status is not a silver bullet we can fire to address our many legitimate concerns with China. MFN is ill-suited to carry single-handedly the burdens of our complex and multifaceted relationship.

Yet, simply extending China's most-favored-nation status does little to advance our interests with China. Moreover, it does nothing to address those areas where China's conduct is inconsistent with international norms or in violation of their bilateral commitments.

In short Mr. President, engagement with China is not a policy, it is just a means to an end. It is the content of the engagement that matters.

In the area of nonproliferation, for all of our engagement, China's conduct clearly remains unacceptable.

Just last May, the State Department belatedly imposed sanctions on two key Chinese chemical firms—Nanjing Chemical Industries Group and Jiangsu Yongli Chemical Engineering and Technology Import Export Corp.—that knowingly and materially contributed to Iran's chemical weapons program.

If this case were the lone exception, it would still be troubling. Unfortunately, it appears to be the norm.

China has knowingly aided the development of weapons of mass destruction, and the means to deliver them, in irresponsible states or in countries located in unstable regions of the world. China has provided nuclear technology, cruise missiles, and ballistic missile technology to Iran. China has also exported M-11 missiles—which can be equipped with nuclear warheads—and missile production know-how to Pakistan.

These exports appear to be part of a deliberate government policy that traces its roots to the ancient Chinese strategy of balancing one barbarian off against another, and we may be one of the barbarians Beijing has in mind.

A critical objective of our relationship with China must be to convince Beijing not only to sign up to international nonproliferation regimes, but to follow through on its commitments.

In general, we should: stick to incentives and penalties we are prepared to deliver; act multilaterally, where possible, to avoid having our initiatives undercut; and replace our once-a-year debate on MFN with a sustained, high-level commitment to improving our overall relationship.

I hope that diplomatic pressure, international suasion, and targeted sanctions will change Beijing's attitude toward nonproliferation. Chinese compliance with international regimes appears to improve when they are convinced that officials at the highest levels of the U.S. Government are scrutinizing their behavior.

But my patience is not limitless.

My vote today should not be interpreted as an expression of my satisfaction with China's behavior or the administration's policy of engagement. Moreover, it should not be viewed as an indication of how I might vote when MFN comes up for renewal next year.

If China fails to clean up its act, it may leave me no choice but to vote to revoke MFN. Sending a strong message—knowing full well that it won't miraculously bring about positive changes in China—may prove preferable to doing nothing while China makes the world a more dangerous place.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. McCONNELL. Mr. President, I ask unanimous consent that Senators McCAIN and MURRAY be added as cosponsors to amendment No. 892.

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

Mr. McCONNELL. I also ask unanimous consent that Senator BROWNBACK be added as a cosponsor to Senator SMITH's amendment numbered 889.

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

Mr. McCONNELL. Also I believe we do not have the yeas and nays on final passage.

The PRESIDING OFFICER. The yeas and nays have not been ordered.

AMENDMENT NO. 915, AS MODIFIED

Mr. LEAHY. Mr. President, I ask consent to modify amendment 915. I send the corrections to the desk.

The PRESIDING OFFICER. The amendment is so modified.

The amendment (No. 915), as modified, is as follows:

On page 43, line 3 after the word "(IAEA)," insert the following new section:

SEC. . AUTHORIZATION REQUIREMENT FOR INTERNATIONAL FINANCIAL INSTITUTIONS.

(a) The Secretary of the Treasury may, to fulfill commitments of the United States, (1) effect the United States participation in the first general capital increase of the European Bank for Rconstruction and Development, subscribe to and make payment for 100,000 additional shares of the capital stock of the Bank on behalf of the United States; and (2) contribute on behalf of the United States to the eleventh replenishment of the resources of the International Development Association, to the sixth replenishment of the resources of the Asian Development Fund, a special fund of the Asian Development Bank. The following amounts are authorized to be appropriated without fiscal year limitation for payment by the Secretary of the Treasury: (1) $285,772,500 for paid-in capital, and $984,327,500 for callable capital of the European Bank for Reconstruction and Development; (2) $1,600,000,000 for the International Development Association; (3) $400,000,000 for the Asian Development Fund; and (4) $76,832,001 for paid-in capital, and $4,511,156,729 for callable capital of the Inter-American Development Bank in connection with the eighth general increase in the resources of that Bank. Each such subscription or contribution shall be subject to obtaining the necessary appropriations.

(b) The authorizations under this section are subject to the Senate Foreign Relations Committee reporting out an authorizations bill.

Strike subsection (b) of amendment #915, and insert in lieu thereof the following:

On page 38, line 17, strike "$950,000,000" and insert in lieu thereof "$1,034,500,000".

On page 38, line 18, strike "$150,000,000" and insert in lieu thereof "$234,500,000".

On page 40, line 14, strike "$140,000,000" and insert in lieu thereof "$150,000,000".

On page 40, line 14, strike "$40,000,000" and insert in lieu thereof "$50,000,000".

AFRICA CRISIS RESPONSE INITIATIVE

Mr. FEINGOLD. Mr. President, I would like to ask the Senator from Kentucky about committee report language directing that no peacekeeping funds be made available for the Africa crisis response initiative [ACRI]. I understand the House version of this bill and the accompanying report contain no such restrictions.

I understand further that the Committee on Appropriations has raised several concerns about this initiative which are currently being resolved by the administration.

Therefore, I wonder if the distinguished chairman of the Subcommittee on Foreign Operations will be looking to support the House mark in the peacekeeping account and to revise the report language in conference to reflect this change, along with continuing concerns.

Mr. McCONNELL. The Senator from Wisconsin is correct. I have had some strong reservations about the potential duplication of this initiative with respect to other military assistance programs of the United States and of other countries, as well as about the role of the United Nations in the initiative. Both the Departments of Defense and of State have been cooperative in addressing these potential problems.

Mr. FEINGOLD. I thank the Senator from Kentucky for his cooperation on this matter. I want to take a few moments to express my views on the ACRI.

Mr. President, I was disappointed to read in the report on this bill that the Committee on Appropriations directed "that no funds be made available for the Africa Crisis Response Force," an earlier title of what the administration now refers to as the Africa Crisis Response Initiative [ACRI]. This language would prohibit the administration's flexibility to use up to $15 million of the peacekeeping account for this initiative.

The ACRI, in my view, is an inventive proposal on the part of the administration. It seeks to expand the capacity of qualified African militaries to respond to peacekeeping needs in Africa by merging the resources of the United States and several of our European partners to provide peacekeeping training. The ACRI would help create effective, rapidly deployable peacekeeping units that would be able to operate together. Such an initiative could ultimately reduce the burden on U.S. resources in the event of a major humanitarian or other crisis in the region.

Let me elaborate on what we are talking about. The Africa Crisis Response Initiative would provide training to selected African militaries to raise their capabilities to a common peacekeeping standard derived from United States, British, Nordic, and United Nations doctrine. In most cases, this will involve intensive training over a 2-month period in any single country, and will include important train-the-trainer activities so that additional instruction may take place after the international representatives have departed.

Troops will be trained in tasks common to peacekeeping operations and on how to utilize common communications equipment. Equally as important, they will also receive instruction in civil-military relations and respect for human rights. U.S. trainers intend to use nongovernmental and private voluntary organizations in the training where possible. Any equipment that is provided to the participating countries would be nonlethal in nature and could include items to support mine detection, water purification, or night vision.

Already several African countries have told United States officials they would like to participate in the ACRI, including Ethiopia, Uganda, Ghana, Mali, Senegal, and Malawi. Senegal and Uganda will begin training at the end of this month. It is also important that the Secretaries General of the United Nations and the Organization for African Unity have indicated their support. I should also note that this proposal is strongly supported by the U.S. Joint Staff and by our military command in Europe—the United States European Command [EUCOM].

The ACRI proposal appeals to me because it provides a mechanism through which the United States can both contribute to the resolution of crises in the region, while at the same time, help ensure that the United States will not bear the total burden of doing so. By having ready, trained troops on the ground in Africa, the ACRI would decrease the time it takes to respond to local crises. But most importantly, if the proposal is implemented as intended, it would decrease the amount of outside support the Africans would require and preclude the need to send American combat troops to the region when there is a crisis. The ACRI is a means to provide appropriate African governments with a capacity they have said they want—the capability to respond to regional crises.

This is a concept that I have been pondering for several years. A 1994 trip to Liberia later heightened my interest. At the time, many observers were convinced that the only way to solve the crisis in Liberia, a country wracked with civil war since 1989, was to deploy a large force of American soldiers to stop the fighting and then maintain the peace.

Like many other Americans, I opposed the deployment of American troops for this purpose. But I became intrigued with an alternative that had been employed in Liberia since 1990—an all African peacekeeping force. This force, the West African peacekeeping force known by its French acronym ECOMOG, has not—by any definition—been a perfect mission, and has certainly had its share of problems. But after many fits and starts, ECOMOG troops have succeeded in establishing

security in the country such that Liberians will have the opportunity to safely go to the polls this weekend to participate in an important national election. The United States has made important contributions to this effort in the form of airlift and other logistical support to ECOMOG.

While I do not want to put too much reliance in the ECOMOG experience itself, since its record has been mixed, I think we can draw at least two important lessons. First, African governments do want to contribute to maintaining peace in neighboring countries. Second, the United States can support those efforts by sharing our strengths in areas such as technical assistance, logistics, and communications, for example. Our European partners would make similar contributions.

That is what this proposal is all about. It is a cooperative effort to which all participants contribute.

Despite my enthusiasm for this initiative, Mr. President, I would also caution the administration on the tough choices it may soon have to make with respect to which countries can and should be invited to participate in the ACRI. When the administration first explored this proposal, it presented its preliminary ideas to 10 governments. These countries were understood to have excellent relations with the United States, as well as relatively disciplined militaries and democratic governments. It is my view that such qualities should represent the minimum standards for the United States to engage in the high-level military contact envisioned by the ACRI proposal.

As beneficial as the ACRI will be for the United States, it is also beneficial for the African countries involved. Congress will look harshly at any decisions that might be made to work with a government that has come to power through military action or that abuses the rights of its citizens. I have concerns in particular about the possibility of including the Government of Nigeria in this initiative. While I recognize the strength of Nigeria's military and the important contribution it has made to the peacekeeping effort in Liberia, the Government's continued disdain for the needs of its people and continued human rights abuses I believe should preclude it from participation in the ACRI.

Mr. President, in the long term, the administration anticipates that the trained and ready forces that have benefited from the ACRI will be able to respond quickly to crises in the region with African troops led by Africans. Although I can foresee that the international community might still be called upon to provide logistics assistance in certain cases, I believe strongly that technical assistance of that nature is an appropriate response for the United States.

With the rising number of conflicts in the post-cold-war era, American troops are being called on more than ever to participate in peacekeeping operations that just are not tenable. The ACRI provides a creative way to respond to these demands while decreasing the need to deploy our own men and women.

Mr. President, I hope the conferees will agree on funding and language that will allow the administration to continue to pursue this creative approach to crisis intervention in Africa. The ACRI strengthens regional abilities to respond in a rapid and effective manner, rather than calling for direct United States or European intervention.

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Mr. DORGAN. Mr. President, I rise to ask whether the distinguished ranking member, Senator LEAHY, would be willing to engage in a colloquy with me about the International Fund for Agricultural Development, or IFAD.

Mr. LEAHY. Mr. President, I would be happy to engage in a colloquy with the Senator about the good work that IFAD does.

Mr. DORGAN. Mr. President, I thank the ranking member.

As my colleague knows, IFAD is a specialized agency of the United Nations that has the mission of fighting hunger and poverty throughout the world. Since 1977 IFAD has helped rural poor to increase their nutrition, their food production and their income. It has reached about 160 million people through 429 different projects, mostly in Africa and Asia, the regions where most of the world's poor live. In its lending work, IFAD has an overhead of less than 10 percent, and it has achieved loan repayments of 97 percent in countries as diverse as Bangladesh, Benin, and Dominica.

More importantly, IFAD has been an innovator in providing microcredit to vulnerable groups that are often difficult to reach, such as small farmers, the landless poor and rural women.

Mr. President, that is why I was interested to read language related to IFAD in the report of the House Appropriations Committee on the House's version of the foreign operations bill. I was pleased to read, on page 18 of the House report, that the House Appropriations Committee "requests that AID [the Agency for International Development] examine the possibility of using the International Fund for Agricultural Development as an implementing agency in providing microenterprise assistance."

This is in the context of the House's $10 million increase over the administration's request for the AID microenterprise account. As my colleague knows, the Senate Appropriations Committee has increased the same account by $15 million.

Mr. President, I wonder whether my distinguished colleague could tell me whether he would support the House position in conference, that the Agency for International Development should consider using IFAD as one of the implementing agencies in providing microenterprise assistance.

Mr. LEAHY. Mr. President, I concur with the Senator from North Dakota on this matter. The International Fund for Agricultural Development has supplied nearly 300 microfinance projects with almost $1 billion of funding. I am particularly pleased that 40 percent of these projects have been in sub-Saharan Africa, where the need for this type of assistance is greatest.

It seems to me that the Agency for International Development should certainly consider using IFAD's capabilities. I therefore will likely support the House position on this matter and urge the conferees to include appropriate language in the statement of managers accompanying the conference report.

Mr. DORGAN. I greatly appreciate the support of the Senator from Vermont in this matter. I look forward to working with him to ensure that the conference report provides appropriate guidance to the Agency for International Development with respect to IFAD. I thank the distinguished ranking member for his assistance, and I yield the floor.

The PRESIDING OFFICER. The question is on third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Do Senators yield back their time prior to the vote?

Mr. MCCONNELL. I yield any time.

Mr. LEAHY. I yield any time.

The PRESIDING OFFICER. The question is, Shall the bill, as amended, pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. NICKLES. I announce that the Senator from Montana [Mr. BURNS] is necessarily absent.

I further announce that, if present and voting, the Senator from Montana [Mr. BURNS] would vote "yea."

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

The result was announced—yeas 91, nays 8, as follows:

[Rollcall Vote No. 185 Leg.]

YEAS—91

Abraham	Allard	Bennett
Akaka	Baucus	Biden

Bingaman	Graham	Mikulski
Bond	Gramm	Moseley-Braun
Boxer	Grams	Moynihan
Breaux	Grassley	Murkowski
Brownback	Gregg	Murray
Bryan	Hagel	Nickles
Bumpers	Harkin	Reed
Campbell	Hatch	Reid
Chafee	Hutchinson	Robb
Cleland	Hutchison	Roberts
Coats	Inhofe	Rockefeller
Cochran	Inouye	Roth
Collins	Jeffords	Santorum
Conrad	Johnson	Sarbanes
Coverdell	Kennedy	Sessions
D'Amato	Kerrey	Shelby
Daschle	Kerry	Smith (OR)
DeWine	Kohl	Snowe
Dodd	Kyl	Specter
Domenici	Landrieu	Stevens
Dorgan	Lautenberg	Thomas
Durbin	Leahy	Thompson
Enzi	Levin	Thurmond
Feingold	Lieberman	Torricelli
Feinstein	Lott	Warner
Ford	Lugar	Wellstone
Frist	Mack	Wyden
Glenn	McCain	
Gorton	McConnell	

NAYS—8

Ashcroft	Faircloth	Kempthorne
Byrd	Helms	Smith (NH)
Craig	Hollings	

NOT VOTING—1

Burns

The bill (S. 955), as amended, was passed, as follows:

S. 955

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1998, and for other purposes, namely:

TITLE I—EXPORT AND INVESTMENT ASSISTANCE

EXPORT-IMPORT BANK OF THE UNITED STATES

The Export-Import Bank of the United States is authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations, as provided by section 104 of the Government Corporation Control Act, as may be necessary in carrying out the program for the current fiscal year for such corporation: *Provided,* That none of the funds available during the current fiscal year may be used to make expenditures, contracts, or commitments for the export of nuclear equipment, fuel, or technology to any country other than a nuclear-weapon State as defined in Article IX of the Treaty on the Non-Proliferation of Nuclear Weapons eligible to receive economic or military assistance under this Act that has detonated a nuclear explosive after the date of enactment of this Act.

SUBSIDY APPROPRIATION

For the cost of direct loans, loan guarantees, insurance, and tied-aid grants as authorized by section 10 of the Export-Import Bank Act of 1945, as amended, $700,000,000 to remain available until September 30, 1999: *Provided,* That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further,* That such sums shall remain available until 2013 for the disbursement of direct loans, loan guarantees, insurance and tied-aid grants obligated in fiscal years 1998 and 1999: *Provided further,* That up to $50,000,000 of funds appropriated by this paragraph shall remain available until expended and may be used for tied-aid grant purposes: *Provided further,* That none of the funds appropriated by this Act or any prior Act appropriating funds for foreign operations, export financing, or related programs for tied-aid credits or grants may be used for any other purpose except through the regular notification procedures of the Committees on Appropriations.

ADMINISTRATIVE EXPENSES

For administrative expenses to carry out the direct and guaranteed loan and insurance programs (to be computed on an accrual basis), including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, and not to exceed $20,000 for official reception and representation expenses for members of the Board of Directors, $46,614,000: *Provided,* That necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the collection of moneys owed the Export-Import Bank, repossession or sale of pledged collateral or other assets acquired by the Export-Import Bank in satisfaction of moneys owed the Export-Import Bank, or the investigation or appraisal of any property, or the evaluation of the legal or technical aspects of any transaction for which an application for a loan, guarantee or insurance commitment has been made, shall be considered nonadministrative expenses for the purposes of this heading: *Provided further,* That, notwithstanding subsection (b) of section 117 of the Export Enhancement Act of 1992, subsection (a) thereof shall remain in effect until October 1, 1998.

OVERSEAS PRIVATE INVESTMENT CORPORATION

NONCREDIT ACCOUNT

The Overseas Private Investment Corporation is authorized to make, without regard to fiscal year limitations, as provided by 31 U.S.C. 9104, such expenditures and commitments within the limits of funds available to it and in accordance with law as may be necessary: *Provided,* That the amount available for administrative expenses to carry out the credit and insurance programs (including an amount for official reception and representation expenses which shall not exceed $35,000) shall not exceed $32,000,000: *Provided further,* That project-specific transaction costs, including direct and indirect costs incurred in claims settlements, and other direct costs associated with services provided to specific investors or potential investors pursuant to section 234 of the Foreign Assistance Act of 1961, shall not be considered administrative expenses for the purposes of this heading.

PROGRAM ACCOUNT

For the cost of direct and guaranteed loans, $60,000,000, as authorized by section 234 of the Foreign Assistance Act of 1961 to be derived by transfer from the Overseas Private Investment Corporation noncredit account: *Provided,* That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further,* That such sums shall be available for direct loan obligations and loan guaranty commitments incurred or made during fiscal years 1998 and 1999: *Provided further,* That such sums shall remain available through fiscal year 2006 for the disbursement of direct and guaranteed loans obligated in fiscal year 1998, and through fiscal year 2007 for the disbursement of direct and guaranteed loans obligated in fiscal year 1999: *Provided further,* That in addition, such sums as may be necessary for administrative expenses to carry out the credit program may be derived from amounts available for administrative expenses to carry out the credit and insurance programs in the Overseas Private Investment Corporation Noncredit Account and merged with said account.

FUNDS APPROPRIATED TO THE PRESIDENT

TRADE AND DEVELOPMENT AGENCY

For necessary expenses to carry out the provisions of section 661 of the Foreign Assistance Act of 1961, $43,000,000, to remain available until September 30, 1999: *Provided,* That the Trade and Development Agency may receive reimbursements from corporations and other entities for the costs of grants for feasibility studies and other project planning services, to be deposited as an offsetting collection to this account and to be available for obligation until September 30, 1999, for necessary expenses under this paragraph: *Provided further,* That such reimbursements shall not cover, or be allocated against, direct or indirect administrative costs of the agency.

TITLE II—BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

For expenses necessary to enable the President to carry out the provisions of the Foreign Assistance Act of 1961, and for other purposes, to remain available until September 30, 1998, unless otherwise specified herein, as follows:

AGENCY FOR INTERNATIONAL DEVELOPMENT

DEVELOPMENT ASSISTANCE

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out the provisions of sections 103 through 106 and chapter 10 of part I of the Foreign Assistance Act of 1961, title V of the International Security and Development Cooperation Act of 1980 (Public Law 96–533) and the provisions of section 401 of the Foreign Assistance Act of 1969, $1,358,093,020, to remain available until September 30, 1999: *Provided,* That of the amount appropriated under this heading, up to $18,000,000 may be made available for the Inter-American Foundation and shall be apportioned directly to that Agency: *Provided further,* That of the amount appropriated under this heading, up to $10,500,000 may be made available for the African Development Foundation and shall be apportioned directly to that agency: *Provided further,* That of the funds appropriated under title II of this Act that are administered by the Agency for International Development and made available for family planning assistance, not less than 65 per centum shall be made available directly to the agency's central Office of Population and shall be programmed by that office for family planning activities: *Provided further,* That of the funds made available under this heading, not less than $30,000,000, above the amount of funds made available to combat infectious diseases in the fiscal year 1997, shall be made available to strengthen global surveillance and control of infectious diseases: *Provided further,* That such funds shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further,* That none of the funds made available in this Act nor any unobligated balances from prior appropriations may be made available to any organization or program which, as determined by the President of the United States, supports or participates in the management of a program of coercive abortion or involuntary sterilization: *Provided further,* That none of the funds made available under this heading

may be used to pay for the performance of abortion as a method of family planning or to motivate or coerce any person to practice abortions; and that in order to reduce reliance on abortion in developing nations, funds shall be available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services: *Provided further*, That in awarding grants for natural family planning under section 104 of the Foreign Assistance Act of 1961 no applicant shall be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning; and, additionally, all such applicants shall comply with the requirements of the previous proviso: *Provided further*, That for purposes of this or any other Act authorizing or appropriating funds for foreign operations, export financing, and related programs, the term "motivate", as it relates to family planning assistance, shall not be construed to prohibit the provision, consistent with local law, of information or counseling about all pregnancy options: *Provided further*, That nothing in this paragraph shall be construed to alter any existing statutory prohibitions against abortion under section 104 of the Foreign Assistance Act of 1961: *Provided further*, That, notwithstanding section 109 of the Foreign Assistance Act of 1961, of the funds appropriated under this heading in this Act, and of the unobligated balances of funds previously appropriated under this heading, $2,500,000 shall be transferred to "International Organizations and Programs" for a contribution to the International Fund for Agricultural Development (IFAD), and that any such transfer of funds shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That of the funds appropriated under this heading that are made available for assistance programs for displaced and orphaned children and victims of war, not to exceed $25,000, in addition to funds otherwise available for such purposes, may be used to monitor and provide oversight of such programs: *Provided further*, That of the funds appropriated under this heading, not less than $15,000,000 shall be available for the American Schools and Hospitals Abroad Program: *Provided further*, That not less than $500,000 of the funds appropriated under this heading shall be made available only for support of the United States Telecommunications Training Institute: *Provided further*, That of the funds made available under this heading for Haiti, up to $250,000 may be made available to support a program to assist Haitian children in orphanages.

POPULATION, DEVELOPMENT ASSISTANCE

For necessary expenses to carry out the provisions of section 104(b) of the Foreign Assistance Act of 1961, $435,000,000, to remain available until September 30, 1999.

CYPRUS

Of the funds appropriated under the headings "Development Assistance" and "Economic Support Fund", not less than $15,000,000 shall be made available for Cyprus to be used only for scholarships, administrative support of the scholarship program, bicommunal projects, and measures aimed at reunification of the island and designed to reduce tensions and promote peace and cooperation between the two communities on Cyprus.

BURMA

Of the funds appropriated under the heading "Development Assistance", not less than $5,000,000 shall be made available to support activities in Burma, along the Burma-Thailand border, and for activities of Burmese student groups and other organizations located outside Burma: *Provided*, That $3,000,000 of these funds shall be made available for the purposes of fostering democracy, including not less than $200,000 to be made available for newspapers, media, and publications promoting democracy for Burma: *Provided further*, That $2,000,000 of these funds shall be made available to support the provision of medical supplies and services and other humanitarian assistance to Burmese located in Burma or displaced Burmese along the borders: *Provided further*, That funds made available for Burma related activities under this heading may be made available notwithstanding any other provision of law: *Provided further*, That provision of such funds shall be made available subject to the regular notification procedures of the Committees on Appropriations.

CAMBODIA

None of the funds appropriated by this Act may be made available for activities or programs in Cambodia until the Secretary of State determines and reports to the Committees on Appropriations that the Government of Cambodia has (1) not been established in office by the use of force or a coup d'etat; (2) discontinued all political violence and intimidation of journalists and members of opposition parties; (3) established an independent election commission; (4) protected the rights of voters, candidates, and election observers and participants by establishing laws and procedures guaranteeing freedom of speech and assembly; (5) eliminated corruption and collaboration with narcotics smugglers; and (6) been elected in a free and fair democratic election: *Provided*, That restrictions on funds made available under this heading shall not apply to humanitarian programs or other activities administered by nongovernmental organizations: *Provided further*, That 30 days after enactment of this Act, the Secretary of State, in consultation with the Director of the Federal Bureau of Investigation, shall report to the Committees on Appropriations on the results of the FBI investigation into the bombing attack in Phnom Penh on March 30, 1997.

GUATEMALA CLARIFICATION COMMISSION

Of the funds made available under the headings "Development Assistance"and "Economic Support Fund", not less than $1,000,000 shall be made available to support the Guatemala Clarification Commission.

INTERNATIONAL DISASTER ASSISTANCE

For necessary expenses for international disaster relief, rehabilitation, and reconstruction assistance pursuant to section 491 of the Foreign Assistance Act of 1961, as amended, $195,000,000, to remain available until expended.

DEBT RESTRUCTURING

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of modifying direct loans and loan guarantees, as the President may determine, for which funds have been appropriated or otherwise made available for programs within the International Affairs Budget Function 150, including the cost of selling, reducing, or canceling amounts, through debt buybacks and swaps, owed to the United States as a result of concessional loans made to eligible Latin American and Caribbean countries, pursuant to part IV of the Foreign Assistance Act of 1961, and of modifying concessional loans authorized under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, as authorized under subsection (a) under the heading "Debt Reduction for Jordan" in title VI of Public Law 103-306 and (b) direct loans extended to least developed countries, as authorized under section 411 of the Agriculture Trade and Assistance Act of 1954 as amended; $34,000,000, to remain available until expended: *Provided*, That none of the funds appropriated under this heading shall be obligated except as provided through the regular notification procedures of the Committees on Appropriations.

MICRO AND SMALL ENTERPRISE DEVELOPMENT PROGRAM ACCOUNT

For the cost of direct loans and loan guarantees, $1,500,000, as authorized by section 108 of the Foreign Assistance Act of 1961, as amended: *Provided*, That such costs shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That guarantees of loans made under this heading in support of microenterprise activities may guarantee up to 70 per centum of the principal amount of any such loans notwithstanding section 108 of the Foreign Assistance Act of 1961. In addition, for administrative expenses to carry out programs under this heading, $500,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development: *Provided further*, That funds made available under this heading shall remain available until September 30, 1999.

URBAN AND ENVIRONMENTAL CREDIT PROGRAM ACCOUNT

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of guaranteed loans authorized by sections 221 and 222 of the Foreign Assistance Act of 1961, $3,000,000, to remain available until September 30, 1999: *Provided*, That these funds are available to subsidize loan principal, 100 per centum of which shall be guaranteed, pursuant to the authority of such sections. In addition, for administrative expenses to carry out guaranteed loan programs, $6,000,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development: *Provided further*, That commitments to guarantee loans under this heading may be entered into notwithstanding the second and third sentences of section 222(a) and, with regard to programs for Central and Eastern Europe and programs for the benefit of South Africans disadvantaged by apartheid, section 223(j) of the Foreign Assistance Act of 1961.

PRIVATE AND VOLUNTARY ORGANIZATIONS

None of the funds appropriated or otherwise made available by this Act for development assistance may be made available to any United States private and voluntary organization, except any cooperative development organization, which obtains less than 20 per centum of its total annual funding for international activities from sources other than the United States Government: *Provided*, That the requirements of the provisions of section 123(g) of the Foreign Assistance Act of 1961 and the provisions on private and voluntary organizations in title II of the "Foreign Assistance and Related Programs Appropriations Act, 1985" (as enacted in Public Law 98-473) shall be superseded by the provisions of this section, except that the authority contained in the last sentence of section 123(g) may be exercised by the Administrator with regard to the requirements of this paragraph.

Funds appropriated or otherwise made available under title II of this Act should be made available to private and voluntary organizations at a level which is at least equivalent to the level provided in fiscal year 1995. Such private and voluntary organizations shall include those which operate on a not-for-profit basis, receive contributions from private sources, receive voluntary support from the public and are deemed to be among the most cost-effective and successful providers of development assistance.

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

For payment to the "Foreign Service Retirement and Disability Fund", as authorized by the Foreign Service Act of 1980, $44,208,000.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

For necessary expenses to carry out the provisions of section 667, $473,000,000, to remain available until September 30, 1999: *Provided*, That none of the funds appropriated by this Act for programs administered by the Agency for International Development may be used to finance printing costs of any report or study (except feasibility, design, or evaluation reports or studies) in excess of $25,000 without the approval of the Administrator of the Agency or the Administrator's designee.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT OFFICE OF INSPECTOR GENERAL

For necessary expenses to carry out the provisions of section 667, $29,047,000, to remain available until September 30, 1999, which sum shall be available for the Office of the Inspector General of the Agency for International Development.

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

For necessary expenses to carry out the provisions of chapter 4 of part II, $2,541,150,000, to remain available until September 30, 1999: *Provided*, That of the funds appropriated under this heading, not less than $1,200,000,000 shall be available only for Israel, which sum shall be available on a grant basis as a cash transfer and shall be disbursed within thirty days of enactment of this Act or by October 31, 1997, whichever is later: *Provided further*, That not less than $815,000,000 shall be available only for Egypt, which sum shall be provided on a grant basis, and of which sum cash transfer assistance may be provided, with the understanding that Egypt will undertake significant economic reforms which are additional to those which were undertaken in previous fiscal years: *Provided further*, That in exercising the authority to provide cash transfer assistance for Israel, the President shall ensure that the level of such assistance does not cause an adverse impact on the total level of nonmilitary exports from the United States to such country: *Provided further*, That of the funds appropriated under this heading, not less than $150,000,000 shall be made available for Jordan: *Provided further*, That of the amount appropriated under this heading, not less than $500,000 shall be available only for the Special Investigative Unit (SIU) of the Haitian National Police.

ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES

(a) For necessary expenses to carry out the provisions of the Foreign Assistance Act of 1961 and the Support for East European Democracy (SEED) Act of 1989, $485,000,000, to remain available until September 30, 1999, which shall be available, notwithstanding any other provision of law, for economic assistance and for related programs for Eastern Europe and the Baltic States.

(b) Funds appropriated under this heading or in prior appropriations Acts that are or have been made available for an Enterprise Fund may be deposited by such Fund in interest-bearing accounts prior to the Fund's disbursement of such funds for program purposes. The Fund may retain for such program purposes any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress. Funds made available for Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities.

(c) Funds appropriated under this heading shall be considered to be economic assistance under the Foreign Assistance Act of 1961 for purposes of making available the administrative authorities contained in that Act for the use of economic assistance.

(d) With regard to funds appropriated or otherwise made available under this heading for the economic revitalization program in Bosnia and Herzegovina, and local currencies generated by such funds (including the conversion of funds appropriated under this heading into currency used by Bosnia and Herzegovina as local currency and local currency returned or repaid under such program)—

(1) the Administrator of the Agency for International Development shall provide written approval for grants and loans prior to the obligation and expenditure of funds for such purposes, and prior to the use of funds that have been returned or repaid to any lending facility or grantee; and

(2) the provisions of section 533 of this Act shall apply.

(e) Funds appropriated under this heading may not be made available for economic revitalization programs in Bosnia and Herzegovina, if the President determines and certifies to the Committees on Appropriations that the Federation of Bosnia and Herzegovina has not complied with article III of annex 1-A of the General Framework Agreement for Peace in Bosnia and Herzegovina concerning the withdrawal of foreign forces, and that intelligence cooperation on training, investigations, and related activities between Iranian officials and Bosnian officials has not been terminated.

ASSISTANCE FOR THE NEW INDEPENDENT STATES OF THE FORMER SOVIET UNION

(a) For necessary expenses to carry out the provisions of chapter 11 of part I of the Foreign Assistance Act of 1961 and the FREEDOM Support Act, for assistance for the New Independent States of the former Soviet Union and for related programs, $800,000,000, to remain available until September 30, 1999: *Provided*, That the provisions of such chapter shall apply to funds appropriated by this paragraph: *Provided further*, That up to $22,000,000 made available under this heading may be transferred to the Export Import Bank of the United States, and up to $8,000,000 of the funds made available under this heading may be transferred to the Micro and Small Enterprise Development Program, to be used for the cost of direct loans and loan guarantees for the furtherance of programs under this heading: *Provided further*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974.

(b) None of the funds appropriated under this heading shall be made available to a Government of the New Independent States of the former Soviet Union—

(1) unless that Government is making progress in implementing comprehensive economic reforms based on market principles, private ownership, negotiating repayment of commercial debt, respect for commercial contracts, and equitable treatment of foreign private investment; and

(2) if that Government applies or transfers United States assistance to any entity for the purpose of expropriating or seizing ownership or control of assets, investments, or ventures.

(3) Funds may be furnished without regard to this subsection if the President determines that to do so is in the national interest.

(c) None of the funds appropriated under this heading shall be made available to any government of the New Independent States of the former Soviet Union if that government directs any action in violation of the territorial integrity or national sovereignty of any other new independent state, such as those violations included in the Helsinki Final Act: *Provided*, That such funds may be made available without regard to the restriction in this subsection if the President determines that to do so is in the national security interest of the United States: *Provided further*, That the restriction of this subsection shall not apply to the use of such funds for the provision of assistance for purposes of humanitarian and refugee relief.

(d) None of the funds appropriated under this heading for the New Independent States of the former Soviet Union shall be made available for any state to enhance its military capability: *Provided*, That this restriction does not apply to demilitarization or nonproliferation programs.

(e) Funds appropriated under this heading shall be subject to the regular notification procedures of the Committees on Appropriations.

(f) Funds made available in this Act for assistance to the New Independent States of the former Soviet Union shall be subject to the provisions of section 117 (relating to environment and natural resources) of the Foreign Assistance Act of 1961.

(g) Of the funds appropriated under title II of this Act, including funds appropriated under this heading, not less than $12,000,000 shall be available only for assistance for Mongolia: *Provided*, That funds made available for assistance for Mongolia may be made available in accordance with the purposes and utilizing the authorities provided in chapter 11 of part I of the Foreign Assistance Act of 1961.

(h) Funds made available in this Act for assistance to the New Independent States of the former Soviet Union shall be provided to the maximum extent feasible through the private sector, including small- and medium-size businesses, entrepreneurs, and others with indigenous private enterprises in the region, intermediary development organizations committed to private enterprise, and private voluntary organizations: *Provided*, That grantees and contractors should, to the maximum extent possible, place in key staff positions specialists with prior on the ground expertise in the region of activity and fluency in one of the local languages.

(i) In issuing new task orders, entering into contracts, or making grants, with funds appropriated under this heading or in prior appropriations Acts, for projects or activities that have as one of their primary purposes the fostering of private sector development, the Coordinator for United States Assistance to the New Independent States and

the implementing agency shall encourage the participation of and give significant weight to contractors and grantees who propose investing a significant amount of their own resources (including volunteer services and in-kind contributions) in such projects and activities.

(j) Of the funds appropriated under this heading, not less than $225,000,000 shall be made available for Ukraine: *Provided*, That of the funds made available for Ukraine under this subsection, not less than $25,000,000 shall be available only for comprehensive legal restructuring necessary to support a decentralized market-oriented economic system, including the enactment of all necessary substantive commercial law and procedures, the implementation of reforms necessary to establish an independent judiciary and bar, the education of judges, attorneys, and law students in the comprehensive commercial law reforms, and public education designed to promote understanding of commercial law necessary to Ukraine's economic independence: *Provided further*, That of this amount not less than $8,000,000 shall be made available to support law enforcement institutions and training, not less than $25,000,000 shall be made available for nuclear reactor safety programs, and not less than $5,000,000 shall be made available for political party and related institutional development: *Provided further*, That 50 per centum of the amount made available for Ukraine by this subsection, exclusive of funds made available in the previous proviso, shall be withheld from obligation and expenditure until the Secretary of State determines and certifies that the Government of Ukraine has taken meaningful steps: (1) to enforce the April 10, 1997 Anti-Corruption Presidential decree; (2) to privatize state owned agricultural storage, distribution, equipment and supply monopolies; and (3) to resolve cases involving U.S. business complaints and establish a permanent legal mechanism for commercial dispute resolution: *Provided further*, That the Secretary shall submit such determination and certification prior to March 31, 1998.

(k) Of the funds appropriated under this heading, not less than $100,000,000 shall be made available for Georgia, of which not less than $10,000,000 shall be made available to support energy development and privatization initiatives: *Provided*, That not less than $15,000,000 shall be made available for development of border security telecommunications infrastructure: *Provided further*, That not less than $7,000,000 shall be available for judicial reform and law enforcement training: *Provided further*, That not less than $5,000,000 shall be made available to support training for border and customs control: *Provided further*, That not less than $3,000,000 shall be made available to support political party and related institutional development: *Provided further*, That not less than $5,000,000 shall be available for Supsa urban and commercial development: *Provided further*, That up to $7,000,000 may be made available for business and education exchanges and related activities.

(l) Of the funds made available under this heading, not less than $95,000,000 shall be made available for Armenia.

(m) Funds appropriated under this heading or in prior appropriations Acts that are or have been made available for an Enterprise Fund may be deposited by such Fund in interest-bearing accounts prior to the disbursement of such funds by the Fund for program purposes. The Fund may retain for such program purposes any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress. Funds made available for Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities.

(n) None of the funds appropriated under this heading may be made available for Russia unless the President determines and certifies in writing to the Committees on Appropriations that the Government of Russia has terminated implementation of arrangements to provide Iran with technical expertise, training, technology, or equipment necessary to develop a nuclear reactor or ballistic missiles or related nuclear research facilities or programs.

(o) Of the funds appropriated under this heading, not less than $10,000,000 shall be made available for a United States contribution to the Trans-Caucasus Enterprise Fund: *Provided*, That to further the development of the private sector in the Trans-Caucasus, such amount may be invested in a Trans-Caucasus Enterprise Fund or invested in other funds established by public or private organizations, or transferred to the Overseas Private Investment Corporation to be available, subject to the requirements of the Federal Credit Reform Act, to subsidize the costs of direct and guaranteed loans.

(p) Funds made available under this Act or any other Act may not be provided for assistance to the Government of Azerbaijan until the President determines, and so reports to the Congress, that the Government of Azerbaijan is taking demonstrable steps to cease all blockades and other offensive uses of force against Armenia and Nagorno-Karabakh: *Provided*, That the restriction of this subsection and section 907 of the FREEDOM Support Act shall not apply to—

(1) activities to support electoral and political reforms or assistance under title V of the FREEDOM Support Act and section 1424 of the "National Defense Authorization Act for Fiscal Year 1997";

(2) any insurance, reinsurance, guarantee, or other assistance provided by the Overseas Private Investment Corporation under title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2191 et seq.);

(3) any assistance provided by the Trade and Development Agency under section 661 of the Foreign Assistance Act of 1961 (22 U.S.C. 2421);

(4) any financing provided under the Export-Import Bank Act of 1945 (12 U.S.C. 635 et seq.); or

(5) any activity carried out by a member of the Foreign Commercial Service while acting within his or her official capacity.

(q) None of the funds appropriated under this heading or in prior appropriations legislation may be made available to establish a joint public-private entity or organization engaged in the management of activities or projects supported by the Defense Enterprise Fund.

(r) 60 days after the date of enactment of this Act, the Administrator of AID shall report to the Committees on Appropriations on the rate of obligation and risk and anticipated returns associated with commitments made by the United States-Russia Investment Fund. The report shall include a recommendation on the continued relevance and advisability of the initial planned life of project commitment.

INDEPENDENT AGENCY

PEACE CORPS

For expenses necessary to carry out the provisions of the Peace Corps Act (75 Stat. 612), $206,000,000, including the purchase of not to exceed five passenger motor vehicles for administrative purposes for use outside of the United States: *Provided*, That none of the funds appropriated under this heading shall be used to pay for abortions: *Provided further*, That funds appropriated under this heading shall remain available until September 30, 1999.

DEPARTMENT OF STATE

INTERNATIONAL NARCOTICS CONTROL

For necessary expenses to carry out section 481 of the Foreign Assistance Act of 1961, $216,200,000: *Provided*, That of these funds not less than $10,000,000 shall be made available for Law Enforcement Training and Demand Reduction: *Provided further*, That not less than $22,000,000 shall be made available for anti-crime programs: *Provided further*, That none of the funds appropriated under this heading that are made available for counter-narcotics activities may be obligated or expended until the Secretary of State submits a report to the Committees on Appropriations containing: (1) a list of all countries in which the United States carries out international counter-narcotics activities; (2) the number, mission and agency affiliation of U.S. personnel assigned to each such country; and (3) all costs and expenses obligated for each program, project or activity by each U.S. agency in each country: *Provided further*, That of this amount not to exceed $5,000,000 shall be allocated to operate the Western Hemisphere International Law Enforcement Academy under the auspices of the Organization of American States with full oversight by the Department of State: *Provided further*, That funds appropriated under this heading shall be provided subject to the regular notification procedures of the Committees on Appropriations.

MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide, as authorized by law, a contribution to the International Committee of the Red Cross, assistance to refugees, including contributions to the International Organization for Migration and the United Nations High Commissioner for Refugees, and other activities to meet refugee and migration needs; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1980; allowances as authorized by sections 5921 through 5925 of title 5, United States Code; purchase and hire of passenger motor vehicles; and services as authorized by section 3109 of title 5, United States Code, $650,000,000: *Provided*, That not more than $12,000,000 shall be available for administrative expenses: *Provided further*, That not less than $80,000,000 shall be made available for refugees from the former Soviet Union and Eastern Europe and other refugees resettling in Israel.

UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

For necessary expenses to carry out the provisions of section 2(c) of the Migration and Refugee Assistance Act of 1962, as amended (22 U.S.C. 260(c)), $50,000,000, to remain available until expended: *Provided*, That the funds made available under this heading are appropriated notwithstanding the provisions contained in section 2(c)(2) of the Migration and Refugee Assistance Act of 1962 which would limit the amount of funds which could be appropriated for this purpose.

NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED PROGRAMS

For necessary expenses for nonproliferation, anti-terrorism and related programs

and activities, $129,000,000, to carry out the provisions of chapter 8 of part II of the Foreign Assistance Act of 1961 for anti-terrorism assistance, section 504 of the FREEDOM Support Act for the Nonproliferation and Disarmament Fund, section 23 of the Arms Export Control Act or the Foreign Assistance Act of 1961 for demining activities, notwithstanding any other provision of law, including activities implemented through nongovernmental and international organizations, section 301 of the Foreign Assistance Act of 1961 for a voluntary contribution to the International Atomic Energy Agency (IAEA) and a voluntary contribution to the Korean Peninsula Energy Development Organization (KEDO): *Provided*, That of this amount not to exceed $15,000,000, to remain available until expended, may be made available for the Nonproliferation and Disarmament Fund, notwithstanding any other provision of law, to promote bilateral and multilateral activities relating to nonproliferation and disarmament: *Provided further*, That such funds may also be used for such countries other than the New Independent States of the former Soviet Union and international organizations when it is in the national security interest of the United States to do so: *Provided further*, That such funds shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That funds appropriated under this heading may be made available for the International Atomic Energy Agency only if the Secretary of State determines (and so reports to the Congress) that Israel is not being denied its right to participate in the activities of that Agency: *Provided further*, That not to exceed $30,000,000 may be made available to the Korean Peninsula Energy Development Organization (KEDO) only for the administrative expenses and heavy fuel oil costs associated with the Agreed Framework: *Provided further*, That such funds may be obligated to KEDO only if, thirty days prior to such obligation of funds, the President certifies and so reports to Congress that: (1)(A) the parties to the Agreed Framework are taking steps to assure that progress is made on the implementation of the January 1, 1992, Joint Declaration on the Denuclearization of the Korean Peninsula and the implementation of the North-South dialogue, and (B) North Korea is complying with the other provisions of the Agreed Framework between North Korea and the United States and with the Confidential Minute; (2) North Korea is cooperating fully in the canning and safe storage of all spent fuel from its graphite-moderated nuclear reactors and that such canning and safe storage is scheduled to be completed by the end of fiscal year 1997; and (3) North Korea has not significantly diverted assistance provided by the United States for purposes for which it was not intended: *Provided further*, That the President may waive the certification requirements of the preceding proviso if the President determines that it is vital to the national security interests of the United States: *Provided further*, That no funds may be obligated for KEDO until 30 days after submission to Congress of the waiver permitted under the preceding proviso: *Provided further*, That the obligation of any funds for KEDO shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That the Secretary of State shall submit to the appropriate congressional committees an annual report (to be submitted with the annual presentation for appropriations) providing a full and detailed accounting of the fiscal year request for the United States contribution to KEDO, the expected operating budget of the Korean Peninsula Energy Development Organization, to include unpaid debt, proposed annual costs associated with heavy fuel oil purchases, and the amount of funds pledged by other donor nations and organizations to support KEDO activities on a per country basis, and other related activities: *Provided further*, That of the funds made available under this heading, up to $14,000,000 may be made available to the Korean Peninsula Economic Development Organization (KEDO), in addition to funds otherwise made available under this heading for KEDO, if the Secretary of State certifies and reports to the Committees on Appropriations that, except for the funds made available under this proviso, funds sufficient to cover all outstanding debts owed by KEDO for heavy fuel oil have been provided to KEDO: *Provided further*, That the additional $14,000,000 made available to KEDO under this heading may not be obligated or expended until the Secretary of State certifies and reports to Congress that North Korea has not violated the Military Armistice Agreement of 1953 during the preceding nine months.

TITLE III—MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL MILITARY EDUCATION AND TRAINING

For necessary expenses to carry out the provisions of section 541 of the Foreign Assistance Act of 1961, $47,000,000: *Provided*, That none of the funds appropriated under this heading shall be available for Guatemala: *Provided further*, That the civilian personnel for whom military education and training may be provided under this heading may include civilians who are not members of a government whose participation would contribute to improved civil-military relations, civilian control of the military, or respect for human rights.

FOREIGN MILITARY FINANCING PROGRAM

For expenses necessary for grants to enable the President to carry out the provisions of section 23 of the Arms Export Control Act, $3,308,950,000: *Provided*, That of the funds appropriated under this heading, not less than $1,800,000,000 shall be available for grants only for Israel, and not less than $1,300,000,000 shall be made available for grants only for Egypt: *Provided further*, That the funds appropriated by this paragraph for Israel shall be disbursed within thirty days of enactment of this Act or by October 31, 1997, whichever is later: *Provided further*, That to the extent that the Government of Israel requests that funds be used for such purposes, grants made available for Israel by this paragraph may, as agreed by Israel and the United States, be available for advanced weapons systems, of which not less than $475,000,000 shall be available for the procurement in Israel of defense articles and defense services, including research and development: *Provided further*, That of the funds appropriated by this paragraph, not less than $100,000,000 shall be available for assistance for Jordan: *Provided further*, That of the funds appropriated by this paragraph, a total of $12,000,000 shall be available for assistance for Estonia, Latvia, and Lithuania: *Provided further*, That funds appropriated by this paragraph shall be nonrepayable notwithstanding any requirement in section 23 of the Arms Export Control Act: *Provided further*, That funds made available under this paragraph shall be obligated upon apportionment in accordance with paragraph (5)(C) of title 31, United States Code, section 1501(a): *Provided further*, That $60,000,000 of the funds appropriated or otherwise made available under this heading shall be made available for the purpose of facilitating the integration of Poland, Hungary, and the Czech Republic into the North Atlantic Treaty Organization: *Provided further*, That, to carry out funding the previous proviso, all or part of the $60,000,000 may be derived by transfer, notwithstanding any other provision of law, from titles I, II, III, and IV of this Act.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of direct loans authorized by section 23 of the Arms Export Control Act as follows: cost of direct loans, $74,000,000: *Provided*, That these funds are available to subsidize gross obligations for the principal amount of direct loans of not to exceed $759,500,000: *Provided further*, That the rate of interest charged on such loans shall be not less than the current average market yield on outstanding marketable obligations of the United States of comparable maturities: *Provided further*, That of the funds appropriated under this paragraph, a total of $8,000,000 shall be available for assistance to Estonia, Latvia, and Lithuania: *Provided further*, That funds appropriated under this paragraph shall be made available for Greece and Turkey only on a loan basis, and the principal amount of direct loans for each country shall not exceed the following: $122,500,000 only for Greece and $175,000,000 only for Turkey.

None of the funds made available under this heading shall be available to finance the procurement of defense articles, defense services, or design and construction services that are not sold by the United States Government under the Arms Export Control Act unless the foreign country proposing to make such procurements has first signed an agreement with the United States Government specifying the conditions under which such procurements may be financed with such funds: *Provided*, That all country and funding level increases in allocations shall be submitted through the regular notification procedures of section 515 of this Act: *Provided further*, That none of the funds appropriated under this heading shall be available for Sudan, Liberia, and Guatemala: *Provided further*, That funds made available under this heading may be used, notwithstanding any other provision of law, for activities related to the clearance of landmines and unexploded ordnance, and may include activities implemented through nongovernmental and international organizations: *Provided further*, That only those countries for which assistance was justified for the "Foreign Military Sales Financing Program" in the fiscal year 1989 congressional presentation for security assistance programs may utilize funds made available under this heading for procurement of defense articles, defense services or design and construction services that are not sold by the United States Government under the Arms Export Control Act: *Provided further*, That, subject to the regular notification procedures of the Committees on Appropriations, funds made available under this heading for the cost of direct loans may also be used to supplement the funds available under this heading for grants, and funds made available under this heading for grants may also be used to supplement the funds available under this heading for the cost of direct loans: *Provided further*, That funds appropriated under this heading shall be expended at the minimum rate necessary to make timely payment for defense articles and services: *Provided further*, That not more than $23,250,000 of the

funds appropriated under this heading may be obligated for necessary expenses, including the purchase of passenger motor vehicles for replacement only for use outside of the United States, for the general costs of administering military assistance and sales: *Provided further*, That not more than $355,000,000 of funds realized pursuant to section 21(e)(1)(A) of the Arms Export Control Act may be obligated for expenses incurred by the Department of Defense during fiscal year 1998 pursuant to section 43(b) of the Arms Export Control Act, except that this limitation may be exceeded only through the regular notification procedures of the Committees on Appropriations.

PEACEKEEPING OPERATIONS

For necessary expenses to carry out the provisions of section 551 of the Foreign Assistance Act of 1961, $75,000,000: *Provided*, That none of the funds appropriated under this heading shall be obligated or expended except as provided through the regular notification procedures of the Committees on Appropriations: *Provided further*, That none of the funds made available under this heading for the Multilateral Force and Observers until the Secretary of State submits a report to the Committees on Appropriations on the status of efforts to retain a new Director General of that organization.

TITLE IV—MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

CONTRIBUTION TO THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

For payment to the International Bank for Reconstruction and Development by the Secretary of the Treasury, for the United States contribution to the Global Environment Facility (GEF), $60,000,000, to remain available until September 30, 1999.

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment to the International Development Association by the Secretary of the Treasury, $1,034,500,000, to remain available until expended, of which $234,500,000 shall be available to pay for the tenth replenishment: *Provided*, That none of the funds may be obligated or made available until the Secretary of the Treasury certifies to the Committees on Appropriations that all procurement restrictions imposed by the Interim Trust Fund have been lifted and that the balance available for open competition in such Fund approximates $1,000,000,000.

CONTRIBUTION TO THE INTER-AMERICAN DEVELOPMENT BANK

For payment to the Inter-American Development Bank by the Secretary of the Treasury, for the United States share of the paid-in share portion of the increase in capital stock, $25,610,667, and for the United States share of the increase in the resources of the Fund for Special Operations, $20,835,000, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the Inter-American Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed $1,503,718,910.

CONTRIBUTION TO THE ENTERPRISE FOR THE AMERICAS MULTILATERAL INVESTMENT FUND

For payment to the Enterprise for the Americas Multilateral Investment Fund by the Secretary of the Treasury, for the United States contribution to the Fund to be administered by the Inter-American Development Bank, $30,000,000 to remain available until expended, which shall be available for contributions previously due.

CONTRIBUTION TO THE ASIAN DEVELOPMENT BANK

For payment to the Asian Development Bank by the Secretary of the Treasury for the United States share of the paid-in portion of the increase in capital stock, $13,221,596, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the Asian Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed $647,858,204.

CONTRIBUTION TO THE ASIAN DEVELOPMENT FUND

For the United States contribution by the Secretary of the Treasury to the increases in resources of the Asian Development Fund, as authorized by the Asian Development Bank Act, as amended (Public Law 89-369), $150,000,000, of which $50,000,000 shall be available for contributions previously due, to remain available until expended.

CONTRIBUTION TO THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

For payment to the European Bank for Reconstruction and Development by the Secretary of the Treasury, $35,778,717, for the United States share of the paid-in portion of the increase in capital stock, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the European Bank for Reconstruction and Development may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed $123,237,803.

NORTH AMERICAN DEVELOPMENT BANK

For payment to the North American Development Bank by the Secretary of the Treasury, for the United States share of the paid-in portion of the capital stock, $56,500,000, to remain available until expended: *Provided*, That none of the funds appropriated under this heading that are made available for the Community Adjustment and Investment Program shall be used for purposes other than those set out in the binational agreement establishing the Bank.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the North American Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of the capital stock of the North American Development Bank in an amount not to exceed $318,750,000.

INTERNATIONAL MONETARY PROGRAMS

LOANS TO INTERNATIONAL MONETARY FUND

For loans to the International Monetary Fund under the New Arrangements to Borrow, the dollar equivalent of 2,462,000,000 Special Drawing Rights, to remain available until expended; in addition, up to the dollar equivalent of 4,250,000,000 Special Drawing Rights previously appropriated by the Act of November 30, 1983 (Public Law 98-181), and the Act of October 23, 1962 (Public Law 87-872), for the General Arrangements to Borrow, may also be used for the New Arrangements to Borrow. Notwithstanding any other provision of law, none of the funds appropriated under this heading may be made available until the relevant Committees of Congress have reviewed the new arrangements for borrowing by the International Monetary Fund provided for under this heading and authorizing legislation for such borrowing has been enacted.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

For necessary expenses to carry out the provisions of section 301 of the Foreign Assistance Act of 1961, and of section 2 of the United Nations Environment Program Participation Act of 1973, $277,000,000: *Provided*, That none of the funds appropriated under this heading shall be made available for the United Nations Fund for Science and Technology: *Provided further*, That not less than $5,000,000 shall be made available to the World Food Program: *Provided further*, That none of the funds appropriated under this heading that are made available to the United Nations Population Fund (UNFPA) shall be made available for activities in the People's Republic of China: *Provided further*, That not more than $25,000,000 of the funds appropriated under this heading may be made available to the UNFPA: *Provided further*, That with respect to any funds appropriated under this heading that are made available to UNFPA, UNFPA shall be required to maintain such funds in a separate account and not commingle them with any other funds: *Provided further*, That none of the funds appropriated under this heading may be made available to the Korean Peninsula Energy Development Organization (KEDO) or the International Atomic Energy Agency (IAEA).

AUTHORIZATION REQUIREMENT FOR INTERNATIONAL FINANCIAL INSTITUTIONS

(a) The Secretary of the Treasury may, to fulfill commitments of the United States: (1) effect the United States participation in the first general capital increase of the European Bank for Reconstruction and Development, subscribe to and make payment for 100,000 additional shares of the capital stock of the Bank on behalf of the United States; and (2) contribute on behalf of the United States to the eleventh replenishment of the resources of the International Development Association, to the sixth replenishment of the resources of the Asian Development Fund, a special fund of the Asian Development Bank. The following amounts are authorized to be appropriated without fiscal year limitation for payment by the Secretary of the Treasury: (1) $285,772,500 for paid-in capital, and $984,327,500 for callable capital of the European Bank for Reconstruction and Development; (2) $1,600,000,000 for the International Development Association; (3) $400,000,000 for the Asian Development Fund; and (4) $76,832,001 for paid-in capital, and $4,511,156,729 for callable capital of the Inter-American Development Bank in connection with the eighth general increase in the resources of that Bank. Each such subscription or contribution shall be subject to obtaining the necessary appropriations.

(b) The authorizations under this section are subject to the Senate Foreign Relations Committee reporting out an authorization bill.

TITLE V—GENERAL PROVISIONS

ENTERPRISE FUND RESTRICTIONS

SEC. 501. Section 201(l) of the Support for East European Democracy Act (22 U.S.C. 5421(l)) is amended to read as follows:

"(1) LIMITATION ON PAYMENTS TO ENTERPRISE FUND PERSONNEL.—

"(1) No part of the funds of an Enterprise Fund shall inure to the benefit of any board member, officer, or employee of such Enterprise Fund, except as salary or reasonable compensation for services subject to paragraph (2).

"(2) An Enterprise Fund shall not pay compensation for services to—

"(A) any board member of the Enterprise Fund, except for services as a board member; or

"(B) any firm, association, or entity in which a board member of the Enterprise Fund serves as partner, director, officer, or employee.

"(3) Nothing in paragraph (2) shall preclude payment for services performed before the date of enactment of this subsection.".

PROHIBITION OF BILATERAL FUNDING FOR INTERNATIONAL FINANCIAL INSTITUTIONS

SEC. 502. None of the funds contained in title II of this Act may be used to carry out the provisions of section 209(d) of the Foreign Assistance Act of 1961.

LIMITATION ON RESIDENCE EXPENSES

SEC. 503. Of the funds appropriated or made available pursuant to this Act, not to exceed $126,500 shall be for official residence expenses of the Agency for International Development during the current fiscal year: *Provided*, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars.

LIMITATION ON EXPENSES

SEC. 504. Of the funds appropriated or made available pursuant to this Act, not to exceed $5,000 shall be for entertainment expenses of the Agency for International Development during the current fiscal year.

LIMITATION ON REPRESENTATIONAL ALLOWANCES

SEC. 505. Of the funds appropriated or made available pursuant to this Act, not to exceed $95,000 shall be available for representation allowances for the Agency for International Development during the current fiscal year: *Provided*, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars: *Provided further*, That of the funds made available by this Act for general costs of administering military assistance and sales under the heading "Foreign Military Financing Program", not to exceed $2,000 shall be available for entertainment expenses and not to exceed $50,000 shall be available for representation allowances: *Provided further*, That of the funds made available by this Act under the heading "International Military Education and Training", not to exceed $50,000 shall be available for entertainment allowances: *Provided further*, That of the funds made available by this Act for the Inter-American Foundation, not to exceed $2,000 shall be available for entertainment and representation allowances: *Provided further*, That of the funds made available by this Act for the Peace Corps, not to exceed a total of $4,000 shall be available for entertainment expenses: *Provided further*, That of the funds made available by this Act under the heading "Trade and Development Agency", not to exceed $2,000 shall be available for representation and entertainment allowances.

PROHIBITION ON FINANCING NUCLEAR GOODS

SEC. 506. None of the funds appropriated or made available (other than funds for "Nonproliferation, Antiterrorism, Demining and Related Programs") pursuant to this Act, for carrying out the Foreign Assistance Act of 1961, may be used, except for purposes of nuclear safety, to finance the export of nuclear equipment, fuel, or technology.

PROHIBITION AGAINST DIRECT FUNDING FOR CERTAIN COUNTRIES

SEC. 507. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance or reparations to Cuba, Iraq, Libya, North Korea, Iran, Sudan, or Syria: *Provided*, That for purposes of this section, the prohibition on obligations or expenditures shall include direct loans, credits, insurance and guarantees of the Export-Import Bank or its agents.

MILITARY COUPS

SEC. 508. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance to any country whose duly elected Head of Government is deposed by military coup or decree: *Provided*, That assistance may be resumed to such country if the President determines and reports to the Committees on Appropriations that subsequent to the termination of assistance a democratically elected government has taken office.

TRANSFERS BETWEEN ACCOUNTS

SEC. 509. None of the funds made available by this Act may be obligated under an appropriation account to which they were not appropriated, except for transfers specifically provided for in this Act, unless the President, prior to the exercise of any authority contained in the Foreign Assistance Act of 1961 to transfer funds, consults with and provides a written policy justification to the Committees on Appropriations of the House of Representatives and the Senate.

DEOBLIGATION/REOBLIGATION AUTHORITY

SEC. 510. (a) Amounts certified pursuant to section 1311 of the Supplemental Appropriations Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Foreign Assistance Act of 1961 for the same general purpose as any of the headings under title II of this Act are, if deobligated, hereby continued available for the same period as the respective appropriations under such headings or until September 30, 1998, whichever is later, and for the same general purpose, and for countries within the same region as originally obligated: *Provided*, That the Appropriations Committees of both Houses of the Congress are notified fifteen days in advance of the reobligation of such funds in accordance with regular notification procedures of the Committees on Appropriations.

(b) Obligated balances of funds appropriated to carry out section 23 of the Arms Export Control Act as of the end of the fiscal year immediately preceding the current fiscal year are, if deobligated, hereby continued available during the current fiscal year for the same purpose under any authority applicable to such appropriations under this Act: *Provided*, That the authority of this subsection may not be used in fiscal year 1998.

AVAILABILITY OF FUNDS

SEC. 511. No part of any appropriation contained in this Act shall remain available for obligation after the expiration of the current fiscal year unless expressly so provided in this Act: *Provided*, That funds appropriated for the purposes of chapters 1, 8, and 11 of part I, section 667, and chapter 4 of part II of the Foreign Assistance Act of 1961, as amended, and funds provided under the heading "Assistance for Eastern Europe and the Baltic States", shall remain available until expended if such funds are initially obligated before the expiration of their respective periods of availability contained in this Act: *Provided further*, That, notwithstanding any other provision of this Act, any funds made available for the purposes of chapter 1 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961 which are allocated or obligated for cash disbursements in order to address balance of payments or economic policy reform objectives, shall remain available until expended: *Provided further*, That the report required by section 653(a) of the Foreign Assistance Act of 1961 shall designate for each country, to the extent known at the time of submission of such report, those funds allocated for cash disbursement for balance of payment and economic policy reform purposes.

LIMITATION ON ASSISTANCE TO COUNTRIES IN DEFAULT

SEC. 512. No part of any appropriation contained in this Act shall be used to furnish assistance to any country which is in default during a period in excess of one calendar year in payment to the United States of principal or interest on any loan made to such country by the United States pursuant to a program for which funds are appropriated under this Act: *Provided*, That this section and section 620(q) of the Foreign Assistance Act of 1961 shall not apply to funds made available in this Act or during the current fiscal year for Nicaragua, and for any narcotics-related assistance for Colombia, Bolivia, and Peru authorized by the Foreign Assistance Act of 1961 or the Arms Export Control Act.

COMMERCE AND TRADE

SEC. 513. (a) None of the funds appropriated or made available pursuant to this Act for direct assistance and none of the funds otherwise made available pursuant to this Act to the Export-Import Bank and the Overseas Private Investment Corporation shall be obligated or expended to finance any loan, any assistance or any other financial commitments for establishing or expanding production of any commodity for export by any country other than the United States, if the commodity is likely to be in surplus on world markets at the time the resulting productive capacity is expected to become operative and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity.

(b) None of the funds appropriated by this or any other Act to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 shall be available for any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training in connection with the growth or production in a foreign country of an agricultural commodity for export which would compete with a similar commodity grown or produced in the United States: *Provided*, That this subsection shall not prohibit—

(1) activities designed to increase food security in developing countries where such activities will not have a significant impact in the export of agricultural commodities of the United States; or

(2) research activities intended primarily to benefit American producers.

SURPLUS COMMODITIES

SEC. 514. The Secretary of the Treasury shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development, the International Development Association, the

International Finance Corporation, the Inter-American Development Bank, the International Monetary Fund, the Asian Development Bank, the Inter-American Investment Corporation, the North American Development Bank, the European Bank for Reconstruction and Development, the African Development Bank, and the African Development Fund to use the voice and vote of the United States to oppose any assistance by these institutions, using funds appropriated or made available pursuant to this Act, for the production or extraction of any commodity or mineral for export, if it is in surplus on world markets and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity.

NOTIFICATION REQUIREMENTS

SEC. 515. For the purpose of providing the Executive Branch with the necessary administrative flexibility, none of the funds made available under this Act for "Development Assistance", "Debt restructuring", "International organizations and programs", "Trade and Development Agency", "International narcotics control", "Assistance for Eastern Europe and the Baltic States", "Assistance for the New Independent States of the Former Soviet Union", "Economic Support Fund", "Peacekeeping operations", "Operating expenses of the Agency for International Development", "Operating expenses of the Agency for International Development Office of Inspector General", "Nonproliferation, anti-terrorism, demining and related programs", "Foreign Military Financing Program", "International military education and training", "Inter-American Foundation", "African Development Foundation", "Peace Corps", "Migration and refugee assistance", shall be available for obligation for activities, programs, projects, type of materiel assistance, countries, or other operations not justified or in excess of the amount justified to the Appropriations Committees for obligation under any of these specific headings unless the Appropriations Committees of both Houses of Congress are previously notified fifteen days in advance: *Provided*, That the President shall not enter into any commitment of funds appropriated for the purposes of section 23 of the Arms Export Control Act for the provision of major defense equipment, other than conventional ammunition, or other major defense items defined to be aircraft, ships, missiles, or combat vehicles, not previously justified to Congress or 20 per centum in excess of the quantities justified to Congress unless the Committees on Appropriations are notified fifteen days in advance of such commitment: *Provided further*, That this section shall not apply to any reprogramming for an activity, program, or project under chapter 1 of part I of the Foreign Assistance Act of 1961 of less than 10 per centum of the amount previously justified to the Congress for obligation for such activity, program, or project for the current fiscal year: *Provided further*, That the requirements of this section or any similar provision of this Act or any other Act, including any prior Act requiring notification in accordance with the regular notification procedures of the Committees on Appropriations, may be waived if failure to do so would pose a substantial risk to human health or welfare: *Provided further*, That in case of any such waiver, notification to the Congress, or the appropriate congressional committees, shall be provided as early as practicable, but in no event later than three days after taking the action to which such notification requirement was applicable, in the context of the circumstances necessitating such waiver: *Provided further*, That any notification provided pursuant to such a waiver shall contain an explanation of the emergency circumstances.

Drawdowns made pursuant to section 506(a)(2) of the Foreign Assistance Act of 1961 shall be subject to the regular notification procedures of the Committees on Appropriations.

LIMITATION ON AVAILABILITY OF FUNDS FOR INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 516. Notwithstanding any other provision of law or of this Act, none of the funds provided for "International Organizations and Programs" shall be available for the United States proportionate share, in accordance with section 307(c) of the Foreign Assistance Act of 1961, for any programs identified in section 307, or for Libya, Iran, or, at the discretion of the President, Communist countries listed in section 620(f) of the Foreign Assistance Act of 1961, as amended: *Provided*, That, subject to the regular notification procedures of the Committees on Appropriations, funds appropriated under this Act or any previously enacted Act making appropriations for foreign operations, export financing, and related programs, which are returned or not made available for organizations and programs because of the implementation of this section or any similar provision of law, shall remain available for obligation through September 30, 1999.

ECONOMIC SUPPORT FUND ASSISTANCE FOR ISRAEL

SEC. 517. The Congress finds that progress on the peace process in the Middle East is vitally important to United States security interests in the region. The Congress recognizes that, in fulfilling its obligations, Israel has incurred severe economic burdens. Furthermore, the Congress recognizes that an economically and militarily secure Israel serves the security interests of the United States, for a secure Israel is an Israel which has the incentive and confidence to continue pursuing the peace process. Therefore, the Congress declares that, subject to the availability of appropriations, it is the policy and the intention of the United States that the funds provided in annual appropriations for the Economic Support Fund which are allocated to Israel shall not be less than the annual debt repayment (interest and principal) from Israel to the United States Government in recognition that such a principle serves United States interests in the region.

PROHIBITION ON FUNDING FOR ABORTIONS AND INVOLUNTARY STERILIZATION

SEC. 518. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for any biomedical research which relates in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be obligated or expended for any country or organization if the President certifies that the use of these funds by any such country or organization would violate any of the above provisions related to abortions and involuntary sterilizations: *Provided*, That none of the funds made available under this Act may be used to lobby for or against abortion.

LIMITATIONS ON FUNDING FOR INTERNATIONAL FAMILY PLANNING

SEC. 519. In determining eligibility for assistance from funds appropriated to carry out section 104 of the Foreign Assistance Act of 1961, nongovernmental and multilateral organizations shall not be subjected to requirements more restrictive than the requirements applicable to foreign governments for such assistance.

REPORTING REQUIREMENT

SEC. 520. Section 25 of the Arms Export Control Act is amended—

(1) in subsection (a), by striking "Congress" and inserting in lieu thereof "appropriate congressional committees";

(2) in subsection (b), by striking "the Committee on Foreign Relations of the Senate or the Committee on Foreign Affairs of the House of Representatives" and inserting in lieu thereof "any of the congressional committees described in subsection (e)"; and

(3) by adding the following subsection:

"(e) As used in this section, the term 'appropriate congressional committees' means the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on International Relations and the Committee on Appropriations of the House of Representatives.".

SPECIAL NOTIFICATION REQUIREMENTS

SEC. 521. None of the funds appropriated in this Act shall be obligated or expended for Colombia, Guatemala (except that this provision shall not apply to development assistance for Guatemala), Dominican Republic, Haiti, Liberia, Pakistan, Peru, Serbia, Sudan, or the Democratic Republic of Congo except as provided through the regular notification procedures of the Committee on Appropriations.

DEFINITION OF PROGRAM, PROJECT, AND ACTIVITY

SEC. 522. For the purpose of this Act, "program, project, and activity" shall be defined at the Appropriations Act account level and shall include all Appropriations and Authorizations Acts earmarks, ceilings, and limitations with the exception that for the following accounts: Economic Support Fund and Foreign Military Financing Program, "program, project, and activity" shall also be considered to include country, regional, and central program level funding within each such account; for the development assistance accounts of the Agency for International Development "program, project, and activity" shall also be considered to include central program level funding, either as (1) justified to the Congress, or (2) allocated by the executive branch in accordance with a report, to be provided to the Committees on Appropriations within thirty days of enactment of this Act, as required by section 653(a) of the Foreign Assistance Act of 1961.

CHILD SURVIVAL, AIDS, AND OTHER ACTIVITIES

SEC. 523. Up to $10,000,000 of the funds made available by this Act for assistance for family planning, health, child survival, basic education and AIDS, may be used to reimburse United States Government agencies, agencies of State governments, institutions of higher learning, and private and voluntary organizations for the full cost of individuals

(including for the personal services of such individuals) detailed or assigned to, or contracted by, as the case may be, the Agency for International Development for the purpose of carrying out family planning activities, child survival, and basic education activities, and activities relating to research on, and the treatment and control of acquired immune deficiency syndrome in developing countries: *Provided*, That funds appropriated by this Act that are made available for child survival activities or activities relating to research on, and the treatment and control of, acquired immune deficiency syndrome may be made available notwithstanding any provision of law that restricts assistance to foreign countries: *Provided further*, That funds appropriated by this Act that are made available for family planning activities may be made available notwithstanding section 512 of this Act and section 620(q) of the Foreign Assistance Act of 1961.

PROHIBITION AGAINST INDIRECT FUNDING TO CERTAIN COUNTRIES

SEC. 524. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated to finance indirectly any assistance or reparations to Cuba, Iraq, Libya, Iran, Syria, North Korea, or the People's Republic of China, unless the President of the United States certifies that the withholding of these funds is contrary to the national interest of the United States.

RECIPROCAL LEASING

SEC. 525. Section 61(a) of the Arms Export Control Act is amended by striking out "1997" and inserting in lieu thereof "1998".

NOTIFICATION ON EXCESS DEFENSE EQUIPMENT

SEC. 526. Prior to providing excess Department of Defense articles in accordance with section 516(a) of the Foreign Assistance Act of 1961, the Department of Defense shall notify the Committees on Appropriations to the same extent and under the same conditions as are other committees pursuant to subsection (c) of that section: *Provided*, That before issuing a letter of offer to sell excess defense articles under the Arms Export Control Act, the Department of Defense shall notify the Committees on Appropriations in accordance with the regular notification procedures of such Committees: *Provided further*, That such Committees shall also be informed of the original acquisition cost of such defense articles.

AUTHORIZATION REQUIREMENT

SEC. 527. Funds appropriated by this Act may be obligated and expended notwithstanding section 10 of Public Law 91-672 and section 15 of the State Department Basic Authorities Act of 1956.

PROHIBITION ON BILATERAL ASSISTANCE TO TERRORIST COUNTRIES

SEC. 528. (a) Notwithstanding any other provision of law, funds appropriated for bilateral assistance under any heading of this Act and funds appropriated under any such heading in a provision of law enacted prior to enactment of this Act, shall not be made available to any country which the President determines—

(1) grants sanctuary from prosecution to any individual or group which has committed an act of international terrorism, or

(2) otherwise supports international terrorism.

(b) The President may waive the application of subsection (a) to a country if the President determines that national security or humanitarian reasons justify such waiver. The President shall publish each waiver in the Federal Register and, at least fifteen days before the waiver takes effect, shall notify the Committees on Appropriations of the waiver (including the justification for the waiver) in accordance with the regular notification procedures of the Committees on Appropriations.

COMMERCIAL LEASING OF DEFENSE ARTICLES

SEC. 529. Notwithstanding any other provision of law, and subject to the regular notification procedures of the Committees on Appropriations, the authority of section 23(a) of the Arms Export Control Act may be used to provide financing to Israel, Egypt and NATO and major non-NATO allies for the procurement by leasing (including leasing with an option to purchase) of defense articles from United States commercial suppliers, not including Major Defense Equipment (other than helicopters and other types of aircraft having possible civilian application), if the President determines that there are compelling foreign policy or national security reasons for those defense articles being provided by commercial lease rather than by government-to-government sale under such Act.

COMPETITIVE INSURANCE

SEC. 530. All Agency for International Development contracts and solicitations, and subcontracts entered into under such contracts, shall include a clause requiring that United States insurance companies have a fair opportunity to bid for insurance when such insurance is necessary or appropriate.

STINGERS IN THE PERSIAN GULF REGION

SEC. 531. Except as provided in section 581 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990, the United States may not sell or otherwise make available any Stingers to any country bordering the Persian Gulf under the Arms Export Control Act or chapter 2 of part II of the Foreign Assistance Act of 1961.

DEBT-FOR-DEVELOPMENT

SEC. 532. In order to enhance the continued participation of nongovernmental organizations in economic assistance activities under the Foreign Assistance Act of 1961, including endowments, debt-for-development and debt-for-nature exchanges, a nongovernmental organization which is a grantee or contractor of the Agency for International Development may place in interest bearing accounts funds made available under this Act or prior Acts or local currencies which accrue to that organization as a result of economic assistance provided under title II of this Act and any interest earned on such investment shall be used for the purpose for which the assistance was provided to that organization.

SEPARATE ACCOUNTS

SEC. 533. (a) SEPARATE ACCOUNTS FOR LOCAL CURRENCIES.—(1) If assistance is furnished to the government of a foreign country under chapters 1 and 10 of part I or chapter 4 of part II of the Foreign Assistance Act of 1961 under agreements which result in the generation of local currencies of that country, the Administrator of the Agency for International Development shall—

(A) require that local currencies be deposited in a separate account established by that government;

(B) enter into an agreement with that government which sets forth—

(i) the amount of the local currencies to be generated, and

(ii) the terms and conditions under which the currencies so deposited may be utilized, consistent with this section; and

(C) establish by agreement with that government the responsibilities of the Agency for International Development and that government to monitor and account for deposits into and disbursements from the separate account.

(2) USES OF LOCAL CURRENCIES.—As may be agreed upon with the foreign government, local currencies deposited in a separate account pursuant to subsection (a), or an equivalent amount of local currencies, shall be used only—

(A) to carry out chapters 1 or 10 of part I or chapter 4 of part II (as the case may be), for such purposes as—

(i) project and sector assistance activities, or

(ii) debt and deficit financing, or

(B) for the administrative requirements of the United States Government.

(3) PROGRAMMING ACCOUNTABILITY.—The Agency for International Development shall take all necessary steps to ensure that the equivalent of the local currencies disbursed pursuant to subsection (a)(2)(A) from the separate account established pursuant to subsection (a)(1) are used for the purposes agreed upon pursuant to subsection (a)(2).

(4) TERMINATION OF ASSISTANCE PROGRAMS.—Upon termination of assistance to a country under chapters 1 or 10 of part I or chapter 4 of part II (as the case may be), any unencumbered balances of funds which remain in a separate account established pursuant to subsection (a) shall be disposed of for such purposes as may be agreed to by the government of that country and the United States Government.

(5) CONFORMING AMENDMENTS.—The provisions of this subsection shall supersede the tenth and eleventh provisos contained under the heading "Sub-Saharan Africa, Development Assistance" as included in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 and sections 531(d) and 609 of the Foreign Assistance Act of 1961.

(6) REPORTING REQUIREMENT.—The Administrator of the Agency for International Development shall report on an annual basis as part of the justification documents submitted to the Committees on Appropriations on the use of local currencies for the administrative requirements of the United States Government as authorized in subsection (a)(2)(B), and such report shall include the amount of local currency (and United States dollar equivalent) used and/or to be used for such purpose in each applicable country.

(b) SEPARATE ACCOUNTS FOR CASH TRANSFERS.—(1) If assistance is made available to the government of a foreign country, under chapters 1 or 10 of part I or chapter 4 of part II of the Foreign Assistance Act of 1961, as cash transfer assistance or as nonproject sector assistance, that country shall be required to maintain such funds in a separate account and not commingle them with any other funds.

(2) APPLICABILITY OF OTHER PROVISIONS OF LAW.—Such funds may be obligated and expended notwithstanding provisions of law which are inconsistent with the nature of this assistance including provisions which are referenced in the Joint Explanatory Statement of the Committee of Conference accompanying House Joint Resolution 648 (H. Report No. 98-1159).

(3) NOTIFICATION.—At least fifteen days prior to obligating any such cash transfer or nonproject sector assistance, the President shall submit a notification through the regular notification procedures of the Committees on Appropriations, which shall include a detailed description of how the funds proposed to be made available will be used, with a discussion of the United States interests

that will be served by the assistance (including, as appropriate, a description of the economic policy reforms that will be promoted by such assistance).

(4) EXEMPTION.—Nonproject sector assistance funds may be exempt from the requirements of subsection (b)(1) only through the notification procedures of the Committees on Appropriations.

COMPENSATION FOR UNITED STATES EXECUTIVE DIRECTORS TO INTERNATIONAL FINANCIAL INSTITUTIONS

SEC. 534. (a) No funds appropriated by this Act may be made as payment to any international financial institution while the United States Executive Director to such institution is compensated by the institution at a rate which, together with whatever compensation such Director receives from the United States, is in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while any alternate United States Director to such institution is compensated by the institution at a rate in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b) For purposes of this section, "international financial institutions" are: the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the Asian Development Fund, the African Development Bank, the African Development Fund, the International Monetary Fund, the North American Development Bank, and the European Bank for Reconstruction and Development.

COMPLIANCE WITH UNITED NATIONS SANCTIONS AGAINST IRAQ

SEC. 535. None of the funds appropriated or otherwise made available pursuant to this Act to carry out the Foreign Assistance Act of 1961 (including title IV of chapter 2 of part I, relating to the Overseas Private Investment Corporation) or the Arms Export Control Act may be used to provide assistance to any country that is not in compliance with the United Nations Security Council sanctions against Iraq unless the President determines and so certifies to the Congress that—

(1) such assistance is in the national interest of the United States;

(2) such assistance will directly benefit the needy people in that country; or

(3) the assistance to be provided will be humanitarian assistance for foreign nationals who have fled Iraq and Kuwait.

COMPETITIVE PRICING FOR SALES OF DEFENSE ARTICLES

SEC. 536. Direct costs associated with meeting a foreign customer's additional or unique requirements will continue to be allowable under contracts under section 22(d) of the Arms Export Control Act. Loadings applicable to such direct costs shall be permitted at the same rates applicable to procurement of like items purchased by the Department of Defense for its own use.

AUTHORITIES FOR THE PEACE CORPS

SEC. 537. Unless expressly provided to the contrary, provisions of this or any other Act, including provisions contained in prior Acts authorizing or making appropriations for foreign operations, export financing, and related programs, shall not be construed to prohibit activities authorized by or conducted under the Peace Corps Act. The agency shall promptly report to the Committees on Appropriations whenever it is conducting activities or is proposing to conduct activities in a country for which assistance is prohibited.

IMPACT ON JOBS IN THE UNITED STATES

SEC. 538. None of the funds appropriated by this Act may be obligated or expended to provide—

(a) any financial incentive to a business enterprise currently located in the United States for the purpose of inducing such an enterprise to relocate outside the United States if such incentive or inducement is likely to reduce the number of employees of such business enterprise in the United States because United States production is being replaced by such enterprise outside the United States;

(b) assistance for the purpose of establishing or developing in a foreign country any export processing zone or designated area in which the tax, tariff, labor, environment, and safety laws of that country do not apply, in part or in whole, to activities carried out within that zone or area, unless the President determines and certifies that such assistance is not likely to cause a loss of jobs within the United States; or

(c) assistance for any project or activity that contributes to the violation of internationally recognized workers rights, as defined in section 502(a)(4) of the Trade Act of 1974, of workers in the recipient country, including any designated zone or area in that country: *Provided*, That in recognition that the application of this subsection should be commensurate with the level of development of the recipient country and sector, the provisions of this subsection shall not preclude assistance for the informal sector in such country, micro and small-scale enterprise, and smallholder agriculture.

RESTRICTIONS ON THE TERMINATION OF SANCTIONS AGAINST SERBIA AND MONTENEGRO

SEC. 539. (a) RESTRICTIONS.—Notwithstanding any other provision of law, no sanction, prohibition, or requirement described in section 1511 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160), with respect to Serbia or Montenegro, may cease to be effective, unless—

(1) the President first submits to the Congress a certification described in subsection (b); and

(2) the requirements of section 1511 of that Act are met.

(b) CERTIFICATION.—A certification described in this subsection is a certification that—

(1) there is substantial progress toward—

(A) the realization of a separate identity for Kosova and the right of the people of Kosova to govern themselves; or

(B) the creation of an international protectorate for Kosova;

(2) there is substantial improvement in the human rights situation in Kosova;

(3) international human rights observers are allowed to return to Kosova; and

(4) the elected government of Kosova is permitted to meet and carry out its legitimate mandate as elected representatives of the people of Kosova.

(c) WAIVER AUTHORITY.—The President may waive the application in whole or in part, of subsection (a) if the President certifies to the Congress that the President has determined that the waiver is necessary to meet emergency humanitarian needs or to achieve a negotiated settlement of the conflict in Bosnia and Herzegovina that is acceptable to the parties.

SPECIAL AUTHORITIES

SEC. 540. (a) Funds appropriated in title II of this Act that are made available for Afghanistan, Lebanon, and for victims of war, displaced children, displaced Burmese, humanitarian assistance for Romania, and humanitarian assistance for the peoples of Kosova, may be made available notwithstanding any other provision of law: *Provided*, That any such funds that are made available for Cambodia shall be subject to the provisions of section 531(e) of the Foreign Assistance Act of 1961 and section 906 of the International Security and Development Cooperation Act of 1985.

(b) Funds appropriated by this Act to carry out the provisions of sections 103 through 106 of the Foreign Assistance Act of 1961 may be used, notwithstanding any other provision of law, for the purpose of supporting tropical forestry and energy programs aimed at reducing emissions of greenhouse gases, and for the purpose of supporting biodiversity conservation activities: *Provided*, That such assistance shall be subject to sections 116, 502B, and 620A of the Foreign Assistance Act of 1961.

(c) During fiscal year 1998, the President may use up to $40,000,000 under the authority of section 451 of the Foreign Assistance Act of 1961, notwithstanding the funding ceiling contained in subsection (a) of that section.

(d) The Agency for International Development may employ personal services contractors, notwithstanding any other provision of law, for the purpose of administering programs for the West Bank and Gaza.

POLICY ON TERMINATING THE ARAB LEAGUE BOYCOTT OF ISRAEL

SEC. 541. It is the sense of the Congress that—

(1) the Arab League countries should immediately and publicly renounce the primary boycott of Israel and the secondary and tertiary boycott of American firms that have commercial ties with Israel; and

(2) the President should—

(A) take more concrete steps to encourage vigorously Arab League countries to renounce publicly the primary boycotts of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel as a confidence-building measure;

(B) take into consideration the participation of any recipient country in the primary boycott of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel when determining whether to sell weapons to said country;

(C) report to Congress on the specific steps being taken by the President to bring about a public renunciation of the Arab primary boycott of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel; and

(D) encourage the allies and trading partners of the United States to enact laws prohibiting businesses from complying with the boycott and penalizing businesses that do comply.

ANTI-NARCOTICS ACTIVITIES

SEC. 542. (a) Of the funds appropriated or otherwise made available by this Act for "Economic Support Fund", assistance may be provided to strengthen the administration of justice in countries in Latin America and the Caribbean and in other regions consistent with the provisions of section 534(b) of the Foreign Assistance Act of 1961, except that programs to enhance protection of participants in judicial cases may be conducted notwithstanding section 660 of that Act.

(b) Funds made available pursuant to this section may be made available notwithstanding section 534(c) and the second and third sentences of section 534(e) of the Foreign Assistance Act of 1961. Funds made available pursuant to subsection (a) for Bolivia, Colombia and Peru may be made available notwithstanding section 534(c) and the second sentence of section 534(e) of the Foreign Assistance Act of 1961.

ELIGIBILITY FOR ASSISTANCE

SEC. 543. (a) ASSISTANCE THROUGH NONGOVERNMENTAL ORGANIZATIONS.—Restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance in support of programs of nongovernmental organizations from funds appropriated by this Act to carry out the provisions of chapters 1, 10, and 11 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961, and from funds appropriated under the heading "Assistance for Eastern Europe and the Baltic States": *Provided*, That the President shall take into consideration, in any case in which a restriction on assistance would be applicable but for this subsection, whether assistance in support of programs of nongovernmental organizations is in the national interest of the United States: *Provided further*, That before using the authority of this subsection to furnish assistance in support of programs of nongovernmental organizations, the President shall notify the Committees on Appropriations under the regular notification procedures of those committees, including a description of the program to be assisted, the assistance to be provided, and the reasons for furnishing such assistance: *Provided further*, That nothing in this subsection shall be construed to alter any existing statutory prohibitions against abortion or involuntary sterilizations contained in this or any other Act.

(b) PUBLIC LAW 480.—During fiscal year 1998, restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance under the Agricultural Trade Development and Assistance Act of 1954: *Provided*, That none of the funds appropriated to carry out title I of such Act and made available pursuant to this subsection may be obligated or expended except as provided through the regular notification procedures of the Committees on Appropriations.

(c) EXCEPTION.—This section shall not apply—

(1) with respect to section 620A of the Foreign Assistance Act or any comparable provision of law prohibiting assistance to countries that support international terrorism; or

(2) with respect to section 116 of the Foreign Assistance Act of 1961 or any comparable provision of law prohibiting assistance to countries that violate internationally recognized human rights.

EARMARKS

SEC. 544. (a) Funds appropriated by this Act which are earmarked may be reprogrammed for other programs within the same account notwithstanding the earmark if compliance with the earmark is made impossible by operation of any provision of this or any other Act or, with respect to a country with which the United States has an agreement providing the United States with base rights or base access in that country, if the President determines that the recipient for which funds are earmarked has significantly reduced its military or economic cooperation with the United States since enactment of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991; however, before exercising the authority of this subsection with regard to a base rights or base access country which has significantly reduced its military or economic cooperation with the United States, the President shall consult with, and shall provide a written policy justification to the Committees on Appropriations: *Provided*, That any such reprogramming shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That assistance that is reprogrammed pursuant to this subsection shall be made available under the same terms and conditions as originally provided.

(b) In addition to the authority contained in subsection (a), the original period of availability of funds appropriated by this Act and administered by the Agency for International Development that are earmarked for particular programs or activities by this or any other Act shall be extended for an additional fiscal year if the Administrator of such agency determines and reports promptly to the Committees on Appropriations that the termination of assistance to a country or a significant change in circumstances makes it unlikely that such earmarked funds can be obligated during the original period of availability: *Provided*, That such earmarked funds that are continued available for an additional fiscal year shall be obligated only for the purpose of such earmark.

CEILINGS AND EARMARKS

SEC. 545. Ceilings and earmarks contained in this Act shall not be applicable to funds or authorities appropriated or otherwise made available by any subsequent Act unless such Act specifically so directs.

PROHIBITION ON PUBLICITY OR PROPAGANDA

SEC. 546. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not authorized before the date of enactment of this Act by the Congress.

PROHIBITION OF PAYMENTS TO UNITED NATIONS MEMBERS

SEC. 547. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, may be used to pay in whole or in part any assessments, arrearages, or dues of any member of the United Nations.

CONSULTING SERVICES

SEC. 548. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order pursuant to existing law.

PRIVATE VOLUNTARY ORGANIZATIONS—DOCUMENTATION

SEC. 549. None of the funds appropriated or made available pursuant to this Act shall be available to a private voluntary organization which fails to provide upon timely request any document, file, or record necessary to the auditing requirements of the Agency for International Development.

PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS THAT EXPORT LETHAL MILITARY EQUIPMENT TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM

SEC. 550. (a) None of the funds appropriated or otherwise made available by this Act may be available to any foreign government which provides lethal military equipment to a country the government of which the Secretary of State has determined is a terrorist government for purposes of section 40(d) of the Arms Export Control Act. The prohibition under this section with respect to a foreign government shall terminate 12 months after that government ceases to provide such military equipment. This section applies with respect to lethal military equipment provided under a contract entered into after the date of enactment of this Act.

(b) Assistance restricted by subsection (a) or any other similar provision of law, may be furnished if the President determines that furnishing such assistance is important to the national interests of the United States.

(c) Whenever the waiver of subsection (b) is exercised, the President shall submit to the appropriate congressional committees a report with respect to the furnishing of such assistance. Any such report shall include a detailed explanation of the assistance to be provided, including the estimated dollar amount of such assistance, and an explanation of how the assistance furthers United States national interests.

WITHHOLDING OF ASSISTANCE FOR PARKING FINES OWED BY FOREIGN COUNTRIES

SEC. 551. (a) IN GENERAL.—Of the funds made available for a foreign country under part I of the Foreign Assistance Act of 1961, an amount equivalent to 110 per centum of the total unpaid fully adjudicated parking fines and penalties owed to the District of Columbia by such country as of the date of enactment of this Act shall be withheld from obligation for such country until the Secretary of State certifies and reports in writing to the appropriate congressional committees that such fines and penalties are fully paid to the government of the District of Columbia.

(b) DEFINITION.—For purposes of this section, the term "appropriate congressional committees" means the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on International Relations and the Committee on Appropriations of the House of Representatives.

LIMITATION ON ASSISTANCE FOR THE PLO FOR THE WEST BANK AND GAZA

SEC. 552. None of the funds appropriated by this Act may be obligated for assistance for the Palestine Liberation Organization for the West Bank and Gaza unless the President has exercised the authority under section 604(a) of the Middle East Peace Facilitation Act of 1995 (title VI of Public Law 104–107) or any other legislation to suspend or make inapplicable section 307 of the Foreign Assistance Act of 1961 and that suspension is still in effect: *Provided*, That if the President fails to make the certification under section 604(b)(2) of the Middle East Peace Facilitation Act of 1995 or to suspend the prohibition under other legislation, funds appropriated by this Act may not be obligated for assistance for the Palestine Liberation Organization for the West Bank and Gaza.

EXPORT FINANCING TRANSFER AUTHORITIES

SEC. 553. Not to exceed 5 per centum of any appropriation other than for administrative expenses made available for fiscal year 1998 for programs under title I of this Act may be transferred between such appropriations for use for any of the purposes, programs and activities for which the funds in such receiving account may be used, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 25 per

centum by any such transfer: *Provided*, That the exercise of such authority shall be subject to the regular notification procedures of the Committees on Appropriations.

WAR CRIMES TRIBUNALS DRAWDOWN

SEC. 554. If the President determines that doing so will contribute to a just resolution of charges regarding genocide or other violations of international humanitarian law, the President may direct a drawdown pursuant to section 552(c) of the Foreign Assistance Act of 1961, as amended, of up to $25,000,000 of commodities and services for the United Nations War Crimes Tribunal established with regard to the former Yugoslavia by the United Nations Security Council or such other tribunals or commissions as the Council may establish to deal with such violations, without regard to the ceiling limitation contained in paragraph (2) thereof: *Provided*, That the determination required under this section shall be in lieu of any determinations otherwise required under section 552(c): *Provided further*, That sixty days after the date of enactment of this Act, and every one hundred eighty days thereafter, the Secretary of State shall submit a report to the Committees on Appropriations describing the steps the United States Government is taking to collect information regarding allegations of genocide or other violations of international law in the former Yugoslavia and to furnish that information to the United Nations War Crimes Tribunal for the former Yugoslavia.

LANDMINES

SEC. 555. Notwithstanding any other provision of law, demining equipment available to the Agency for International Development and the Department of State and used in support of the clearing of landmines and unexploded ordnance for humanitarian purposes may be disposed of on a grant basis in foreign countries, subject to such terms and conditions as the President may prescribe.

RESTRICTIONS CONCERNING THE PALESTINIAN AUTHORITY

SEC. 556. None of the funds appropriated by this Act may be obligated or expended to create in any part of Jerusalem a new office of any department or agency of the United States Government for the purpose of conducting official United States Government business with the Palestinian Authority over Gaza and Jericho or any successor Palestinian governing entity provided for in the Israel-PLO Declaration of Principles: *Provided*, That this restriction shall not apply to the acquisition of additional space for the existing Consulate General in Jerusalem: *Provided further*, That meetings between officers and employees of the United States and officials of the Palestinian Authority, or any successor Palestinian governing entity provided for in the Israel-PLO Declaration of Principles, for the purpose of conducting official United States Government business with such authority should continue to take place in locations other than Jerusalem. As has been true in the past, officers and employees of the United States Government may continue to meet in Jerusalem on other subjects with Palestinians (including those who now occupy positions in the Palestinian Authority), have social contacts, and have incidental discussions.

PROHIBITION OF PAYMENT OF CERTAIN EXPENSES

SEC. 557. None of the funds appropriated or otherwise made available by this Act under the heading "International military education and training" or "Foreign military financing program" for Informational Program activities may be obligated or expended to pay for—

(1) alcoholic beverages;

(2) food (other than food provided at a military installation) not provided in conjunction with Informational Program trips where students do not stay at a military installation; or

(3) entertainment expenses for activities that are substantially of a recreational character, including entrance fees at sporting events and amusement parks.

PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS

SEC. 558. (a) To the greatest extent practicable, assistance provided or used for purchases should use American equipment, services, commodities, and products.

(b) NOTICE REQUIREMENT.—In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

SPECIAL DEBT RELIEF FOR THE POOREST

SEC. 559. (a) AUTHORITY TO REDUCE DEBT.—The President may reduce amounts owed to the United States (or any agency of the United States) by an eligible country as a result of—

(1) guarantees issued under sections 221 and 222 of the Foreign Assistance Act of 1961; or

(2) credits extended or guarantees issued under the Arms Export Control Act.

(b) LIMITATIONS.—

(1) The authority provided by subsection (a) may be exercised only to implement multilateral official debt relief and referendum agreements, commonly referred to as "Paris Club Agreed Minutes".

(2) The authority provided by subsection (a) may be exercised only in such amounts or to such extent as is provided in advance by appropriations Acts.

(3) The authority provided by subsection (a) may be exercised only with respect to countries with heavy debt burdens that are eligible to borrow from the International Development Association, but not from the International Bank for Reconstruction and Development, commonly referred to as "IDA-only" countries.

(c) CONDITIONS.—The authority provided by subsection (a) may be exercised only with respect to a country whose government—

(1) does not have an excessive level of military expenditures;

(2) has not repeatedly provided support for acts of international terrorism;

(3) is not failing to cooperate on international narcotics control matters;

(4) (including its military or other security forces) does not engage in a consistent pattern of gross violations of internationally recognized human rights; and

(5) is not ineligible for assistance because of the application of section 527 of the Foreign Relations Authorization Act, fiscal years 1994 and 1995.

(d) AVAILABILITY OF FUNDS.—The authority provided by subsection (a) may be used only with regard to funds appropriated by this Act under the heading "Debt restructuring".

(e) CERTAIN PROHIBITIONS INAPPLICABLE.—A reduction of debt pursuant to subsection (a) shall not be considered assistance for purposes of any provision of law limiting assistance to a country. The authority provided by subsection (a) may be exercised notwithstanding section 620(r) of the Foreign Assistance Act of 1961.

AUTHORITY TO ENGAGE IN DEBT BUYBACKS OR SALES

SEC. 560. (a) LOANS ELIGIBLE FOR SALE, REDUCTION, OR CANCELLATION.—

(1) AUTHORITY TO SELL, REDUCE, OR CANCEL CERTAIN LOANS.—Notwithstanding any other provision of law, the President may, in accordance with this section, sell to any eligible purchaser any concessional loan or portion thereof made before January 1, 1995, pursuant to the Foreign Assistance Act of 1961, to the government of any eligible country as defined in section 702(6) of that Act or on receipt of payment from an eligible purchaser, reduce or cancel such loan or portion thereof, only for the purpose of facilitating—

(A) debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps; or

(B) a debt buyback by an eligible country of its own qualified debt, only if the eligible country uses an additional amount of the local currency of the eligible country, equal to not less than 40 per centum of the price paid for such debt by such eligible country, or the difference between the price paid for such debt and the face value of such debt, to support activities that link conservation and sustainable use of natural resources with local community development, and child survival and other child development, in a manner consistent with sections 707 through 710 of the Foreign Assistance Act of 1961, if the sale, reduction, or cancellation would not contravene any term or condition of any prior agreement relating to such loan.

(2) TERMS AND CONDITIONS.—Notwithstanding any other provision of law, the President shall, in accordance with this section, establish the terms and conditions under which loans may be sold, reduced, or canceled pursuant to this section.

(3) ADMINISTRATION.—The Facility, as defined in section 702(8) of the Foreign Assistance Act of 1961, shall notify the administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 of purchasers that the President has determined to be eligible, and shall direct such agency to carry out the sale, reduction, or cancellation of a loan pursuant to this section. Such agency shall make an adjustment in its accounts to reflect the sale, reduction, or cancellation.

(4) LIMITATION.—The authorities of this subsection shall be available only to the extent that appropriations for the cost of the modification, as defined in section 502 of the Congressional Budget Act of 1974, are made in advance.

(b) DEPOSIT OF PROCEEDS.—The proceeds from the sale, reduction, or cancellation of any loan sold, reduced, or canceled pursuant to this section shall be deposited in the United States Government account or accounts established for the repayment of such loan.

(c) ELIGIBLE PURCHASERS.—A loan may be sold pursuant to subsection (a)(1)(A) only to a purchaser who presents plans satisfactory to the President for using the loan for the purpose of engaging in debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(d) DEBTOR CONSULTATIONS.—Before the sale to any eligible purchaser, or any reduction or cancellation pursuant to this section, of any loan made to an eligible country, the President should consult with the country concerning the amount of loans to be sold, reduced, or canceled and their uses for debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(e) AVAILABILITY OF FUNDS.—The authority provided by subsection (a) may be used only with regard to funds appropriated by this Act under the heading "Debt restructuring".

LIBERIA

SEC. 561. Funds appropriated by this Act may be made available for assistance for Liberia notwithstanding section 620(q) of the Foreign Assistance Act of 1961 and section 512 of this Act.

GUATEMALA

SEC. 562. (a) Funds provided in this Act may be made available for the Guatemalan military forces, and the restrictions on Guatemala under the headings "International Military Education and Training" and "Foreign Military Financing Program" shall not apply, only if the President determines and certifies to the Congress that the Guatemalan military is cooperating fully with efforts to resolve human rights abuses which elements of the Guatemalan military forces are alleged to have committed, ordered or attempted to thwart the investigation of, and with efforts to implement a peace settlement.

(b) The prohibition contained in subsection (a) shall not apply to funds made available to implement a ceasefire or peace agreement.

(c) Any funds made available pursuant to subsections (a) and (b) for international military education and training may only be for expanded international military education and training.

SANCTIONS AGAINST COUNTRIES HARBORING WAR CRIMINALS

SEC. 563. (a) BILATERAL ASSISTANCE.—The President shall withhold funds appropriated by this Act under the Foreign Assistance Act of 1961 or the Arms Export Control Act for any country described in subsection (c).

(b) MULTILATERAL ASSISTANCE.—The Secretary of the Treasury shall instruct the United States executive directors of the international financial institutions to work in opposition to, and vote against, any extension by such institutions of financing or financial or technical assistance to any country described in subsection (c).

(c) SANCTIONED COUNTRIES.—A country described in this subsection is a country the government of which knowingly grants sanctuary to persons in its territory, or territory within its control, for the purpose of evading prosecution, where such persons have been indicted by the International Criminal Tribunal for Rwanda.

LIMITATION ON ASSISTANCE FOR HAITI

SEC. 564. (a) LIMITATION.—None of the funds appropriated or otherwise made available by this Act may be provided to the Government of Haiti unless the President reports to Congress that the Government of Haiti—

(1) is conducting thorough investigations of extrajudicial and political killings;

(2) is cooperating with United States authorities in the investigations of political and extrajudicial killings;

(3) has made demonstrable progress in privatizing major governmental parastatals, including demonstrable progress toward the material and legal transfer of ownership of such parastatals; and

(4) has taken action to remove from the Haitian National Police, national palace and residential guard, ministerial guard, and any other public security entity of Haiti those individuals who are credibly alleged to have engaged in or conspired to conceal gross violations of internationally recognized human rights.

(b) EXCEPTIONS.—The limitation in subsection (a) does not apply to the provision of humanitarian, electoral, counter narcotics, or development assistance.

(c) WAIVER.—The President may waive the requirements of this section on a semiannual basis if the President determines and certifies to the appropriate committees of Congress that such waiver is in the national interest of the United States.

(d) PARASTATALS DEFINED.—As used in this section, the term "parastatal" means a government-owned enterprise.

REQUIREMENT FOR DISCLOSURE OF FOREIGN AID IN REPORT OF SECRETARY OF STATE

SEC. 565. (a) FOREIGN AID REPORTING REQUIREMENT.—In addition to the voting practices of a foreign country, the report required to be submitted to Congress under section 406(a) of the Foreign Relations Authorization Act fiscal years 1990 and 1991 (22 U.S.C. 2414a), shall include a side-by-side comparison of individual countries' overall support for the United States at the United Nations and the amount of United States assistance provided to such country in fiscal year 1996.

(b) UNITED STATES ASSISTANCE.—For purposes of this section, the term "United States assistance" has the meaning given the term in section 481(e)(4) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291(e)(4)).

BURMA LABOR REPORT

SEC. 566. Not later than one hundred twenty days after enactment of this Act, the Secretary of Labor shall provide to the Committees on Appropriations a report addressing labor practices in Burma: *Provided*, That the report shall provide comprehensive details on child labor practices, worker's rights, force relocation of laborers, forced labor performed to support the tourism industry, and forced labor performed in conjunction with, and in support of, the Yadonna gas pipeline: *Provided further*, That the report should discuss whether the State Law and Order Restoration Council (SLORC) is in compliance with international labor standards: *Provided further*, That the report should provide considerable detail regarding the U.S. government's efforts to address the issue of forced labor in Burma.

HAITI

SEC. 567. The Government of Haiti shall be eligible to purchase defense articles and services under the Arms Export Control Act (22 U.S.C. 2751 et seq.), for the civilian-led Haitian National Police and Coast Guard: *Provided*, That the authority provided by this section shall be subject to the regular notification procedures of the Committees on Appropriations.

INTERNATIONAL FINANCIAL INSTITUTION POLICIES

SEC. 568. The Secretary of the Treasury shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development and the International Development Association to use the voice and vote of the United States to strongly encourage their respective institutions to—

(1) provide timely public information on procurement opportunities available to United States suppliers, with a special emphasis on small business; and

(2) systematically consult with local communities on the potential impact of loans as part of the normal lending process, and expand the participation of affected peoples and nongovernmental organizations in decisions on the selection, design and implementation of policies and projects.

LIMITATION ON ASSISTANCE TO SECURITY FORCES

SEC. 569. None of the funds made available by this Act may be provided to any unit of the security forces of a foreign country if the Secretary of State has credible evidence to believe such unit has committed gross violations of human rights, unless the Secretary determines and reports to the Committees on Appropriations that the government of such country is taking steps to bring the responsible members of the security forces unit to justice.

CAMBODIA

SEC. 570. The Secretary of the Treasury shall instruct the United States Executive Directors of the international financial institutions to use the voice and vote of the United States to oppose loans to the Government of Cambodia, except loans to support basic human needs, unless the Government of Cambodia has: (1) not been established in office by the use of force or a coup d'etat; (2) discontinued all political violence and intimidation of journalists and members of opposition parties; (3) established an independent election commission; (4) protected the rights of voters, candidates, and election observers and participants by establishing laws and procedures guaranteeing freedom of speech and assembly; (5) eliminated corruption and collaboration with narcotics smugglers; and (6) been elected in a free and fair election.

LIMITATIONS ON TRANSFER OF MILITARY EQUIPMENT TO EAST TIMOR

SEC. 571. In any agreement for the sale, transfer, or licensing of any lethal equipment or helicopter for Indonesia entered into by the United States pursuant to the authority of this Act or any other Act, the agreement shall state that such items will not be used in East Timor.

TRANSPARENCY OF BUDGETS

SEC. 572. Section 576(a)(1) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997, as contained in Public Law 104-208, is amended to read as follows:

"(1) does not have in place a functioning system for reporting to civilian authorities audits of receipts and expenditures that fund activities of the armed forces and security forces;".

Section 576(a)(2) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997, as contained in Public Law 104-208, is amended to read as follows:

"(2) has not provided to the institution information about the audit process requested by the institution.".

RESTRICTIONS ON FUNDING TO COUNTRIES PROVIDING SANCTUARY TO INDICTED WAR CRIMINALS

SEC. 573. (a) BILATERAL ASSISTANCE.—None of the funds made available by this or any prior Act making appropriations for foreign operations, export promotion and related programs, may be provided for any country described in subsection (d).

(b) MULTILATERAL ASSISTANCE.—The Secretary of the Treasury shall instruct the United States executive directors of the international financial institutions to work in opposition to, and vote against, any extension by such institutions of any financial or technical assistance or grants of any kind to any country described in subsection (d).

(c) EXCEPTIONS.—

(1) IN GENERAL.—Subject to paragraph (2), subsections (a) and (b) shall not apply to the provision of—

(A) humanitarian assistance;

(B) democratization assistance; or

(C) assistance for physical infrastructure projects involving activities in both a sanctioned country and a nonsanctioned contiguous country, if the nonsanctioned country is the primary beneficiary.

(2) FURTHER LIMITATIONS.—Notwithstanding paragraph (1)—

(A) no assistance may be made available by this Act, or any other Act making appropriations for foreign operations, export promotion and related programs, for a program, project, or activity in any country described in subsection (d) in which an indicted war criminal has any financial or material interest or through any organization in which the indicted individual is affiliated; and

(B) no assistance (other than emergency foods or medical assistance or demining assistance) may be made available by this Act, or any other Act making appropriations for foreign operations, export promotion and related programs to any program, project, or activity in any area of any country described in subsection (d) in which local authorities are not complying with the provisions of Article IX and Annex 4, Article II of the Dayton Agreement relating to war crimes and the Tribunal, or with the provisions of Annex 7 of the Dayton Agreement relating to the rights of refugees and displaced persons to return to their homes of origin.

(d) SANCTIONED COUNTRIES.—A country described in this section is a country the authorities of which fail to apprehend and transfer to the Tribunal all persons in territory that is under their effective control who have been indicted by the Tribunal.

(e) WAIVER.—

(1) AUTHORITY.—The President may waive the application of subsection (a) or subsection (b) with respect to a country if the President determines and certifies to the appropriate committees of Congress within six months after the date of enactment of this Act that a majority of the indicted persons who are within territory that is under the effective control of the country have been arrested and transferred to the Tribunal.

(2) PERIOD OF EFFECTIVENESS.—Any waiver made pursuant to this subsection shall be effective for a period of six months.

(f) TERMINATION OF SANCTIONS.—The sanctions imposed pursuant to subsection (a) or subsection (b) with respect to a country shall cease to apply only if the President determines and certifies to Congress that the authorities of that country have apprehended and transferred to the Tribunal all persons in territory that is under their effective control who have been indicted by the Tribunal.

(g) DEFINITIONS.—As used in this section—

(1) COUNTRY.—The term "country" shall not include Bosnia and Herzegovina, and the provisions of this Act shall be applied separately to its constituent entities of Republika Srpska and the Federation of Bosnia and Herzegovina.

(2) DAYTON AGREEMENT.—The term "Dayton Agreement" means the General Framework Agreement for Peace in Bosnia and Herzegovina, together with annexes relating thereto, done at Dayton, November 10 through 16, 1995.

(3) DEMOCRATIZATION ASSISTANCE.—The term "democratization assistance" includes electoral assistance and assistance used in establishing the institutions of a democratic and civil society.

(4) HUMANITARIAN ASSISTANCE.—The term "humanitarian assistance" includes assistance for food, demining, refugees, housing, education, health care, and other social services.

(5) TRIBUNAL.—The term "Tribunal" means the International Criminal Tribunal for the Former Yugoslavia.

EXTENSION OF CERTAIN ADJUDICATION PROVISIONS

SEC. 574. The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990 (Public Law 101-167) is amended—

(1) in section 599D (8 U.S.C. 1157 note)—

(A) in subsection (b)(3), by striking "and 1997" and inserting "1997, and 1998"; and

(B) in subsection (e), by striking "October 1, 1997" each place it appears and inserting "October 1, 1998"; and

(2) in section 599E (8 U.S.C. 1255 note) in subsection (b)(2), by striking "September 30, 1997" and inserting "September 30, 1998".

DEVELOPMENT CREDIT AUTHORITY

SEC. 575. For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of direct loans and loan guarantees in support of the development objectives of the Foreign Assistance Act of 1961 (FAA), up to $10,000,000, which amount may be derived by transfer from funds appropriated by this Act to carry out part I of the Foreign Assistance Act of 1961 and funds appropriated by this Act under the heading "Assistance for Eastern Europe and the Baltic States", to remain available until expended: *Provided*, That of this amount, up to $1,500,000 for administrative expenses to carry out such programs may be transferred to and merged with "Operating Expenses of the Agency for International Development": *Provided further*, That the provisions of section 107A(d) (relating to general provisions applicable to development credit authority) of the Foreign Assistance Act of 1961, as added by section 306 of H.R. 1486 as reported by the House Committee on International Relations on May 9, 1997, shall be applicable to direct loans and loan guarantees provided under this paragraph: *Provided further*, That direct loans or loan guarantees under this paragraph may not be provided until the Director of the Office of Management and Budget has certified to the Committees on Appropriations that the Agency for International Development has established a credit management system capable of effectively managing the credit programs funded under this heading, including that such system (1) can provide accurate and timely provision of loan and loan guarantee data, (2) contains information control systems for loan and loan guarantee data, (3) is adequately staffed, and (4) contains appropriate review and monitoring procedures.

EXCESS DEFENSE ARTICLES FOR CERTAIN EUROPEAN COUNTRIES

SEC. 576. Section 105 of Public Law 104-164 (110 Stat. 1427) is amended by striking "1996 and 1997" and inserting "1998 and 1999".

ADDITIONAL REQUIREMENTS RELATING TO STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

SEC. 577. (a) VALUE OF ADDITIONS TO STOCKPILES.—Section 514(b)(2)(A) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321h(b)(2)(A)) is amended by inserting before the period at the end the following: "and $60,000,000 for fiscal year 1998".

(b) REQUIREMENTS RELATING TO THE REPUBLIC OF KOREA AND THAILAND.—Section 514(b)(2)(B) of such Act (22 U.S.C. 2321h(b)(2)(B)) is amended by adding at the end the following: "Of the amount specified in subparagraph (A) for fiscal year 1998, not more than $40,000,000 may be made available for stockpiles in the Republic of Korea and not more than $20,000,000 may be made available for stockpiles in Thailand.".

DELIVERY OF DRAWDOWN BY COMMERCIAL TRANSPORTATION SERVICES

SEC. 578. Section 506 of the Foreign Assistance Act of 1961 (22 U.S.C. 2318) is amended—

(1) in subsection (b)(2), by striking the period and inserting the following: ", including providing the Congress with a report detailing all defense articles, defense services, and military education and training delivered to the recipient country or international organization upon delivery of such articles or upon completion of such services or education and training. Such report shall also include whether any savings were realized by utilizing commercial transport services rather than acquiring those services from United States Government transport assets.";

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

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

"(c) For the purposes of any provision of law that authorizes the drawdown of defense or other articles or commodities, or defense or other services from an agency of the United States Government, such drawdown may include the supply of commercial transportation and related services that are acquired by contract for the purposes of the drawdown in question if the cost to acquire such commercial transportation and related services is less than the cost to the United States Government of providing such services from existing agency assets.".

SENSE OF THE SENATE REGARDING ESTONIA, LATVIA, AND LITHUANIA.

SEC. 579. It is the sense of the Senate that Estonia, Latvia, and Lithuania—

(1) are to be commended for their progress toward political and economic reform and meeting the guidelines for prospective NATO members;

(2) would make an outstanding contribution to furthering the goals of NATO and enhancing stability, freedom, and peace in Europe should they become NATO members; and

(3) upon complete satisfaction of all relevant criteria should be invited to become full NATO members at the earliest possible date.

TO PROHIBIT FOREIGN ASSISTANCE TO THE GOVERNMENT OF RUSSIA SHOULD IT ENACT LAWS WHICH WOULD DISCRIMINATE AGAINST MINORITY RELIGIOUS FAITHS IN THE RUSSIAN FEDERATION

SEC. 580. (a) None of the funds appropriated under this Act may be made available for the Government of Russian Federation unless the President determines and certifies in writing to the Committee on Appropriations and the Committee on Foreign Relations of the Senate that the Government of the Russian Federation has enacted no statute or promulgated no executive order that would discriminate, or would have as its principal effect discrimination, against religious minorities in the Russian Federation in violation of accepted international agreements on human rights and religious freedoms to which the Russian Federation is a signatory, including the European Convention and the 1989 Vienna Concluding Document of the Conference on Security and Cooperation in Europe.

(b) This section shall become effective one day after the enactment of this Act.

SENSE OF THE SENATE REGARDING SUPPORT FOR COUNTRIES OF THE SOUTH CAUCASUS AND CENTRAL ASIA

SEC. 581. (a) FINDINGS.—Congress makes the following findings:

(1) The ancient Silk Road, once the economic lifeline of Central Asia and the South Caucasus, traversed much of the territory now within the countries of Armenia, Azerbaijan, Georgia, Kazakstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan.

(2) Economic interdependence spurred mutual cooperation among the peoples along the Silk Road and restoration of the historic relationships and economic ties between those peoples is an important element of ensuring their sovereignty as well as the success of democratic and market reforms.

(3) The development of strong political and economic ties between countries of the South Caucasus and Central Asia and the West will foster stability in the region.

(4) The development of open market economies and open democratic systems in the countries of the South Caucasus and Central Asis will provide positive incentives for international private investment, increased trade, and other forms of commercial interactions with the rest of the world.

(5) The Caspian Sea Basin, overlapping the territory of the countries of the South Caucasus and Central Asia, contains proven oil and gas reserves that may exceed $4,000,000,000,000 in value.

(6) The region of the South Caucasus and Central Asia will produce oil and gas in sufficient quantities to reduce the dependence of the United States on energy from the volatile Persian Gulf region.

(7) United States foreign policy and international assistance should be narrowly targeted to support the economic and political independence of the countries of the South Caucasus and Central Asia.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the policy of the United States in the countries of the South Caucasus and Central Asia should be—

(1) to promote sovereignty and independence with democratic government;

(2) to assist actively in the resolution of regional conflicts;

(3) to promote friendly relations and economic cooperation; and

(4) to help promote market-oriented principles and practices;

(5) to assist in the development of infrastructure necessary for communications, transportation, and energy and trade on an East-West axis in order to build strong international relations and commerce between those countries and the stable, democratic, and market-oriented countries of the Euro-Atlantic Community; and

(6) to support United States business interests and investments in the region.

(c) DEFINITION.—In this section, the term "countries of the South Caucasus and Central Asia" means Armenia, Azerbaijan, Georgia, Kazakstan, Kyrgystan, Tajikistan, Turkmenistan, and Uzbekistan.

PROMOTION OF RELIGIOUS FREEDOM AND HUMAN RIGHTS

SEC. 582. (a) REPORTS.—Not later than March 30, 1998, and each subsequent year thereafter, the Secretary of State shall submit to the International Relations Committee of the House of Representatives and the Foreign Relations Committee of the Senate an annual report on religious persecution on a country-by-country basis. Reports shall include a list of individuals who have been materially involved in the commission of acts of persecution that are motivated by a person's religion.

(b) PRISONER INFORMATION REGISTRY.—The Secretary of State shall establish a Prisoner Information Registry which shall provide information on all political prisoners, prisoners of conscience, and prisoners of faith on a country-by-country basis. Such information shall include the charges, judicial processes, administrative actions, use of forced labor, incidences of torture, length of imprisonment, physical and health conditions, and other matters related to the incarceration of such prisoners. The Secretary of State is authorized to make funds available to nongovernmental organizations presently engaged in monitoring activities regarding such prisoners to assist in the creation and maintenance of the registry.

(c) SENSE OF CONGRESS CONCERNING ESTABLISHMENT OF A COMMISSION ON SECURITY AND COOPERATION IN ASIA.—It is the sense of the Congress that Congress, the President, and the Secretary of State should work with the governments of the People's Republic of China and other countries to establish a Commission on Security and Cooperation in Asia which would be modeled after the Commission on Security and Cooperation in Europe.

UNITED STATES INTELLIGENCE ACTIVITIES RELATED TO MONITORING HUMAN RIGHTS ABUSES AND RELIGIOUS PERSECUTION

SEC. 583. (a) IN GENERAL.—The President shall devote additional personnel and resources to gathering intelligence information regarding human rights abuses and acts of religious persecution.

(b) REPORT.—Not later than March 30, 1998, the President shall submit to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate a report on the number of personnel and resources that are being devoted to gathering intelligence information regarding human rights abuses and acts of religious persecution.

WILDLIFE CONSERVATION

SEC. 584. Of the funds appropriated by this Act, not more than $2,900,000 may be made available for the Communal Areas Management Programme for Indigenous Resources (CAMPFIRE) in Zimbabwe: *Provided*, That none of the funds appropriated by this Act may be used to directly finance the trophy hunting of elephants or other endangered species as defined in the Convention on International Trade in Endangered Species of Flora and Fauna (CITES) or the Endangered Species Act: *Provided further*, That the funds appropriated by this Act that are provided under the CAMPFIRE program may not be used for activities with the express intent to lobby or otherwise influence international conventions or treaties, or United States Government decision makers: *Provided further*, That funds appropriated by this Act that are made available for the CAMPFIRE program may be used only in Zimbabwe for the purpose of maximizing benefits to rural people while strengthening natural resources management institutions: *Provided further*, That not later than March 1, 1998, the Administrator of the Agency for International Development shall submit a report to the appropriate congressional committees describing the steps taken to implement the CAMPFIRE program, the impact of the program on the people and wildlife of CAMPFIRE districts, alternatives to trophy hunting as a means of generating income for CAMPFIRE districts, and a description of how funds made available for CAMPFIRE in fiscal year 1998 are to be used.

DEMOCRACY-BUILDING ACTIVITY IN PAKISTAN

SEC. 585. (a) OPIC.—Section 239(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2199(f)) is amended by inserting ", or Pakistan" after "China".

(b) TRAINING ACTIVITY.—Section 638(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2398(b)) is amended—

(1) by inserting "or any activity to promote the development of democratic institutions" after "activity"; and

(2) by inserting ", Pakistan," after "Brazil".

(c) TRADE AND DEVELOPMENT.—It is the sense of Congress that the Director of the Trade and Development Agency should use funds made available to carry out the provisions of section 661 of the Foreign Assistance Act of 1961 (22 U.S.C. 2421) to promote United States exports to Pakistan.

SENSE OF THE SENATE ON THE EUROPEAN COMMISSION'S HANDLING OF THE BOEING AND MCDONNELL DOUGLAS MERGER

SEC. 586. (a) FINDINGS.—(1) The Boeing Company and McDonnell Douglas have announced their merger; and

(2) the Department of Defense has approved that merger as consistent with the national security of the United States; and

(3) the Federal Trade Commission has found that merger not to violate the antitrust laws of the United States; and

(4) the European Commission has consistently criticized and threatened the merger before, during and after its consideration of the facts; and

(5) the sole true reason for the European Commission's criticism and imminent disapproval of the merger is to gain an unfair competitive advantage for Airbus, a government owned aircraft manufacturer.

(b) SENSE OF SENATE.—Now therefore, it is the sense of the Senate that—

(1) any such disapproval on the part of the European Commission would constitute an unwarranted and unprecedented interference in a United States business transaction that would threaten thousands of American aerospace jobs; and

(2) the Senate suggests that the President take such actions as he deems appropriate to protect United States interests in connection therewith.

RESTRICTION ON ASSISTANCE MADE TO THE PALESTINIAN AUTHORITY

SEC. 587. None of the funds appropriated or otherwise made available by this Act may be obligated or expended with respect to providing funds to the Palestinian Authority, unless the President certifies to Congress that—

(1) the Palestinian Authority is using its maximum efforts to combat terrorism, and, in accordance with the Oslo Accords, has ceased the use of violence, threat of violence, or incitement to violence as a tool of the Palestinian Authority's policy toward Israel;

(2) after a full investigation by the Department of Justice, the Executive branch of Government concludes that Chairman Arafat had no prior knowledge of the World Trade Center bombing; and

(3) after a full inquiry by the Department of State, the Executive branch of Government concludes that Chairman Arafat did not authorize and did not fail to use his authority to prevent the Tel Aviv cafe bombing of March 21, 1997.

USE OF FUNDS FOR THE UNITED STATES-ASIA ENVIRONMENTAL PARTNERSHIP

SEC. 588. Notwithstanding any other provision of law that restricts assistance to foreign countries, funds appropriated by this or any other Act making appropriations pursuant to part I of the Foreign Assistance Act of 1961 that are made available for the United States-Asia Environmental Partnership may be made available for activities for the People's Republic of China.

REQUIREMENTS FOR THE REPORTING TO CONGRESS OF THE COSTS TO THE FEDERAL GOVERNMENT ASSOCIATED WITH THE PROPOSED AGREEMENT TO REDUCE GREENHOUSE GAS EMISSIONS

SEC. 589. The President shall provide to the Congress a detailed account of all Federal agency obligations and expenditures for climate change programs and activities, domestic and international, for fiscal year 1997, planned obligations for such activities in fiscal year 1998, and any plan for programs thereafter in the context of negotiations to amend the Framework Convention on Climate Change (FCCC) to be provided to the appropriate congressional committees no later than October 15, 1997.

AUTHORITY TO ISSUE INSURANCE AND EXTEND FINANCING

SEC. 590. (a) IN GENERAL.—Section 235(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2195(a)) is amended—

(1) by striking paragraphs (1) and (2)(A) and inserting the following:

"(1) INSURANCE AND FINANCING.—(A) The maximum contingent liability outstanding at any one time pursuant to insurance issued under section 234(a), and the amount of financing issued under sections 234 (b) and (c), shall not exceed in the aggregate $29,000,000,000.";

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

(3) by amending paragraph (2) (as so redesignated) by striking "1997" and inserting "1999".

(b) CONFORMING AMENDMENT.—Paragraph (2) of section 235(a) of that Act (22 U.S.C. 2195(a)), as redesignated by subsection (a), is further amended by striking "(a) and (b)" and inserting "(a), (b), and (c)".

WITHHOLDING ASSISTANCE TO COUNTRIES VIOLATING UNITED NATIONS SANCTIONS AGAINST LIBYA

SEC. 591. (a) WITHHOLDING OF ASSISTANCE.—Except as provided in subsection (b), whenever the President determines and certifies to Congress that the government of any country is violating any sanction against Libya imposed pursuant to United Nations Security Council Resolution 731, 748, or 883, then not less than 5 percent of the funds allocated for the country under section 653(a) of the Foreign Assistance Act of 1961 out of appropriations in this Act shall be withheld from obligation and expenditure for that country.

(b) EXCEPTION.—The requirement to withhold funds under subsection (a) shall not apply to funds appropriated in this Act for allocation under section 653(a) of the Foreign Assistance Act of 1961 for development assistance or for humanitarian assistance.

WAR CRIMES PROSECUTION

SEC. 592. Section 2401 of title 18, United States Code (Public Law 104–192; the War Crimes Act of 1996) is amended as follows—

(1) in subsection (a), by striking "commits a grave breach of the Geneva Conventions" and inserting in lieu thereof "commits a war crime";

(2) in subsection (b)—

(A) by striking "the person committing such breach or the victim of such breach" and inserting in lieu thereof "the person committing such crime or the victim of such crime"; and

(B) by inserting before the period at the end of the subsection "or that the person committing such crime is later found in the United States after such crime is committed";

(3) in subsection (c)—

(A) by striking "the term 'grave breach of the Geneva Conventions' means conduct defined as" and inserting in lieu thereof "the term 'war crime' means conduct (1) defined as"; and

(B) by inserting the following before the period at the end—

"; (2) prohibited by Articles 23, 25, 27, or 28 of the Annex to the Hague Convention IV, Respecting the Laws and Customs of War on Land, signed on October, 1907; (3) which constitutes a violation of common Article 3 of the international conventions signed at Geneva on August 1949; or (4) of a person who, in relation to an armed conflict and contrary to the provisions of the Protocol on Prohibitions or Restrictions on the Use of Mines, Booby-traps and Other Devices as amended at Geneva on 3 May 1996 (Protocol II as amended on 3 May 1996), when the United States is a party to such Protocol, willfully kills or causes serious injury to civilians";

(4) by adding a new subsection (d) to read as follows:

"(d) NOTIFICATION.—No prosecution of any crime prohibited in this section shall be undertaken by the United States except upon the written notification to the Congress by the Attorney General or his designee that in his judgment a prosecution by the United States is in the national interest and necessary to secure substantial justice.".

REFORM AND REVIEW OF UNITED STATES SPONSORED TRAINING PROGRAMS

SEC. 593. (a) FINDINGS.—Congress makes the following findings:

(1) United States training of members of Latin American military and security forces that occurred primarily at the Army School of the Americas between 1982 and 1991 has been severely criticized for promoting practices that have contributed to the violation of human rights and have otherwise been inconsistent with the appropriate role of the Armed Forces in a democratic society.

(2) Numerous members of Latin American military and security forces who have participated in United States sponsored training programs, have subsequently been identified as having masterminded, participated in, or sought to cover up some of the most heinous human rights abuses in the region.

(3) United States interests in Latin America would be better served if Latin American military personnel were exposed to training programs designed to promote—

(A) proper management of scarce national defense resources,

(B) improvements in national systems of justice in accordance with internationally recognized principles of human rights, and

(C) greater respect and understanding of the principle of civilian control of the military.

(4) In 1989, Congress mandated that the Department of Defense institute new training programs (commonly referred to as expanded IMET) with funds made available for international military and education programs in order to promote the interests described in paragraph (3). Congress also expanded the definition of eligibility for such training to include non-defense government personnel from countries in Latin America.

(5) Despite congressionally mandated emphasis on expanded IMET training programs, only 4 of the more than 50 courses offered annually at the United States Army School of the Americas qualify as expanded IMET.

(b) LIMITATION ON USE OF FUNDS.—Notwithstanding any other provision of law, none of the funds appropriated in this Act under the heading relating to international military education and training may be made available for training members of any Latin American military or security force until—

(1) the Secretary of Defense has advised the Secretary of State in writing that 30 percent of IMET funds appropriated for fiscal year 1998 for the cost of Latin American participants in IMET programs will be disbursed only for the purpose of supporting enrollment of such participants in expanded IMET courses; and

(2) the Secretary of State has identified sufficient numbers of qualified, non-military personnel from countries in Latin America to participate in IMET programs during fiscal year 1998 in consultation with the Secretary of Defense, and has instructed United States embassies in the hemisphere to approve their participation in such programs so that not less than 25 percent of the individuals from Latin American countries attending United States supported IMET programs are civilians.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary of State shall report in writing to the appropriate committees of Congress on the progress made to improve military training of Latin American participants in the areas of human rights and civilian control of the military. The Secretary shall include in the report plans for implementing additional expanded IMET programs for Latin America during the next 3 fiscal years.

LIBERATION TIGERS OF TAMIL EELAM

SEC. 594. SENSE OF SENATE.—It is the sense of the Senate that the Department of State should list the Liberation Tigers of Tamil Eelam as a terrorist organization.

LIMITATION ON INTERNATIONAL MILITARY EDUCATION AND TRAINING ASSISTANCE FOR PERU

SEC. 595. None of the funds appropriated or otherwise made available by this Act may be provided to the Government of Peru for international military education and training under chapter 5 of part II of the Foreign Assistance Act of 1961, unless the President certifies to Congress that the Government of Peru is taking all necessary steps to ensure that United States citizens held in prisons in Peru are accorded timely, open, and fair legal proceedings in civilian courts.

LIMIT AID TO THE GOVERNMENT OF CONGO UNTIL PRESIDENTIAL CERTIFICATION

SEC. 596. None of the funds appropriated or otherwise made available by this Act may be provided to the Government of Congo until such time as the President reports in writing to the Congress that the Government of Congo is cooperating fully with investigators from the United Nations or any other international relief organizations in accounting for human rights violations or atrocities committed in Congo or adjacent countries.

Titles I through V of this Act may be cited as the "Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1998".

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, I see the chairman of the Appropriations Committee in the Chamber. I just want to make the point that I think we must have achieved some kind of record here in light of, in 3 days, having passed four bills. I congratulate him on his leadership, which has pushed us in that direction very skillfully.

Mr. STEVENS. Mr. President, if the Senator will yield, I congratulate the two managers of this bill, Senator

MCCONNELL and Senator LEAHY, for accomplishing almost the impossible— to have the foreign assistance bill passed in this manner.

We had a meeting at the beginning of this year when I became chairman and talked about trying to have a program of crisis avoidance, and this is a good example of it. These two Senators have worked with all Members who had amendments and tried to accommodate them, at least dealt with most of them, and the result is on the floor being able to pass this bill, and it is a great bill. What was the final vote?

Mr. MCCONNELL. It was 91 to 8.

Mr. STEVENS. I can remember the days when this bill was filibustered for days and days and days. It is really a tribute to the two managers for having accomplished this, and I congratulate them very much.

Mr. LEAHY. Mr. President, if the Senator from Alaska will yield, I say for my colleagues one of the joys of the Appropriations Committee is that there are a lot of senior Members on both sides of the aisle who are used to working with each other to build the kind of personal relationships that are necessary. I cherish my own friendship with the Senator from Alaska and the Senator from Kentucky. We have worked together on a lot of different pieces of legislation, not just this one but a lot of others, and I think we understand there are certain things that can be done and certain things that cannot be done, and we go for the possible.

I note that this is a record, and I commend the Senator from Kentucky for getting it through so rapidly. But it is a case, again, I would say to the chairman of the Appropriations Committee, who sat down with us and tried to give us leeway, a realistic schedule, of the ability to work out many things even before they got to the floor.

I have been both a manager and the ranking member of a lot of pieces of legislation. What has been happening with the appropriations bills is a model of the way it should be done—move them, move them quickly. People have an issue; vote on it and move on to the next thing. The Senate is better served. The country is better served.

I commend my two colleagues for their help.

Mr. MCCONNELL. Mr. President, I, too, thank my good friend, PAT LEAHY, for his marvelous cooperation and also extend my thanks to Steve Cortese, director of the full committee, who has been a joy to work with, and Tim Rieser of Senator LEAHY's staff and, of course, long-time foreign policy adviser, now staff director of the subcommittee, Robin Cleveland, and Billy Piper and Will Smith, who have done yeoman service and outstanding work on this. I thank them.

I yield the floor.

Mr. LEAHY. Mr. President, I also want to compliment Robin Cleveland and Will Smith of the committee staff and Billy Piper of Senator MCCONNELL's staff, and, of course, as he has already mentioned, Tim Rieser of my staff, who has done so much on this, Emily East from the appropriations staff; Lesley Carson, who is a Javits scholar with the appropriations subcommittee; Dick D'Amato, a long-time member of the appropriations staff, and John Rosenwasser from the Budget Committee. There is an awful lot that goes on among staff to make this possible. We do not have the expertise of the staff. We cannot move a bill this quickly no matter how hard we Senators may try, and I commend the staff on both sides of the aisle in this case.

The PRESIDING OFFICER. The Senator from Connecticut.

COMMENDATION OF GEN. BARRY MCCAFFREY

Mr. DODD. Mr. President, during the consideration of the foreign operations appropriations bill yesterday, I offered an amendment along with Senator MCCAIN on the drug certification issue. During the course of that debate, some references were made to Gen. Barry McCaffrey that I thought were unfortunate and incorrect.

JOHN MCCAIN, our colleague from Arizona, rightly stood up and pointed out that Barry McCaffrey, whatever one's views may have been on the certification issue, enjoys, I think, without any question, the tremendous confidence of the Members of this body. We may disagree on various policy issues. I wanted to associate myself with Senator MCCAIN's remarks and express my gratitude to General McCaffrey for taking on this job, one of the most difficult jobs in Government, that is, to be the drug czar.

Mr. President, I wanted to express my confidence, and I am confident the confidence of my colleagues, in Barry McCaffrey. This is a very difficult job he has taken on. It is tremendously complex. It is obviously a source of great, great disturbance in this country to watch the ever-increasing proliferation of illegal drugs, and obviously there is a domestic feature to this and there is an international feature to it. His job is not an easy one and he has to deal with people all over the globe. I think he does so with a great deal of integrity, seriousness, and forthrightness. He has been tremendously responsive to those of us up here on Capitol Hill who care about this issue.

I thank Senator MCCAIN for his remarks yesterday and associate myself, as I said, with those remarks, and once again express my high degree of confidence in the General and my appreciation as well for the work he has done.

Mr. President, I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

PRIVILEGE OF THE FLOOR

Mr. WELLSTONE. Mr. President, I know my colleague from Iowa wants to speak and my colleague from Arkansas. Could I just for a moment ask unanimous consent that an intern, Mara Davis, be allowed to be in the Chamber today.

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

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The Senate has an order to go to a bill at 11:30.

Mr. BUMPERS. Mr. President, I ask unanimous consent that I be permitted—I know the Senator from Ohio wants to introduce a bill, and I do not want to delay that—but I ask unanimous consent that I be permitted to proceed for 5 minutes in morning business.

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

DETERIORATION OF U.S. NATIONAL PARKS

Mr. BUMPERS. Mr. President, one of the truly great ideas that somebody came up with back in 1872 was to establish the first national park. Ulysses Grant was President. Unhappily, that same year Ulysses Grant signed a bill called the mining law of 1872. But back to the point. President Grant established the first national park in this Nation. It has been a source of pride and usage and a great deal of euphoria for America's people ever since. We in the Senate and in the House profess our undying commitment to a National Park System second to none while we have routinely starved the park system to death.

Now, US News and World Report, on top of report after report that has been issued over the past 10 to 15 years, in the current July 21 edition, has an article which I recommend to every Member of the Senate called "Parks in Peril." "The national parks have been called the best America had. But their wild beauty and historical treasures are rapidly deteriorating"—repeat, rapidly deteriorating—"from lack of funds, pollution, encroaching development, overcrowding and congressional indifference."

Mr. President, these parks are being encroached on by development; they are being stifled by pollution. On any given day in the winter, the pollution at Yellowstone National Park from snowmobiles alone is equal to the smog in Washington, DC. And the infrastructure is falling down. Buildings are rotting, buildings are decaying, and some

of the treasures such as Chaco Canyon in New Mexico, some of those ancient ruins, are falling down for lack of money to restore them.

All this time, Mr. President, we allow the mining companies, the biggest mining companies in the world, to buy Federal lands for $2.50 an acre, take billions of dollars of gold off those lands and not pay the taxpayers of America one red cent. That is money that alone could reverse the deterioration of our National Park Service. We have grazing laws in this country which are just short of scandalous, in which we allow some of the biggest corporations in America to lease grazing lands from BLM for a song. And one of the worst tragedies of all is that we have a concessions policy where we allow the concession stands at national parks to be handed down from generation to generation. You cannot take one away from a concessionaire under existing law.

Mr. President, the return now to the Park Service on concessions is about 6 percent. About the only park we have in our system with a concession, which was let 3 years ago on a competitive basis, is Yosemite, and last year Yosemite, the only park that has a concession policy that was competitively let, produced 37 percent. That one park produced 37 percent of all the return the Park Service got for all its concessions.

We had a bill here that I sponsored that passed the Senate 99 to zip, went over to the House and died. If you were to pass another one today 99 to zip, it would probably go to the House and die, because this suits the policy of too many Members of Congress while our Park System deteriorates.

I strongly recommend everybody read this. The polls consistently show that the people of this country are upset because we tolerate some of the kinds of corporate welfare I just described—rich people, the biggest corporations in the world, not paying their way. And oftentimes, because of the way we finance campaigns in this country, we can't stop it or do anything about it. Our priorities are terribly skewed when we allow some of these things to continue while the national parks, the greatest treasury we possess in this country, decline. We just passed a defense bill, $268 billion, and not an enemy in sight. There is not an enemy in sight; $268 billion, and we had one rollcall vote. I can remember when that bill would take 2 weeks to pass.

So, Mr. President, I speak with a great deal of passion this morning because I chaired the National Parks Subcommittee for many years, and I did everything I could to reverse the policy that was so patently obvious to me back then, years ago, that we were neglecting our national parks and we were going to pay a price for it. One thing we have done is, while we added a lot of parks, we have never added any funding. We are either going to have to fish or cut bait. We either have to get rid of parks, which I don't think anybody in this body favors, or we are going to have to fund them. And finally, the last alternative is watch them fall apart before our eyes to the chagrin, dismay, disappointment, and outright animosity of the American people for our indifference and negligence to our National Park System.

I yield the floor.

Mr. STEVENS. Will the Senator yield? I was hoping to have a little discussion with the Senator. What is the time situation, Mr. President?

The PRESIDING OFFICER. At this time there is no limitation on debate.

Mr. STEVENS. Mr. President, I know there is a Senator waiting here, but I would just like to ask my friend about the national parks, if he would respond. I can remember so well, I helped, worked with, President Eisenhower for what we called Mission 66, a 10-year period to improve the parks. I think, if the Senator would look at that period, at the end of 1966 the parks were in the best condition they have been since the turn of the century. Since that time, the vision of the Park Service has been to add acreage to the parks. Today we see the parks in the worst condition they have been in in my lifetime. Maintenance of the parks, the accumulated maintenance that has been deferred, is just overwhelming. I think it would take the total annual appropriation of the Park Service to catch up just on deferred maintenance at the historic park sites, Yosemite, Yellowstone, and all of those that are in the south 48.

But my question to the Senator is, we have now almost 80 percent of the land that is in the Park Service in my State and we have about 1 percent of the Park Service money. I don't think anyone has looked at what has happened to the parks, in terms of this rush to add acreage to the parks instead of maintaining discrete park areas that are absolutely beautiful and need to be preserved.

One of my predecessors, Senator Gruening, introduced a bill to establish parks in the State of Alaska. I did, too. Those parks that we sought were ignored and, instead, we have vast areas of parks that are out there. All they have in them is Park Service employees, accommodation for Park Service employees, no roads into them, no airports in them, but they are listed as national parks.

I ask you, if there is to be a rational park system in the country, don't you think we ought to have accessibility to areas that are set aside as national parks? Don't you think we ought to be concentrating now on maintaining the parks that are there so visitors can use them?

The answer now to people who are in charge of the parks is to close the parks, to limit the number of people that go into the parks because the maintenance is so bad that they think the people coming in the parks will now destroy them. I agree, maintenance is very bad. But parks are for people, I thought.

I would like to have the Senator speak up. I do hope one of these days we can have a long discussion about the National Park System and how it has changed. It has changed to people who want to control land from people who want to preserve the very best and most beautiful portions of our country, and that disturbs me greatly.

Mr. BUMPERS. Let me say, I could not agree with the Senator more, and I also say some of the damage that is occurring in the National Park System is not just to the infrastructure; that is, the buildings, which can be replaced and repaired. Some of the irreversible damage is being done to the natural beauty of the national parks, which cannot be undone. I could not agree more with the Senator that we have added a lot of land. I am not saying we did it wrongly. I am not saying we were in error when we did it. I am saying we can do both. We can have an expanded park system and we can fund it. If the American people understand anything, in my opinion, it is our skewed priorities here, what we spend money for.

If you were to take a poll—not ask for an extemporaneous response, but say, "Which of the following do you consider the most important?" I daresay the National Park System and the maintenance of it for the enjoyment of all the American people would rank very near the top. We simply have not made a commitment.

You recall under President George Bush we did a very extensive study on the National Park System, and they came back and said it would take—that has been 8 years ago, a little over, about 8 years ago—they said it would take $2 billion just to start doing the infrastructure. That had nothing to do with adding lands or anything else. They said, in order to bring our parks up to par right now—that was 8 years ago with 8 years of inflation added to it now—it would take $2 billion.

As I say, everybody loves the parks. Everybody in the Senate, everybody in the House, would profess their undying love for the National Park System, but we simply are not putting the money where our mouth is.

That is the only point I want to make this morning, and that is the point this article makes in U.S. News & World Report. I see the distinguished Senator who is now the chairman of the same committee I mentioned I chaired for many years. I will be happy to yield to him.

Mr. THOMAS. Mr. President, I ask the Senator if he is aware that the subcommittee is now in the process of

seeking to put together a plan, a long-term plan? All of us who understand that parks and their resources are one of the most valuable resources that we have, that there are troublesome things happening and frankly there is no plan in place and we need to have one—we need to talk about finances. There needs to be some additional resources for finances in addition to the appropriations. We need to talk about how we do some bonding, how we do some private investment, how we do some other kinds of things. In addition, we need to talk about the concessionaires. We need to get that straightened out so it moves. We need to talk, frankly, about the management of the parks so we have a plan that has measurable results so the plans that are set for the Nation will also be applied in the parks. And we have invited the administration to participate.

Fortunately, this morning we have a nominee for the Park Service. We have not had a Park Service Director. So I want to assure the Senator that there is underway an effort to basically reform and move forward and, also, I forgot to say, to have something that defines more clearly what kind of a park is appropriate to be part of the National System so we are not taking in what is more appropriately local recreation areas to be managed by the National Park Service.

So I couldn't share more the concerns that people have, but I wanted to tell my colleague that we are moving forward with that and intend to have a plan before this Congress by the end of the year.

Mr. BUMPERS. I thank the Senator very much. I do not want to take any more time of the Senator.

Mr. WELLSTONE. Mr. President, I wonder if I could ask, colleagues have been involved in an important discussion. I think they probably would want to go on more, but I know Senator DEWINE and I want to introduce a bill. We thought we might have a little more time. I ask unanimous consent that morning business be extended for an additional 15 minutes?

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. Would the Senator repeat his request?

The PRESIDING OFFICER. The Senator from Alaska.

Mr. WELLSTONE. I asked unanimous consent that morning business—we were hoping we would be able to introduce a bill and talk about it a little while. Given the important discussion that took place, I asked whether or not we could extend 10 minutes beyond what we had originally planned for morning business.

Mr. DEWINE. That would be 11:40.

Mr. STEVENS. May I inquire, how many Senators are involved?

Mr. WELLSTONE. Senator DEWINE and I wanted to introduce a bill. This would give us altogether maybe 15 minutes between two people.

Mr. STEVENS. I will not object if it's just 10 minutes past the half-hour.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Ohio.

Mr. DEWINE. I thank the Chair.

(The remarks of Mr. DEWINE and Mr. WELLSTONE pertaining to the introduction of S. 1029 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

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

Mr. STEVENS. Does the Senator yield back any time he might have?

Mr. WELLSTONE. I do.

Mr. STEVENS. Mr. President, I ask that we proceed with the regular order.

TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1998

The PRESIDING OFFICER. Under the previous order, the clerk will report S. 1023.

The assistant legislative clerk read as follows:

A bill (S. 1023) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1998, and for other purposes.

The Senate proceeded to consider the bill.

Mr. CAMPBELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. CAMPBELL. Mr. President, my colleague, Senator KOHL, and I are bringing before the Senate today the Senate Appropriations Committee recommendation for the fiscal year 1998 appropriations for the Department of the Treasury, U.S. Postal Service, the Executive Office of the President, and certain independent agencies. The bill we are presenting today contains a total funding of $25,206,539,000. This is $1,104,116,000 more than the fiscal year 1997 level, and $455,866,000 less than the President's request. We are recommending a total of $12,321,339,000 in discretionary spending and $12,885,100,000 for mandatory programs over which this subcommittee has no control.

Reaching this level has not been an easy task, and I certainly thank Senator KOHL, who has yet to arrive on the floor, for his hard work and continuing support and advice as we put this bill together.

Mr. President, this bill includes $11,315,801,000 for the Department of the Treasury. As my colleagues are aware, the Department of the Treasury has a wide range of responsibilities directed not only at the revenues and expenditures of the Government, but law enforcement functions as well.

The Treasury Department is responsible for 40 percent of all Federal law enforcement, and adequate funding for this function has been a priority for both Senator KOHL and myself. The subcommittee has done what we can to ensure that law enforcement agencies funded in this bill have the resources to do the job that we asked them to do in the so-called war against crime. In addition, we have provided a total of $131 million in the violent crime reduction trust fund. This is $12.7 million more than requested by the President and $34 million more than provided in fiscal year 1997.

This bill includes $121,124,000 for payments to the U.S. Postal Service to reimburse them for providing free mail for the blind and for overseas voters and for payment to the Department of Labor for disability costs incurred by the old Post Office Department.

The Executive Office of the President and funds appropriated to the President total $485,225,000. This includes the Office of Drug Control Policy.

As many of our colleagues know, the bill includes the administration's proposal for a 1-year moratorium on new construction projects through the General Services Administration Federal Buildings Fund. It is unfortunate, when we need so many renovations on courthouses, that the GSA calculation of rent income to the Federal building fund has been so inaccurate in the past years that we are at a point where there is just barely enough money to continue ongoing projects.

There is also $12.7 billion in mandatory payments through the Office of Personnel Management for annuitants' life and health insurance, as well as retirement benefits.

There has been considerable discussion over the past couple of years about the funding level for the Internal Revenue Service. Many of us are very disturbed that significant amounts of money, over $4 billion, was wasted on the tax modernization system. As a result, we have very carefully reviewed the budget request from the IRS. We believe that the IRS should have sufficient resources to maintain and even increase customer service levels, and there must be enough to continue efforts to collect taxes due. As a result, we have proposed appropriations at the level requested by the President for the three permanent accounts. However, we did not agree to the President's request for an advance appropriation of $500 million to set up an account for future computer modernization efforts.

Although the IRS has developed and circulated a modernization blueprint, that is only a first good step. It was the judgment of the subcommittee that there must be more detailed information before we agree to additional funds for future computer modernization.

The most critical problem facing IRS is a century date change project. As a result, we have set aside $325 million

for this effort, in addition to funds already appropriated in fiscal year 1997 and requested for fiscal year 1998.

Mr. President, this bill is the result of long, hard hours of work on the part of the members and staff of this subcommittee. I want to thank them for all of their efforts. I believe we have put together a very worthwhile bill and hope we will have the support of the Senate.

I now yield to our ranking member, my good friend, Senator KOHL.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. KOHL. Mr. President, I thank the Senator.

As the distinguished Senator from Colorado has just indicated, we are bringing to the floor recommendations on the fiscal year 1998 appropriations level for the Treasury, general Government agencies.

First, I thank Senator CAMPBELL for his dedicated work on this bill. He has worked long and hard on the difficult issues that he has just outlined for our colleagues. As a result of his efforts, I believe the committee has developed a balanced approach for dealing with the many programs and activities under the jurisdiction of the subcommittee, while staying within the budget allocation.

Since this budget allocation was $489 million below the administration's request, we have been required to make some substantial reductions. However, the subcommittee actions have resulted in a bill that is both fiscally responsible and I also believe very reasonable.

Senator CAMPBELL has discussed the major funding highlights, and rather than repeating those highlights, I will limit my comments to a few areas that I would like to emphasize.

First, the funding provided for IRS activities. Tax processing, tax law enforcement and information systems is at the President's request. Additionally, $325 million has been provided for an information technology fund. While we continue to have concerns over the IRS modernization efforts, we believe that it is important to provide the IRS with the tools necessary to collect taxes owed. By providing full funding, we can be assured that the critical century date change and data center consolidation occur in a timely manner and allow the IRS to continue smooth operations into the year 2000.

Second, the national media campaign proposed by the Office of National Drug Control Policy is not fully funded. I fully support, of course, the efforts to combat the drug problem in this country, and I support the efforts in leadership of Gen. Barry McCaffrey, but I am reluctant to provide billions of dollars for an untried and untested media program. So I supported funding at a smaller pilot program level, which would provide the administration and Congress with the evidence of the success that is necessary when we are committing such huge taxpayer dollars.

However, Senator CAMPBELL and I have come to a compromise position: funding the national media program for 1 year at $110 million, after which the program will be evaluated.

We are also providing over $35 million for community-oriented drug prevention programs, such as a drug-free prison zone program and the initiation of the Drug Free Communities Act grants.

Finally, I want to highlight that no funds are provided for the General Services Administration's Construction and Acquisition Program. The Federal buildings fund is experiencing a shortfall in revenue resulting from GSA miscalculating rent income and miscalculating construction completion dates. While I am concerned over the financial situation generating this shortfall, I believe it provides a good opportunity to review the principles applied to the Courthouse Construction Program. As a result, the report accompanying the bill contains criteria that the General Services Administration and the Administrative Office of the Courts must apply to future courthouse construction projects.

According to these criteria, projects included in future requests must:

One, meet the design guide standards for construction;

Two, reflect the priorities of the Judicial Conference of the United States;

Three, be included in the approved 5-year construction plan;

And four, must be accompanied by a standardized courtroom utilization study.

It is hoped that the application of these criteria will result in a well-justified Courthouse Construction Program in the future.

Mr. President, that concludes my highlights of the bill's funding levels. We believe we have provided the best funding levels possible under the funding restrictions.

Before I yield the floor, I also want to acknowledge the fine work done by the staff on this bill:

Pat Raymond, Tammy Perrin, Lula Edwards, Frank Larkin, and Barbara Retzlaff, and others. I thank them for all their hard work in helping to bring this bill before the Senate.

I yield the floor.

Mr. CAMPBELL addressed the Chair.

The PRESIDING OFFICER (Mr. THOMAS). The Senator from Colorado.

PRIVILEGE OF THE FLOOR

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the following individuals be granted privilege of the floor for the duration of the consideration of S. 1023, the Treasury and General Government Appropriations Act of 1998: Patricia Raymond, Tammy Perrin, Lula Edwards, Barbara Retzlaff, Frank Larkin and Jay Kimmitt.

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

AMENDMENT NO. 921

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. CAMPBELL] proposes an amendment numbered 921.

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

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . REGULATIONS CONCERNING THE IMPORTATION OF CERTAIN FISH.

(a) IMPORT COMPLIANCE.—Section 6(c) of the Atlantic Tuna Convention Act of 1975 (16 U.S.C. 971d(c)) is amended by adding at the end the following:

"(8)(A)(i) Not later than January 1, 1998, the Secretary, in consultation with the Secretary of the Treasury and the Secretary of State, shall promulgate regulations to ensure that fish in any form that are—

"(I) subject to regulation pursuant to a recommendation of the Commission; and

"(II) presented for entry into the United States;

have been taken and retained in a manner and under circumstances that are consistent with the recommendations of the Commission described in clause (ii).

"(ii) The recommendations described in this clause are recommendations of the Commission that are—

"(I) made pursuant to article VIII of the Convention; and

"(II) adopted by the Secretary in the regulations promulgated pursuant to this section.

"(B)(i) The regulations promulgated under this paragraph shall include, at a minimum, a requirement that the fish described in subparagraph (A)(i) are accompanied by a valid certificate of origin that attests that the fish have been taken and retained in a manner and under circumstances that are consistent with the recommendations described in subparagraph (A)(ii).

"(ii) A certificate described in clause (i) may be issued only by the government of the nation that has jurisdiction over—

"(I) the vessel from which the fish that is the subject of the certificate was harvested; or

"(II) any other means by which the fish that is the subject of the certificate was harvested.

"(C) The regulations promulgated under this paragraph may limit the entry into the United States of fish in any form if that limitation is necessary to carry out the purpose of this paragraph.

"(D) Beginning on February 1, 1998, the Secretary of the Treasury shall prohibit the entry into the United States of fish in any form that does not comply with the regulations promulgated pursuant to this paragraph.".

(b) REPORTS.—Section 11 of the Atlantic Tuna Convention Act of 1975 (16 U.S.C. 971j) is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(2) by inserting after paragraph (2) the following:

"(3) lists each fishing nation from which fish in any form was prohibited entry into the United States pursuant to section 6(c)(8);".

Mr. CAMPBELL. Mr. President, I yield to the Senator from Kansas, Mr. BROWNBACK, for the purpose of offering a second-degree amendment.

The PRESIDING OFFICER. The Senator from Kansas.

AMENDMENT NO. 922 TO AMENDMENT NO. 921

(Purpose: To provide that Members of Congress shall not receive a cost of living adjustment in pay during fiscal year 1998)

Mr. BROWNBACK. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kansas [Mr. BROWNBACK] proposes an amendment numbered 922 to amendment No. 921.

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

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

The amendment is as follows:

At the appropriate place in the amendment, insert the following new section:

SEC. . Notwithstanding any other provision of law, no adjustment shall be made under section 601(a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31) (relating to cost of living adjustments for Members of Congress) during fiscal year 1998.

Mr. BROWNBACK. Mr. President, I have put forth this amendment in working with the manager of the bill, the author of the first-degree amendment. I believe he has agreed to it being a second-degree amendment. And I ask for its adoption.

The PRESIDING OFFICER. Is there further debate?

Mr. CAMPBELL. Mr. President, to my knowledge, there is no opposition on the majority side. We are prepared to accept this by a voice vote.

Mr. KOHL. Likewise.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment No. 922.

The amendment (No. 922) was agreed to.

Mr. CAMPBELL. Does the Senator have further comments?

The PRESIDING OFFICER. Is there debate now on the first-degree amendment, as amended?

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BROWNBACK. 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. BROWNBACK. Mr. President, I would like to speak for 2 minutes on the amendment, my amendment that was just agreed to.

The PRESIDING OFFICER. The Senator is recognized.

Mr. BROWNBACK. Thank you, Mr. President.

I would like to say that the amendment that was just agreed to was to eliminate the cost-of-living adjustment for the Members of Congress.

I think it is important that at this time when we are seeking to balance the budget, we not be seen as giving ourselves a pay raise, to be able to establish this as an important issue. I do not say that Members are overpaid, because I do not believe they are. But I do think we are moving forward to balance this budget, and we need to show leadership by not receiving this COLA. And that is why I put this amendment forward. I am very appreciative that the author of the first-degree amendment, the manager of the bill, has agreed to it and that it has been accepted.

I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CAMPBELL. 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. CAMPBELL. I also ask unanimous consent to have Senator WELLSTONE and myself added as cosponsors to the Brownback amendment.

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

Mr. CAMPBELL. Mr. President, several Senators have said they wish to speak on this issue. Senator BYRD has indicated he would like to. He is in a meeting and will not be here for a short period of time. But those Senators who would like to make comments on that, we will do that. And we will take something else up if he does not get here in a reasonable time.

I would like to point out to my colleague from Kansas that this issue of so-called pay raises has always interested me. As I looked up some of the figures, I am sure that most of my colleagues are aware that they do not have to take the cost-of-living increase allowance. They can turn it back to the Treasury if they do not want it. They can give it to charities. There are all kinds of things they can do with it.

But to put it in some perspective, since it seems to get an awful lot of discussion, particularly in election years, about Congress people and Senators getting an increase in salaries, I thought I would contact the Congressional Research Service and find out just how much taxpayers' money goes into salaries for Congressmen and Senators.

They tell me that one-tenth of one penny—one-tenth of one penny—is the average amount a taxpayer pays to congressional salaries.

I know some people think we are not even worth that much, so we probably did a good thing by passing this amendment on a voice vote. But I would like to point out a couple of things that might put it in perspective.

For example, in Senator D'AMATO's and Senator MOYNIHAN's State, the great State of New York, the mayor of New York City earns $31,400 more than they do, the Senators of that State.

In Dade County, FL, Senator MACK's and Senator GRAHAM's State, the superintendent of the county gets $51,400 more than the Senators of that State or the Congressmen.

The sheriff of Los Angeles County receives $88,400 more than anybody in the congressional delegation from California.

I guess my message to the average voter would be, if you are really concerned about elected officials, you ought to look at all of them, top to bottom, and not just because Congress gets so much media attention whenever they deal with this COLA or so-called pay raise.

Many of the other areas of the country—I do not have the numbers right in front of me—but if you track the increases from 1970 to 1998, in fact, the amount that congressional salaries have increased has been less than postal workers, Social Security recipients, military wages, private-sector employees, Federal employees, most civilian employees, and literally everybody else. But I would like to put that in context.

I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. We will have some discussion on this issue, I gather. And I wanted to say to my colleagues, that several days ago I sent a letter out to every colleague saying that I was going to have an amendment out here opposing the cost-of-living adjustment for members of Congress—and you are quite right, I say to my colleague from Colorado, this is not a pay increase. This was just a cost-of-living adjustment. I would like to explain a little bit about why I did this.

Senator BROWNBACK has now come out with the same amendment, so we will work together. And it does not matter to me who does the amendment. What matters is the effect of it all. But I think that I may have somewhat of a different framework than my colleague from Kansas, and so I want to spell out my reasons why I support

this amendment. And I am not going to spend a lot of time on it.

First of all, when I sent this letter out, I sent it only to my colleagues. I was not interested in this becoming a major public issue, although when we work this out on the floor, I suppose it is a public issue. The reason for addressing my colleagues is that I really think that if this amendment becomes a bashing of public service—and I know some colleagues will interpret it that way—then it is a big mistake. If that is what the net effect of this amendment is, I made a big mistake.

I think there are people here—Republicans and Democrats; Democrats and Republicans—who have a highly developed sense of public service. If this amendment, which is likely to be accepted, contributes to an across-the-board denigration of public service and all people in public service, then sending this letter out to my colleagues and saying that I would introduce this amendment would have been a mistake. But I now join in sponsoring this amendment.

This amendment will not make some people feel better about it. The reason I introduced it, and I wish to make this very clear—is because this past year, in our deficit-reduction plans, as the Center on Budget Alternatives and Priorities points out, 93 percent of the cuts we made in discretionary spending affect low-income people and some of the most vulnerable citizens in our country.

In the welfare bill that we passed, $55 billion of cuts disproportionately hurt legal immigrants—not illegal—many of them elderly, many of them living alone, many of them with a combined income of $525 a month—all their Federal assistance was eliminated. Only part of it was restored.

And the other major area that suffered was in food nutrition programs—the vast majority of the cuts in the welfare reform bill passed last Congress were in the Food Stamp Program. Most of the beneficiaries hurt were working poor people, many of them children.

So it just seems to me that if we are going to be making, in the name of deficit reduction, cuts in programs, and the disproportionate share of those cuts affect the most vulnerable people in our country, many of them children, many of them poor, I just cannot see how we can give ourselves a cost-of-living increase.

I do not even know what we make—I guess around $130,000 a year. I put high value on the work we do here. But I just want to point out that a colleague asked me yesterday, after I sent this letter out, "Well, come on, PAUL. Would there be a time where you would vote for this? Isn't this just what you do every year?" Well, I do not offer this amendment every year. So I said, "Absolutely, yes, but not in the context of what we have done as a Senate and a House."

I am sure some people believe we have done the right things here in Congress. No one has a corner on political truth. Maybe people felt the votes we have made, for deficit reduction and for cuts in different programs, were the right thing to do and had to be done. But it does seem to me that it is just not right, if we are going to call on many citizens to sacrifice for deficit reduction, and in particular, call on low- and moderate-income families to sacrifice all in the name of deficit reduction, and if we are going to make cuts in the most effective child nutrition safety program that we have ever had, then I just do not think this is a time for us to be giving ourselves a cost-of-living increase.

In some context, I can see how the argument over this cost-of-living increase can be said to be about apples and oranges. I really can. But the way I see it as a Senator, in the context of still calling for people to make sacrifices in our country, that there ought to be shared sacrifice. And I think, given the fact that we all do well financially in Congress, that it is a mistake to go forward with the cost-of-living increase. That is why I sent the letter to my colleagues 2 days ago and why I announced my intention to introduce an amendment.

Senator BROWNBACK has now come out with an amendment. We will join together on this. The Senator can speak for himself, but I wanted to make my framework clear on why I am against a cost-of-living increase.

If there is further debate on this, I have a more complete statement, but I have stated what I believe and there is no reason to speak at any greater length now.

I thank my colleagues.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER (Mr. ROBERTS). The Senator from Alaska.

Mr. STEVENS. Mr. President, I understand the temper of the times, but I think some of us who have been through this time and again have the duty to come forth and warn the Senate what it is doing.

Since 1970 to this year, 27 years, in 17 of those years the Senate has denied itself the cost-of-living adjustment. The net result is that while Social Security recipients' pay, whatever you want to call it, their checks have gone up by 421.3 percent in that period, the pay for Members of Congress have gone up 214.4 percent.

I will mention a lot of statistics here, Mr. President, so I ask unanimous consent the two documents I have, one entitled "Increases, 1970–1997," and the other, "Percent Changes 1970–97," be printed in the RECORD after my remarks.

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

(See exhibit 1.)

Mr. STEVENS. Mr. President, the last time congressional salaries were given a cost-of-living adjustment—and this is not a pay raise—was in 1993. The pay raise for Federal employees that year was 3.7 percent, the COLA's for Congress were 3.2 percent. In 1992, the cost-of-living adjustment for Federal employees was 4.2 percent, and for Members of Congress it was 3.5 percent.

We are now in a situation where, in my judgment, if we don't take this cost-of-living adjustment for this year, I am sure we will not take it next year being an election year. That means we will not take it until 1999. Since that is the year before a Presidential election year, we will not take it then either. We will not take it in the year 2000, which is a Presidential election year. I suggest we are going into the next century with this maladjustment, as far as congressional salaries.

It does not make any difference to me. It does not make any difference to any of us. We are here. We made our commitment. What about those out there who should come and serve their country by being part of the legislative branch of this Federal Government? We have raised the salaries of the people who are Federal civilians downtown. We have raised the salaries of the Federal employees. We have raised the payments made to Federal retirees. We have raised Social Security recipients. We have not raised for Members of Congress, and I predict we will not do it unless we face up to the problem now.

The problem is not ours. The problem is what is going to be the judgment of the people who want to serve in the Congress when they start looking at the income levels here in Congress compared to their own income levels.

Now, Mr. President, in 1970—and I was here then—my wife and I had just bought a home here in Washington the year before for $65,000. At the time, our pay was $42,500. That house has now sold—we sold it some time ago—but I know that it sold for $450,000. Our pay here is roughly—not quite, but roughly—three times the salary we had then.

What I am trying to make people in the Senate think about is, what will be the decision made by young people who are thinking about coming here when they look at the cost of living in Washington, DC, which is the highest now in our Nation—the cost of property here, the cost of renting a home or a condominium. I am talking about family people. When we came down here, we came down here with five children and had to have a home that five children could live in. There is no way a person can come here now at the salary level we have now and buy a home for that, where five children can live with their mother and father, unless they are extremely wealthy.

What the Senate is doing, in my judgment, is setting the course to assure that the people serving in this

body will either be multimillionaires or they will be the people who are not capable of earning over $100,000 anyway. Now, maybe I am being too tough about this, but I think it is time to get tough about this issue and have people understand that the cost-of-living adjustment is less than the Consumer Price Index increase—less. In other words, it means for people living here now, we are adjusting their salaries now with a cost-of-living adjustment, for the cost increase, really, for the period starting 18 months ago until 6 months ago, and we are trying to adjust it now for what the costs were back then. It is not a salary increase. This is for the cost of living in this area.

Now, people talk to me, well, you can live in Minnesota or maybe you can live in Kansas, maybe you can live somewhere else for a lot less money. It happens to be, in my case, my cost of living in Alaska is just slightly higher than this. But as a practical matter, the judgments made by future generations will be: We, as a family member, cannot take that job.

Now, we get a lot of demagogic type of letters—they come in from my constituents, too—"You are not worth that money; why don't you come home?" The real question is, what would they do if the people were here that they believe should be here? The people would either work for nothing, because they are so rich they can, or the people that could not make the money that they would make here would come for the pay. Now, Mr. President, we have to make up our mind what kind of a body we want in the Congress. From my point of view, we want people with capabilities who can perform jobs that are needed to be performed.

Take my colleague from Wyoming, Senator ENZI, the only accountant in this body—the only accountant in the Senate. What are we dealing with now? Massive, complex tax issues, complex problems of accounting. The people that are going to come here are going to be motivated by trying to do a job. The ones who cannot come here, despite that motivation, will be the ones who cannot afford to live a family life in this town at that salary.

Keep in mind something else. We don't come here permanently. As a matter of fact, most people who would vote for this do not want us to come for more than two terms anyway. But as a practical matter, we all maintain a home in our home States. We have expenses there and we have expenses here. There is no one in the employment scene today that has that situation other than Members of Congress.

Now, I voted—it was a voice vote—but I voted against it and I would vote against it on a recorded vote because we were taking an action to deny Members of Congress, for the fifth time, a cost of living, which is a structural change. What it will mean is, downstream someone will have to have the courage to make the adjustment. Incidentally, we have had three times when that happened. In 1977, the Congress made a 28.9-percent change. That was a salary increase, but it was to make up for the fact that in 6 of the previous 7 years Congress had not taken the cost-of-living adjustment. Again, in 1982, we took a 15-percent change. It was because in 3 of the previous 4 years Congress had not taken a cost-of-living adjustment. In 1987, we again took a change. It was because, again, we had in 2 of the previous 4 years not taken the cost-of-living adjustment. Again, in 1991, we had a 27.1-percent increase.

What I am saying is, you kid yourself as much as you want, the time will come when Congress will have to recognize that this structural change in the salary, vis-a-vis the salaries of comparable jobs in the economy, that the salary increase must come. So instead of recognizing this as a cost-of-living adjustment and treating it as such and providing that we take a minimum amount—and by the way, in most instances we have taken less than was available. For instance, in 1979, the Federal employees got a 7-percent increase, Federal retirees got 11.1, Congress gave itself 5.5. We kept the cost of living down each time. But when we did it, we did not have the total structural impact of denying it altogether.

Now, the structural situation will be, if I am right, that we will not have a cost-of-living increase next year or the next 2 years. We will go into the 21st century with a salary level of 1993. In that year, again, we had a 3.2-percent COLA and Federal employees had 3.7 percent. If you look at my charts that are included in the RECORD, using the CPI in this period of 27 years, which has been 315.7 percent, we have taken a 214.4-percent total cost-of-living change. Social Security recipients had 421.3 percent; postal workers, 370 percent; the military, 360 percent; Federal retirees, 328 percent; private-sector employees, 265 percent; Federal civilians, 334 percent. We are at least 100 percent structurally below the comparable salary base in this 27-year phase.

What does that say to young people about serving in the Congress? Even if it is on a two-term basis limit, to be here for 12 years and take a structural level of 15 years to start with and serve with people who will not take the cost-of-living adjustment while you are here anyway, I think this is destroying the system that we have today of citizens who commit themselves to be part of a great democracy. We have not done this to the people who work downtown for the President. Presidential salaries have changed and so have the salaries of the executives on a Presidential appointment level.

We have, by the way, impacted the Judiciary, and I think that is something other people will talk about and I will talk about later, too, because the Federal Judiciary, while it does have a better system in the sense there is no contribution for a Federal judge for his or her retirement, as we contribute, it is lifetime pay. When they retire, they get the full amount of their salary, not a percent as we do based on the number of years we have been here. But as a practical matter, with the three branches of Government, the only part, through self-flagellation, that destroys the future of the body is the Congress itself. It is a great mistake. It is a great mistake. I think we all make sacrifices to come to this job, anyway.

I can tell the Senate that when I came to the Senate, I was making more than three times my salary as a private lawyer in Alaska. Many people come here and take a reduction in income. There are others who come here and it makes no difference, because of either their great wealth or their inability to earn the same amount of money before they got here. Many people take a sizable decrease in income to come here. But what we are telling the younger people now—and we are trying to attract younger people. When I came here, the average age was almost 70; today, I think it is down to almost 50. We are still trying to attract younger people. This is a dynamic society and we should do that. But can you do that, Mr. President? Can you look a young man or woman in the eye and say: You can move to Washington, you can afford to live there and serve for 2 years in the House or 6 years in the Senate, or maybe two terms. You can keep your family there, and you can keep your house at home, and you can be able to return to your life when you finish the service, without having lost your future as far as your career is concerned.

This is not right. It is not right. I have made this speech before and it doesn't seem to make any difference to anybody. But I am compelled to do it again because I have served here longer than any Member of our side of the aisle on the committee that has jurisdiction on this subject. I cannot believe we would continue to make this error. I believe that Members have left this body—and there are some leaving it now —not because they have served too long, or they don't like the job, or they haven't done a good enough job, but they cannot plan for their future. At one time, I had five children in college. At that time, thank God, there were jobs they could get during the summer, and we were able to help them and they all got through. But, today, a Senator with five children, with the cost of housing, and five going to college, why, that person would have to vote from the poor house, Mr. President.

This job ought to pay what it is worth to society. This is the job of the continuity of the American system. We

serve for 6 years. We volunteer for that job and we are the institutional memory of the American democracy. I am alarmed that there are not enough people on this floor that realize that. I am truly alarmed at the number of people that, for political reasons, or other reasons, or campaign promises, would harm the future of the Senate, would harm the democracy by telling the American people that you will either turn the Senate over to the very, very wealthy or those who could not earn as much anywhere else.

Now, the time will come when we will face up to this. It will probably be in 2001. As I add it up, roughly, the percentage of pay increase then to recover the structural balance will be in the vicinity of 35 percent. How many people are going to want to do that in their first term? How many people are going to want to do that, who are just up for election? I have just mentioned two-thirds of the body then.

So I say the demise of the American democracy is here. That is why the Constitutional Convention argued about who should determine what Members are paid. They were talking about citizen legislators then, not people who came here and stayed 7, 8 months a year. They are talking about people who could go home, people who lived within the original 13 States. My home is closer to Beijing than it is to Washington, DC, and this is a 50-State Union now. My colleague from Hawaii lives almost as far away. If anyone wants to look at costs, they ought to look at the cost of representing those two States. But the main thing is, we think about the structural salary level for the future. I am not going to be around here that long—maybe longer than some people think. But, Mr. President, we will witness the decline in the value of the Congress and the American society if we don't have the guts to stand up to the demagogs and tell them that pay for the Congress ought to be sufficient to attract the most capable people in our society. The capability is what counts.

I am disturbed that, once again, we will deny the economic cycle that causes an adjustment being necessary, and we will say, as soon as we balance the budget in 2002, if I am hearing right, it may be 2003 before it is changed. That would be 10 years. How many people will decide not to come because of that, Mr. President? How many brilliant minds will be denied the American Congress because of that? I think it is wrong.

I am going to speak at length when the time comes, and I am going to show what has happened to other countries when they followed and pursued this course and how they have deteriorated. The deterioration of America is something that we should worry about in terms of democracy. My predecessors used to go take the train across the country and then take a steamship up to Seward in our State and a railroad up to Fairbanks and go home once a year. I go home 15 to 30 or 35 times a year. It is a different society.

I am telling the Senate, unless we are willing to recognize this different society and the dynamic society that needs people who are family people, who must make sacrifices to start with, but should not have to make this kind of sacrifice, to accept a structurally imbalanced salary caused by the inability of each successive Congress to face up to reality.

EXHIBIT 1

INCREASES, 1970–97

[In percent]

Year	Members of Congress	Federal employees	Federal retirees [1]	Social Security [3]
1970 (Jan.)	0	6.0	5.6	15.0
1971 (Jan.)	0	6.0	4.5	10.0
1972 (Sept.)	0	10.9	4.8	20.0
1973	0	4.8	6.1	.....
1974 (June)	0	5.5	12.1	11.0
1975 (June)	5.0	5.0	12.8	8.0
1976 (June)	0	4.8	5.4	6.4
1977 (June)	28.9	7.1	9.3	5.9
1978 (June)	0	5.5	7.4	6.5
1979 (June)	5.5	7.0	11.1	9.9
1980 (June)	0	9.1	14.2	14.3
1981 (June)	0	4.8	4.4	11.2
1982 (June)	15.0	4.0	8.7	7.4
1983 (Dec.)	0	0	3.9	3.5
1984 (Dec.)	4.0	4.0	0	3.5
1985 (Dec.)	3.5	3.5	3.5	3.1
1986 (Dec.)	0	0	0	1.3
1987 (Dec.)	18.6	3.0	1.3	4.2
1988 (Dec.)	0	2.0	4.0	4.0
1989 (Dec.)	0	4.1	4.0	4.7
1990 (Dec.)	[5] 7.9 [6] 9.9	3.6	4.7	5.4
1991 (Dec.)	[5] 29.5 [6] 27.1	4.1	5.4	3.7
1992 (Dec.)	3.5	4.2	3.7	3.0
1993 (Dec.)	3.2	3.7	3.0	2.6
1994 (Dec.)	0	[2] 4.23	2.6	1.8
1995 (Dec.)	0	[2] 3.22	2.8	2.6
1996 (Dec.)	0	[2] 2.54	2.6	2.9
1997 (Dec.)	0	[2] 3.33	2.9	.....
Totals [4]	214.4	334.3	328.2	421.3

[1] Reflects COLAs paid to CSRS retirees.
[2] Reflects Washington, D.C. pay adjustment.
[3] Benefit increases are actually paid in checks issued the first of the following month.
[4] Totals reflect compounding, hence they sum to more than the annual increases.
[5] Representative. [6] Senator.

Percent Changes 1970–97 in—	Percent
Indexes for:	
CPI (projected)	315.7
ECI (projected)	311.4
Wages or pensions for:	
Postal workers, wages	370.6
Social Security recipients	421.3
Military, wages (excl, fringe benefits)	360.3
Private sector employees, wages	265.1
Federal retirees	328.2
Federal civilians (GS), wages	334.3
Members of Congress, wages	214.4

Amounts Congressional Salary would be if Adjusted by Percentage Change in Above Categories:—	Amount
CPI (projected)	$176,700
ECI (projected)	174.800
Postal workers, wages	200,000
Social Security recipients	221,500
Military, wages (excl. fringe benefits)	195,600
Private sector employees, wages	155,200
Federal retirees [1]	182.000
Federal civilians (GS), wages [2]	184,600
Actual 1997 Congressional salary	133,600

[1] Reflects COLAs paid to CSRS retirees.
[2] Reflects Washington, D.C. pay adjustment.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, as I said earlier, I sent a letter out to my colleagues a couple of days ago and now this amendment has been introduced. I spoke earlier about it, and I will again. I want to respond to some comments—if the word "demagog" is going to be used, I want to respond.

I said earlier that if the net effect of this amendment is to encourage the denigration of public service and people in public service, then I am mistaken in offering this amendment—the Wellstone-Brownback amendment. Several days ago, I felt that I needed to get started on this and announced I would do it when this bill came to the floor. I then went on to say that in the context of what we have been doing here in the Congress, and the sacrifices that we have asked of all Americans, especially low- and moderate-income people that I believe it is wrong for the Members of Congress to receive a cost-of-living increase. We have made a lot of cuts in programs. Again, in the 104th Congress, more than 90 percent of the budget reductions in entitlement programs came from programs affecting low-income people. If we are going to argue that that has to be a part of the sacrifice, I don't see how we can then go forward with a cost-of-living increase. We will still be making more than $133,000 next year without the increase.

But, Mr. President, my colleague from Alaska has come to the floor and has made several arguments that I have to address. First of all, Mr. President, my colleague suggests that if young people know they can only make $133,000 a year, why would they want to serve in the Senate or House? He goes on to suggest that the only people are going to come here are either millionaires or people who could not make $100,000 a year.

I was a teacher. I didn't make anywhere near $100,000. By my colleague's standard, 95 percent of the people of the United States of America are the people who can't make $100,000 a year, because they clearly don't. Let's not assume that because someone was a teacher or a wage earner, and didn't make $100,000 a year, that somehow they don't have that much value. What in the world does that comment mean? You know, with all due respect, I think most people in the country would think $133,000 a year is a darn good salary, because 95 percent of the people in this country don't even make $100,000 a year. Maybe we just need to get a little bit more real about this for a moment.

I didn't want to get into this argument, but if that's the kind of argument that is going to be made, I would like to make it clear that, having been

one of those individuals that falls into my colleague's category of not being able to make $100,000 a year, I think that this is an argument that is way out of whack with reality.

I doubt whether, if you took a poll, most of the people in the country would believe that a salary of $133,000 a year is a disincentive for somebody wanting to take this job. I don't believe that. I don't believe that most young people in this country would not run for the U.S. Senate because they are only going to be able to make $133,000 a year. I don't believe that for a moment. When some of my colleagues say that this would be a reduction in salary, the vast majority of the people in the country would not view it that way. That argument just doesn't make sense to me. As I said, I didn't want to get into these arguments, but if the word "demagog" is going to be used, then I do want to respond.

Second of all, Mr. President, if we are going to start talking about the financial pressures that we as Senators feel with our income, for those of us who aren't independently wealthy, and talking about our need for two homes or to send children to college, that's a valid point. A lot of people feel that pressure. The median income in our country is around $36,000 a year. There are a lot of people with two or three children. There are a lot of people trying to figure out how to afford to send their kids to college. There are a lot of people who are trying to get affordable child care or to figure out how to buy a home or pay rent. And by the way, when we talk about trying to pay rent, I note that we have also been cutting low-income housing assistance. So when I hear this argument that the only people that are going to come here are millionaires or people who can't make $100,000 a year, there is an implication that these aren't the people you want to have come here. I think it would be good if we have lots of those people here. I sure didn't feel like I was not of value to this body because I didn't make anywhere close to $100,000 a year before I came here.

When I hear the argument made that people would not want to serve, that young people would not want to serve, and people don't want to run for office because they would only be able to make $133,000 a year without this cost-of-living increase, I frankly think it is not a credible argument. I think 99.999 percent of the people in the country think they could get along on our salaries. The third point, Mr. President, that I want to make is that if we are going to talk about the squeeze that we feel at $133,000 a year, then how come in some of the decisions that we have made about sacrifice, cuts in health care programs, nutrition programs, housing programs—which basically affect and end up lessening opportunities for low- and moderate-income families—how come we then don't have the same concern for those families?

If we are worried about how, on $133,000 a year, we can send our kids to college or afford housing, why aren't we as worried about middle-income and working families? I think this is a slippery-slope argument. We had better get to work thinking about the couple who work, in their early thirties and who make, combined, $35,000 a year. We had better start thinking about them because if all of a sudden we are going to be talking about how we just can't make it on $133,000 a year, then surely we must understand how people—middle-income and working families with incomes of $35,000 to $38,000 a year—feel a terrible squeeze. It is just an inconsistent argument for us to make.

Mr. President, if I am wrong about why we should not have a cost-of-living increase, I have made a big mistake and apologize. But if not having a cost-of-living increase this year and staying at $133,000 is the reason why people are not going to run for office, which my colleague from Alaska thinks is the case, he is right, and I am wrong. But I don't think that is the major reason why people aren't running.

I think that one of the major reasons people are not running for office is it costs so much money to run for office. If we really want more women and men from all sorts of different social and economic backgrounds to run for office in our country, it doesn't have much to do with whether or not we make $133,000 or $134,000 a year. Most people think that is a fine salary. It has much more to do with the fact that people know that they have to raise millions and millions of dollars. Either they themselves are millionaires and they have the money—and we have some people in this Senate who are independently wealthy, who are some of the best Senators. That is a fact. I don't think that is the issue. The issue is all of this money that people have to raise.

Give me a break. Don't tell me that the reason people do not run for office and young people aren't interested in public life is because they are now finding out they are only going to make $133,000 a year. I think that is ridiculous.

I think the reason many people don't run for office is twofold: First, it costs so much money. It is obscene, and a lot of people do not have the stomach for it. They don't want to do it. And I don't blame them. I think they wonder how we have the stomach for it. I think they think that maybe we are a little off. Or second, and just as important—and I could sure draw from some examples, but I will not because I might be violating Senate etiquette if I do—is why in the world when we have this search-and-destroy, slash-and-burn politics, where people do anything to win—that anybody wonders why people do not want to run for office? Does anybody here, Democrat or Republican alike, really believe that the reason younger people, and not such young people, do not run for office is because they can only make $133,000 a year? Don't you think it might have something to do with our failure to clean up this mess, to come together and pass some kind of good campaign finance reform bill? And don't you think it has a lot to do, Republicans and Democrats alike, with the way in which we have let all of these handlers move in and run our campaigns, putting attack ads on television which try to destroy candidates? Don't you think this is what makes most people in the country just a little bit skeptical about whether or not they would want to run for office and serve? I would just suggest to my colleagues that this situation is far more the issue than a cost-of-living increase.

Finally, I will just go back to the first point I made today. I was just responding to what was said by my friend from Alaska—and to the concern about demagoguery on this issue. I admire people who come out here and say, "I disagree." I am quite often on the side of something that is not popular. But I do believe that the arguments so far that have been given in opposition to this amendment don't make any sense. They really do not make any sense.

I believe that it is important that people be able to make a decent income. We should vote, at the right time, for a cost-of-living increase, and not try to do this through the back door. People believe this is the right way to do an increase. But I don't see how we can do it in the context of the decisions that we have made and the sacrifice that we have called for from the people in this country that have been most affected by the decisions. I don't see how, if we are going to make the argument that people feel an economic squeeze at $133,000 a year, while most of the cuts we make in discretionary programs hurt low- and moderate-income families and their children in the name of sacrifice and in the name of deficit reduction, that this is the right time for us to go forward with a cost-of-living increase.

That is the purpose of what I called the Wellstone-Brownback amendment, or whatever we wish to call it—it's name doesn't matter.

Obviously, this amendment is going to be accepted. Is my understanding correct that this amendment is going to be accepted?

Mr. CAMPBELL. Yes.

Mr. WELLSTONE. I will just say before I yield the floor that I thought it would be done in a short period of time. Are other colleagues going to come out and speak—I understand they are. Is that correct?

Mr. CAMPBELL. Senator BYRD has said he wishes to speak on it. He is in a meeting now, however.

Mr. WELLSTONE. Mr. President, I will yield the floor for now. If other colleagues are going to speak, I will want to come back—I think they may want to take part in this discussion—only because I want to be clear why I am doing this and why I think it is the right thing for Congress. Other people may have very different arguments to make, and if anyone else is going to use the word "demagogue" then I am certainly going to come back out here to debate on this amendment.

With that, Mr. President, I yield the floor.

Mr. CAMPBELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. CAMPBELL. Mr. President, I thank my colleague, Senator WELLSTONE, for his comments.

Just to clarify where we are, the Brownback-Wellstone-Campbell amend ment has been accepted by a voice vote.

I ask unanimous consent, if there are no further comments right now, that the pending amendment be set aside to offer two technical amendments.

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

AMENDMENT NO. 923

(Purpose: To move a section to a new location in the bill)

Mr. CAMPBELL. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Colorado [Mr. CAMPBELL] proposes an amendment numbered 923.

On page 71, lines 13 to 18, move Sec. 514 to page 93 and insert after the period on line 3.

Mr. CAMPBELL. Mr. President, this amendment has been cleared by the minority.

I ask for its immediate adoption.

The PRESIDING OFFICER. Is there further debate on the amendment?

If not, the question is on agreeing to the amendment of the Senator from Colorado.

The amendment (No. 923) was agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 924

Mr. CAMPBELL. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Colorado [Mr. CAMPBELL] proposes an amendment numbered 924.

Page 49, strike all on lines 11–13, and on line 14, strike the words "the private sector for" and insert in lieu thereof the words "the General Accounting Office shall conduct".

Mr. CAMPBELL. Mr. President, this amendment has also been cleared by the minority, and I ask for its immediate acceptance.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Colorado.

The amendment (No. 924) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. CAMPBELL. 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. JEFFORDS. 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 Vermont is recognized.

Mr. JEFFORDS. Mr. President, I ask unanimous consent I be allowed to speak as if in morning business for a period not to exceed 5 minutes.

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

FLOODING IN VERMONT

Mr. JEFFORDS. Mr. President, 3 days ago, the heavens opened over northern Vermont. Torrential rains sent floodwaters ripping through communities and over farmland, tearing bridges from their foundations, shredding roads and stranding hundreds of people. The floods that swept through sections of northern Vermont were the worst in over 70 years. Up to 6 inches of rain fell overnight. Flash floods turned quiet rivers and streams into raging waterways in the early morning darkness, disrupting the peaceful existence of thousands of Vermonters.

Yesterday, I spoke with several town officials and residents who were hit the hardest. They gave me firsthand accounts of the damage to their communities. In some towns, bridges were swept away, roads were washed out, pavements were ripped up, cars and trucks were overturned, perhaps were destroyed, trees were uprooted, homes were lifted from their foundations and filled with water.

Monday night's torrential rains were followed by a day of heroism—neighbors, rescue workers, families and friends came together in Vermont's close communities. In Eden, 300 Cub Scouts were evacuated after the bridge into their camp was washed away. In Cambridge, rescue workers saved a 14-year-old girl and her dog who were stranded on a washed out roadway. In Montgomery, 11 people were pulled from a mobile home roof and carried to safety in a bucket loader moments before the trailer was swept away. Volunteers made 1,000 sandwiches for rescue workers, and neighbors opened their homes to those who were driven from their own.

There are many courageous stories and events that took place during the crisis, and knowing Vermonters like I do, I know there were many more heroic stories long after the rivers had receded and the officials had left town.

Mr. President, I am proud of and commend the Vermonters who united during this time of disaster to save lives and communities. The damage has been substantial and much work still needs to be done. I stand ready in every way to assist, if possible, the people of Vermont to help rebuild their communities and lives. I know our Governor has surveyed the situation and he has made recommendations to the President for Federal help. I know the congressional delegation from Vermont is doing all it can to make sure the lives that have been disrupted are put back as close to normal as possible as soon as possible.

Mr. President, I thank you for this time. I yield the floor and make a point of order that a quorum is not present.

The PRESIDING OFFICER (Mr. HUTCHINSON]. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1998

The Senate continued with the consideration of the bill.

Mr. McCAIN. Mr. President, I recognize and appreciate the hard work of the Appropriations Committee staff in putting together this detailed legislation. Members' attention to detail is easily apparent in the thoroughness with which they have presented the committee's recommendations.

There are many good provisions in this bill, particularly the language which would continue the limitations on courthouse construction that are designed to ensure lower costs and standard designs. However, there are many aspects of this bill which cause me serious concern.

First, this bill increases the funding for these agencies by $1.1 billion over last year's level. Frankly, I believe it is ill-advised for the Senate to increase spending for these Federal agencies at a time when we are struggling to reach agreement on tax relief and spending bills and balancing the budget.

I am sorry to say that this bill and report contain numerous earmarks of

new funds for particular States, as well as language designed to ensure the continued flow of Federal funds into certain States.

Let me just mention a few of those projects.

The earmark of an additional $3 million for Rocky Mountain High Intensity Drug Trafficking Assessment Center.

The earmark of $2.5 million for Globe Trade and Research Program at the Montana World Trade Center, which is described in the report as a one-time appropriation to support the center's research and information dissemination activities on "issues designed to explore, define, and measure contributions to economic globalization."

Mr. President, let me run that by you again. That is $2.5 million—2.5 million taxpayer dollars—to support the Montana World Trade Center's research and information dissemination activities on issues designed to explore, define, and measure contributions to economic globalization.

A prohibition on IRS field support reorganization in Aberdeen, SD, until the IRS toll-free help line reaches an 80 percent service level.

A prohibition on reducing the number of IRS criminal investigators in Wisconsin below the 1996 level.

A requirement to establish the port of Kodiak, AK, as a port of entry and requiring U.S. Customs Service personnel in Anchorage to serve the Kodiak port of entry.

The earmark of $4 million for repairs and restoration of the Truman Library in Independence, MO, and $3 million earmarked for repairs to the Lyndon Baines Johnson Presidential Library in Austin, TX, and, very disturbing, various protectionist Buy-America provisions, which are in sections 509, 510 and 511.

In the report language, Mr. President, there is $750,000 earmarked for additional part-time and temporary positions in the Honolulu, HI, Customs District.

There is language stating that the committee expects Customs to work with other agencies to successfully implement a dedicated commuter lane at the Stanton Street Bridge in El Paso, TX.

There is language directing the Office of National Drug Control Policy to conduct pilot programs in Colorado and Wisconsin—Colorado and Wisconsin—to control methamphetamine trafficking.

I note with interest that that directs the National Drug Control Policy to conduct those programs in Colorado and Wisconsin. It might be of some interest that it is a huge problem in the State of Arizona, larger than it is certainly in Wisconsin and I believe larger than Colorado. That is the view of the experts.

There is language recommending that the National Archives consider providing $50,000 to their Alaska Region to prepare an interpretive exhibition on their Alaska Gold Rush collections for the 1998 centennial celebration and a similar recommendation that the National Historical Publications and Records Commission consider a grant of $100,000 for the Alaska Gold Rush Centennial projects.

Mr. President, I ask unanimous consent that the entire list of earmarks and protective language be printed in the RECORD.

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

OBJECTIONABLE PROVISIONS IN S. 1023 FISCAL YEAR 1998 TREASURY/POSTAL APPROPRIATIONS BILL

Overall funding is $1.1 billion higher than last year's levels.

BILL LANGUAGE

Earmark of additional $3 million for Rocky Mountain High Intensity Drug Trafficking Assessment Center.

Earmark of $2.5 million for Globe Trade and Research Program at the Montana World Trade Center, which is described in the report as a one-time appropriation to support the center's research and information dissemination activities on "issues designed to explore, define, and measure contributions to economic globalization."

Prohibition on IRS field support reorganization in Aberdeen, South Dakota, until the IRS toll-free help line reaches an 80 percent service level.

Prohibition on reducing the number of IRS criminal investigators in Wisconsin below the 1996 level.

Requirement to establish the port of Kodiak, Alaska, as a port of entry and requiring U.S. Customs Service personnel in Anchorage to serve the Kodiak port of entry.

Earmark of $4 million for repairs and restoration of Truman Library in Independence, Missouri, and $3 million earmarked for repairs to Lyndon Baines Johnson Presidential Library in Austin, Texas.

Various protectionist "Buy America" provisions (Sections 509, 510, and 511).

REPORT LANGUAGE

Earmark of $4 million to allow Bureau of Alcohol, Tobacco, and Firearms to comply with requests from states and local law enforcement entities for technology under the CEASEFIRE/IBIS program; states specifically singled out for assistance are: West Virginia, North Carolina, Kentucky, Pennsylvania, Mississippi, Nevada, Georgia, Alabama, and Illinois.

Language urging BATF to maintain staffing levels in rural areas and small and medium-sized states, particularly Wisconsin.

Reiterates that funding in bill for Achilles Task Force Program will continue operations at existing levels in Albuquerque and Houston.

Language stating that Committee expects Customs Service to maintain current staffing and service levels at the Charleston, West Virginia Customs office.

$750,000 earmarked for additional part-time and temporary positions in the Honolulu, Hawaii Customs District.

Language stating that Committee expects Customs to assign sufficient staff to operate the Santa Teresa, New Mexico border facility.

Language stating that Customs should give high priority to funding inspection personnel at ports of entry in Florida.

Language urging Customs to review and reconsider staffing allocations in smaller states, particularly Montana and Vermont.

Language stating that Committee expects Customs to work with other agencies to successfully implement a dedicated commuter lane at the Stanton Street Bridge in El Paso, Texas.

$500,000 earmarked for a feasibility study and implementation plan to create an international freight processing center in Kansas City.

Language urging IRS to take steps to fill five vacant positions at the Newport, Vermont office.

Language stating the Committee believes IRS should maintain certain specific tax assistance positions in both Alaska and Hawaii.

Language directing the Postal Service to work to ensure plant and animal pests and diseases are not introduced into Hawaii.

Language directing Office of National Drug Control Policy to conduct pilot programs in Colorado and Wisconsin to control methamphetamine trafficking.

Language directing the General Services Administration to expeditiously move to consolidate the Food and Drug Administration offices at the White Oak Naval Surface Warfare Center in Maryland.

Language urging GSA to give priority consideration to construction of new Centers for Disease Control laboratory in Atlanta, Georgia.

Language urging GSA to work with CDC to develop a plan to replace or upgrade the Division of Vector-Borne Infectious Diseases laboratory in Fort Collins, Colorado.

Language urging GSA to give priority consideration to two Pennsylvania projects: $12.5 million in repairs at Byrne-Greene Federal complex in Philadelphia, and $3.6 million in repairs at the Pittsburgh Post Office and Courthouse.

Language directing GSA to give priority consideration to security problems at the former Bureau of Mines property in Avondale, Maryland.

Language urging GSA to give priority consideration to the request of the U.S. Olympic Committee to obtain title to the Federal Building in Colorado Springs, Colorado, if the Air Force Space Command vacates the building.

Language recommending that the National Archives consider providing $50,000 to their Alaska Region to prepare an interpretive exhibition on their Alaska Gold Rush collections for the 1998 centennial celebration; similar recommendation that the National Historical Publications and Records Commission consider a grant of $100,000 for Alaska Gold Rush Centennial projects.

Language stating that Committee expects Office of Personnel Management to continue to use the expertise of the University of Hawaii to support a $300,000 program to ensure that federal employees and their families have ready access to health promotion and disease prevention activities.

Mr. MCCAIN. Mr. President, in just a few bills we have now managed to put in 5 billion dollars worth of earmarks and add-ons to the five appropriations bills that have come before the Senate. We have eight more appropriations still to be considered.

The $5 billion is quite a bit of money, even here in Washington. And I urge my colleagues to recognize that the American people do not approve of these practices. Every time I ask any

of them about it, they resoundingly reject these practices.

I hope we can stop them. I do not know if we will or not, but I really am concerned about the continued practice of earmarking funds without any meritorious screening, without any requirements or any authorization process in many cases.

Mr. President, I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CAMPBELL. I ask unanimous consent that the order for the quorum call be rescinded.

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

AMENDMENT NO. 926

Mr. CAMPBELL. I send an amendment to the desk on behalf of Senator MIKULSKI and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. CAMPBELL], for Ms. MIKULSKI, proposes an amendment numbered 926:

On page 71, line 16, strike "or night differential".

On page 71, line 18, strike "or differential".

Mr. CAMPBELL. Mr. President, this amendment has been cleared by the majority. I urge its adoption.

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

The amendment (No. 926) was agreed to.

Mr. CAMPBELL. I move to reconsider the vote.

Mr. KOHL. I move to lay it on the table.

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call.

Mr. CAMPBELL. 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. CAMPBELL. Mr. President, I say to my colleagues time is running on. We have been here over 3 hours. We have about three or four amendments filed. Senators have not come to the floor to offer them. On behalf of Senator KOHL and myself, I urge Members to come down to the floor with their amendments so we can finish this bill. If we do not want to be here in the middle of the night working on this, we ought to move ahead.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call.

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

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

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

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

AMENDMENT NO. 927

(Purpose: To allow postal patrons to contribute to funding for breast cancer research through the voluntary purchase of certain specially issued United States Postage stamps)

Mrs. FEINSTEIN. 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 California [Mrs. FEINSTEIN], for herself, Mr. CONRAD, Mr. HARKIN, Mr. INOUYE, Mr. FAIRCLOTH, Mr. FEINGOLD, Mr. JOHNSON, Mr. KERRY, Mr. MACK, Mr. REID, Mr. THURMOND, and Mr. TORRICELLI, proposes an amendment numbered 927.

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

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . (a) SPECIAL POSTAGE STAMPS.—In order to afford the public a convenient way to contribute to funding for breast-cancer research, the United States Postal Service shall establish a special rate of postage for first-class mail under this section.

(b) HIGHER RATE.—The rate of postage established under this section—

(1) shall be 1 cent higher than the rate that would otherwise apply;

(2) may be established without regard to any procedures under chapter 36 of title 39, United States Code, and notwithstanding any other provision of law; and

(3) shall be offered as an alternative to the rate that would otherwise apply.

The use of the rate of postage established under this section shall be voluntary on the part of postal patrons.

(c) USE OF FUNDS.—

(1) IN GENERAL.—

(A) PAYMENTS.—The amounts attributable to the 1-cent differential established under this section shall be paid by the United States Postal Service to the Department of Health and Human Services.

(B) USE.—Amounts paid under subparagraph (A) shall be used for breast-cancer research and related activities to carry out the purposes of this section.

(C) FREQUENCY OF PAYMENTS.—Payments under subparagraph (A) shall be paid to the Department of Health and Human Services no less than twice in each calendar year.

(2) AMOUNTS ATTRIBUTABLE TO THE 1-CENT DIFFERENTIAL.—For purposes of this subsection, the term "amounts attributable to the 1-cent differential established under this section" means, as determined by the United States Postal Service under regulations that it shall prescribe—

(A) the total amount of revenues received by the United States Postal Service that it would not have received but for the enactment of this section, reduced by

(B) an amount sufficient to cover reasonable administrative and other costs of the United States Postal Service attributable to carrying out this section.

(d) SPECIAL POSTAGE STAMPS.—The United States Postal Service may provide for the design and sale of special postage stamps to carry out this section.

(e) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) nothing in this section should directly or indirectly cause a net decrease in total funds received by the Department of Health and Human Services or any other agency or instrumentality of the Government (or any component or other aspect thereof) below the level that would otherwise have been anticipated absent this section; and

(2) nothing in this section should affect regular first-class rates or any other regular rate of postage.

(f) ANNUAL REPORTS.—The Postmaster General shall include in each annual report rendered under section 2402 of title 39, United States Code, information concerning the operation of this section.

Mrs. FEINSTEIN. Mr. President, I am prepared to yield to the Senator from Colorado for a unanimous-consent request, and I would appreciate regaining the floor.

Mr. CAMPBELL. Mr. President, I ask unanimous consent that there be 1 hour of debate regarding the Feinstein amendment regarding breast cancer stamps, equally divided in the usual fashion, without any second-degree amendments.

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

The Senator from California is recognized.

Mrs. FEINSTEIN. Mr. President, I thank the Senator from Colorado. I'm delighted to see the Senator from New York on the floor. I am hopeful that Senator FAIRCLOTH will join us here, since the Senator moved this as an amendment to the appropriations bill in committee. I very much appreciate that and have enjoyed working with him on this matter.

Mr. President, I want to talk for a moment about breast cancer. I think every Member of this body was aware that we unanimously passed a sense-of-the-Senate not too long ago urging that more money be devoted to research for cancer. Also, in the women's community, and, really, I think still the majority population of this country, there is rising and enormous concern about breast cancer.

The amendment I am making today on behalf of myself and a number of others. I want to mention that just before the recess, in this very Chamber, 51 Senators said they would cosponsor the breast cancer research stamp bill (S. 726) which creates a breast cancer research stamp with 1 cent above the rate of first-class postage. Members thought it was a good idea. Well, I need to move this because I very much fear

it will not happen if I don't take the opportunity that we have today to bring this matter forward.

Let me begin by saying that this is a wellspring from the breast cancer community. This measure is supported by the American Cancer Society, the American Medical Association, the American Hospital Association, Association of Operating Room Nurses, California Health Collaborative, the YWCA, and I could go on and on.

Representative FAZIO in the House has introduced the same legislation with 100 cosponsors in January of this year. It is my understanding that Representative MOLINARI talked to the Speaker and is putting it on a calendar which will move it rapidly in the House.

The idea for this legislation came from a physician in Sacramento, CA, an oncologist; and Representative FAZIO brought it to the attention of the House as the original sponsor. This oncologist has treated some 1,000 women for breast cancer. And he, like physicians all over this country in the health community, has seen a really startling rise in breast cancer. In the 1950's, 1 in 20 women developed breast cancer. Today, the incidence is one in eight, and growing. It kills 46,000 women a year. Every 12 minutes an American woman dies of breast cancer. It is the leading cause of cancer death for women between the ages of 35 and 52, and it is the second leading cause of death in all women.

So, today, 1.8 million women in America are diagnosed with breast cancer, and 1 million women, in addition to that, don't know they have breast cancer. This year, 184,300 new breast cancer cases will be diagnosed, and 17,100 of those in California.

One of the interesting things is that the breast cancer rates differ throughout the United States. The San Francisco Bay Area has one of the highest breast cancer rates in the world. Rates in the Northeastern United States are substantially higher than in the South. Some believe in the medical community that environmental factors may contribute as much as 90 percent to breast cancer. The rates vary among countries. Women in Japan have about five times less breast cancer than women in the United States. And when people migrate they tend to acquire the cancer rates closer to those of the newly adopted countries within a generation. So within a generation, we find that reduced tendency for cancer increases.

We have invested as a country, about $2 million in breast cancer research. The funding has quadrupled since 1990. There is still no cure. The national commitment to cancer research has been stagnant since 1980. Today, NIH can fund only 23 percent of their applications. The NIH budget is less than 1 percent of the Federal budget. And I believe the latest polls show that 80 percent of the people of this country believe that cancer research and medical research is an appropriate cause of action for the Federal Government.

The National Cancer Institute in 1996 could fund 26 percent of their applications. That is a drop from 32 percent in 1992.

So the idea came from Sacramento, from the oncologist who treated 1,000 women with breast cancer. What if we had a unique trial project, an optional stamp of 1 cent above whatever the first class rate was, where breast cancer groups and women all across this Nation who care have the option to buy that stamp, and 1 cent would go for breast cancer research? The administration costs incurred by the post office would be absorbed by that additional 1 cent.

I have had an occasion to discuss this with the Postmaster General. He is not in favor of it. He is not in favor of it because it has not been done before. And it has not been done because there are those that say, "If we do it for this, why don't we do it for that? If we do it for women, we should to it for men."

Well, we are in an era of diminishing resources. We all know that. Everybody has looked at cuts. This is not a cut. This is a unique thing. It is a trial project. If it works, we learn something from it. If it doesn't work, no money is lost from the Federal Treasury, or from the post office.

One of the things I believe every Member of this body has seen, whether it is in "The Race for the Cure" or the women that come into our offices, is a very unusual resilience in the breast cancer survivor community. They are climbing mountains, they are showing they can survive. They have banded together in support groups. It is a wonderfully unusual thing. They would like this to be done. They are in these Halls lobbying for it. They are in my office. I know they are in Senator FAIRCLOTH's office, and they have been in other offices saying, "Give us a chance. We will use this as fundraisers. We will go out and buy first-class stamps for a cent above the rate. We will sell them to our members. We will get our members to do this."

I think it is a worthy trial. It is a worthy project. Whether it works, I don't know. They tell me that if 10 percent of the first-class stamps were bought through this option it would produce $60 million. I don't know whether it will or not. I know that there is an enthused, energized community out there. You may see them wearing one design for a breast cancer stamp on their lapels, walking around the Capitol. I know that they care and care very deeply.

When I first introduced the bill earlier this year, I had some sponsors on the bill. They came to me, and said, "You know, you haven't been working very hard. You only have 6 or 7 cosponsors." So because we were on the floor for 3 hours before the Fourth of July break, I went around to each member, and 51 Senators said, "Yes." They would vote for it. "Put my name down." And I did. They are on this piece of paper in front of me.

This is an opportunity to cast that vote. This is an opportunity to try something new.

People will come before us and say, "Oh, my goodness. If we do this for breast cancer, we should do it for prostate cancer." Well, maybe we should. I don't know. But the proposal out there is this one, and it is all throughout the United States now.

People will say, "Oh. Why don't we do it for AIDS?" Well, the breast cancer community has made this proposal. They are united about it. They want to try it.

I have agreed to sponsor it in the Senate. Senator FAIRCLOTH has agreed to be a cosponsor, along with Senator D'AMATO, Senator KENT CONRAD, Senator TOM HARKIN, Senator FEINGOLD, Senator JOHNSON, Senator KERRY, Senator MACK, Senator REID, Senator THURMOND, and Senator TORRICELLI. I can't put all of the 51 names on this because I didn't specifically say it would be an amendment. I said, a bill.

So I am told I should call everybody again. But I believe there is the opportunity. I think the case has been made, if you see what happens to women afflicted with breast cancer. And you see this amazing surviver community and what they are willing to do. In a way, this stamp is a tribute to that kind of resolute spirit that can conquer what for many has been a mortal disease.

So I am hopeful, Mr. President, despite those who I know on the Appropriations Committee that do not want to see this happen. They don't want to do it on this bill. But if it doesn't happen here, perhaps it won't, and we will send out a message to the breast cancer survival community that we will not try anything new.

If you have a disease, you will try anything to get rid of it. I think this body should try one new thing, and let's see if it works, and let's see if we can produce 60, 70, 80, or 90 million new dollars for breast cancer research.

I thank the Chair. I yield the floor.

Mr. CAMPBELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. CAMPBELL. Mr. President, before the Senator leaves for her next appointment, I would like to make a couple of comments and ask her some questions.

First of all, as I am sure she knows, I have always been a big supporter of increased money going into breast cancer research, as she has. And I commend her for the leadership she has taken on this issue. In fact, many of our colleagues have not only supported

additional research money but have participated on our own time on Saturdays and Sundays in raising private funds for breast cancer research. The most common that we are aware of is the Susan Komen Foundation and The Run for the Cure, which is done all over the United States.

Just a few weeks ago here in Washington, DC, we had something like 45,000 or 50,000 people that contributed money to run through the streets of Washington to help raise money for that very, very badly needed program.

But I am a little concerned. She mentioned a few of the concerns already. But I am told that the chairman of the authorizing subcommittee, Senator COCHRAN, has some concerns about this proposal, as does Senator STEVENS who will be here in about 25 minutes to make some comments on it, too.

First, one of my concerns is certainly the administrative costs to the Postal Service. I think they would be significant, as I understand it.

I would like to ask the Senator. Is there a provision that allows them to recoup their costs? Or does the whole profit of this additional cost of stamps just go to the program, and do they have to absorb the administrative costs for doing it?

Mrs. FEINSTEIN. Yes. The administrative costs are absorbed under the one additional cent.

Mr. CAMPBELL. A portion of 1 cent will go back to recover the cost.

Mrs. FEINSTEIN. The cost of collecting the money is absorbed in that 1 cent. Yes.

Mr. CAMPBELL. Mr. President, I might also just comment that, as I understand it, if this 1-cent increase had been for the single best-selling stamp of all time—which was the Elvis Presley stamp that went on sale a couple of years ago, that stamp sold $500 million individual stamps—but if this 1-cent additional had been on that stamp, it would have raised only $5 million. Certainly that is an important amount but not as much as we need. As I also understand, only about 1.6 million breast cancer stamps have been sold so far.

So the amount, I would tell my friend from California, that she would hope to realize from what I have heard and seen is probably going to be quite a bit less than she would hope to get into this account.

The Senator already mentioned that there are some concerns by some of the Members that there are many, many programs that are equally important—muscular dystrophy, prostate cancer is important, Alzheimer's disease, heart disease—many things that we need to address some more. And I think, as some of my colleagues think, that we may be opening an avenue for all kinds of new groups to ask for the same kind of consideration.

If that happens, then I think, No. 1, we are going to confuse the public and we will probably dilute the amount of money needed for any one of them.

But I am not opposed to this amendment. I just wanted to make sure that my colleague understands that I am very supportive of her efforts. But I do have these concerns.

I thank her, and I thank the Chair.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. CAMPBELL. Mr. President, there is one Member seeking time. If the Senator from California is finished, I will suggest the absence of a quorum until Senator STEVENS gets here.

Mrs. FEINSTEIN. I thank the Senator. Yes. At this time, if I may be afforded a reaction and comment.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. I thank the Chair.

As we know, with anything done the first time you never really quite know what it is going to do. I have had estimates. The group supporting this has done some research. I know what they have told me. I cannot make any guarantee to this body that it will produce a lot of money. I do know that it is worth a try, in my opinion. It is important to people. There is a movement behind it.

The breast cancer stamp now exists as of now and it has no fundraising connected to it. It is simply a first-class stamp. This has the ability, for people that want to do so, to buy for the reason of raising an additional cent. I think every one of us know people immediately close to us that are suffering from breast cancer. I happen to believe the women of America are going to respond to this. I think young women are going to respond to it. I think you are going to see interesting ways that people are going to sell first-class stamps. I think that is good for the post office. It is good for the mail, and hopefully it will be good for breast cancer.

I know I didn't buy an Elvis Presley stamp. What was the other stamp? I didn't buy the other breast cancer stamp. I will buy these. I think there are many others like me. I don't know how many. But I think it is worth a try.

I thank the Senator for his comments.

I yield the floor.

Mr. COCHRAN. Mr. President, as Chairman of the Governmental Affairs Subcommittee on International Security, Proliferation, and Federal Services, which has jurisdiction over postal matters, I must point out that the Feinstein amendment would require the U.S. Postal Service to issue a special postage stamp.

Such a special stamp—generally referred to as a semipostal—would sell for 1 cent above the basic first-class letter rate, with most of the differential going to fund breast cancer research. Though this is a well-intentioned amendment, and breast cancer research is a highly worthwhile cause, the idea of using the Postal Service as a fund-raising tool is not a good one. The list of diseases that should be given added research funds is endless. Requiring the Postal Service to issue a semipostal stamp for breast cancer would place the Postal Service and Congress in the very difficult position of determining which worthy organizations or research programs should receive fundraising assistance from the Postal authorities and which should not.

The concept of semipostals has been around for years. Some nations issue them, but most do not. The European experience with this kind of stamp has shown that they are rarely as beneficial to the designated organization as expected. Consider the example of Canada. In 1975, the Canadian Postal Corporation issued a series of semipostal stamps to provide supplementary revenue for the Canadian Olympic Committee. It was reported that while the program received exceptionally good promotional and advertising support, it fell short of its intended revenue objective. Demand for the semipostals throughout Canada was reportedly insubstantial. The program—viewed as a failure—concluded in 1976. More recently, the Canada Post issued a semipostal to support literacy. With a surcharge of 5 cents per stamp, it raised only $252,000. After raising only a modest amount of money, combined with a tremendous administrative expense, Canada Post says they will not issue another semipostal.

There is a strong U.S. tradition of private fund-raising for charities. Such a stamp would effectively use the United States Postal Service as a fund-raiser, a role it never has had. The Postal Service's job—and expertise—is mail delivery. Congress should be mindful that the postage stamp pays strictly for postal operations. It is not a fee for anything but delivering the mail and paying the cost of running the service. In fact, section 3622 of the Postal Reorganization Act of 1970 precludes charging rates in excess of those required to offset the Postal Service's costs of providing a particular service. In other words, the Postal Service does not have the authority to put a surcharge on a postage rate that is cost and overhead driven. There is simply no legitimate connection between the desire to raise money for a cause, and maintenance of the postal service's mission of providing universal service at a universal rate.

This is an effort to bypass the legislative process with an amendment on an appropriation bill and even though the Feinstein amendment's goals are laudatory, it should be rejected.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CAMPBELL. 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. CAMPBELL. I would also ask unanimous consent that the remaining time be equally charged to both the proponents and the opponents of the Feinstein amendment.

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

Mr. CAMPBELL. With that, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Ms. MOSELEY-BRAUN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Ms. MOSELEY-BRAUN. Mr. President, I ask unanimous consent to be allowed to speak as if in morning business for a period of 10 minutes.

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

RACE RELATIONS IN AMERICA

Ms. MOSELEY-BRAUN. Mr. President, on Monday, the President's Advisory Commission on Race met for the first time. Amid the wide-ranging discussion on a variety of issues relating specifically to race, Chairman John Hope Franklin, the renowned doctor of history, discussed the centrality of education and in particular the physical condition of our schools and the centrality of that issue to the future of race relations in our country.

Dr. Franklin noted that in his home of North Carolina, there are schools that are closed part of the time because it is too hot, and there are schools that are closed part of the time because it is too cold, and there are some that are closed part of the time because, when it rains, it rains inside the school as well as outside the school.

Dr. Franklin went on to note that the problem of crumbling schools is not particular to race but rather it is a problem that transcends race. It is a problem that is essential, however, to any discussion of race because it speaks to the character of our Nation as a whole. I want to quote him because I think it is important. "It is a remarkable testimony," Dr. Franklin noted, "to the profligacy of this country, that it will not provide decent educational facilities and opportunities for all of our children."

I believe Dr. Franklin is absolutely correct. According to the U.S. General Accounting Office, every day some 14 million children attend schools that are in such poor physical condition that they need major repairs or should be replaced outright. Some 12 million children attend schools with leaky roofs; 42 percent of schools with more than 51 percent minority enrollment have at least one inadequate building, and 29 percent of schools with less than 6 percent minority enrollment—less than 6 percent—have at least one inadequate building.

In urban, rural, and suburban areas alike, schools are crumbling down around our children. According to the U.S. General Accounting Office, it will cost at least $112 billion just to bring them up to code. That price tag does not include the cost of upgrading schools so they can incorporate modern technologies in the classroom. The FCC, the Federal Communications Commission, recently finalized an initiative that will give the schools and libraries deep discounts on telecommunications services, which should provide millions of children access to modern technology that they would not have otherwise enjoyed. Too many of our children, however, will be unable to take advantage of this opportunity because their schools lack even the basic infrastructure necessary to allow a teacher to plug a computer into the classroom wall. Nearly half of the schools lack the basic electrical wiring needed to fully integrate computers in the classrooms.

So the crumbling schools problem has ramifications even beyond leaky roofs. It cuts off the ability of our youngsters to take advantage of technologies that will help them grapple with the educational challenges that they face in their time.

Schools are overcrowded, also. I have seen schools where the study halls are literally in the hallways, where computer labs are on the stairwell landings, and where they have erected cardboard partitions at the end of corridors in order to create makeshift classrooms.

These dilapidated, overcrowded schools do not provide our children with the kinds of opportunities they will need to compete in the 21st century global economy. Nor do these aging and crumbling schools provide our children with the educational opportunities all of our children will need if we ever expect to move beyond the problems of race relations which have existed, like a sore on our Nation, since its earliest days.

While Dr. Franklin was meeting with the President's Advisory Board on Race Relations, many of my colleagues over here were meeting to work out the final details of the tax bill. President Clinton's tax proposal includes an innovative proposal to address the conditions of crumbling schools. I hope my colleagues on the conference committee will see fit to adopt his proposal.

The President has called for the distribution of allocable tax credits to the States, which would then offer those tax credits to developers and builders in exchange for their performing below-market-rate school construction or improvement projects. States and school districts need our help to address the problem of crumbling schools. We have to rebuild these schools for the 21st century to give our young people the educational opportunities that they need and they deserve. Doing so will help prepare our children for the 21st century economy and will help build a climate of tolerance among the people of our country.

I would like to take a moment to read a letter to my colleagues that I recently received from a superintendent of a rural school district in southern Illinois. I remind my colleagues, Illinois—we used to have an expression, "Just outside Chicago there is a place called Illinois." My State is largely rural once you leave the region around Chicago. I would like to read his letter, the whole letter, because I think it is important. Superintendent Lawrence Naeger wrote to me. He said:

> I am the Superintendent of Century Community Unit Number 100 School District near Ullin, Illinois in the county of Pulaski. I am writing to you in the name of the many citizens of my school district that support your efforts to put dollars back in the federal budget for school construction.
>
> From the earliest days of our school district, the school house has been a focal point of great community pride—a brick and mortar representation of the commitment which citizens of this school district have made to their children's education. Sadly, economic changes over the years have made our community's commitment more difficult. The alarming number of construction concerns that now exist point to a crisis waiting to happen.
>
> As time goes by, it becomes evident that small repairs and quality maintenance is not enough. Thankfully, there have been no major health or safety disasters directly related to the structures. However, it is apparent that the leaking roofs, rusted plumbing, overworked heating systems, and crumbling plaster are fast approaching a crisis point. Less visible, but also of great concern, are infrastructure problems related to overcrowding and/or the inadequacy of school facilities for education as we move toward the 21st Century. Classes held daily on a stage in a gymnasium in the elementary school, and electrical systems which are inadequate for today's learning technologies, stand in the way of quality education for our children.
>
> The Century Board of Education, trying to address these concerns, have been caught between competing demands for local dollars and increasingly restrictive laws regarding access to revenue. As anti-tax sentiment has grown, so too has the recognition that the state and federal governments must become partners in resolving school infrastructure concerns.
>
> The Century School district is clearly at a critical juncture with respect to the infrastructure of its schools. Decisions are being made on how school infrastructure needs can be adequately met, with a very limited budget. Money spent on infrastructure generally

comes from local taxes. While the Century Board of Education is authorized to levy taxes to support its building needs, there are restrictions which severely limit the ability of the board to respond to the emerging infrastructure problems.

It is important to note, in the not-too-distant future, infrastructure problems which currently exist will likely be compounded as our schools built in the 1950's and 1960's begin to wear out. Though age does not necessarily make a building dangerous or obsolete, construction at that time was typically rapid and cheap . . .

Beyond the most urgent health and safety issues, there is increasing concern about the need for . . . infrastructure that can support educational reform and desired innovations, infrastructure conditions that can accommodate the integration of technology, infrastructure that can be accessed by all students regardless of disability, schools that can be used primarily for education but for other community purposes as well, and schools that can serve as safe havens protected from society's violence.

In summary, the Century Board of Education is standing tall, providing the best opportunities for the children of the district to attend school in an environment that is physically safe and conducive to learning. We are being held accountable and are willing to take responsibility to address the deterioration of our school buildings. As well as the growing need for new construction. However, we need your help to fight on for federal dollars to continue the process.

Please fight for our district, our community, our children, the hopes and dreams of all. Please continue to fight for all the children who attend inequitable and inadequate infrastructures, exacerbated by government red tape and broken promises.

Sincerely,

LAWRENCE NAEGER,
Superintendent.

Mr. President, I just want to point out as my time runs out here, the time really has come for all of us in government at all levels, at the local, State, and the Federal Government, to cooperate, to stop pointing fingers at each other, stop pointing fingers at the local school officials or the State education officials or the township supervisors and, instead, form a partnership among all levels of government to address this critical problem.

I urge my colleagues to take a look at the conditions of schools in their own States and to consider the implications of crumbling schools for our children, for our country, for our future, and for the character of our Nation. That was the point that Dr. Franklin made on Monday. That is the point that I wanted to bring to the Senate's attention this afternoon.

I am hopeful that, as we go through the rest of this legislative session, we can come up with innovative approaches to help States and local communities and local governments, such as represented by the letter I read, respond to their concern and need and interest in providing quality educational opportunities for all of America's children.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from North Carolina.

TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1998

The Senate continued with the consideration of the bill.

AMENDMENT NO. 927

Mr. FAIRCLOTH. Mr. President, I ask unanimous consent for 5 minutes of time in favor of Mrs. FEINSTEIN's amendment.

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

Mr. FAIRCLOTH. Mr. President, I rise in strong support of Senator FEINSTEIN's amendment. I am pleased to be an original cosponsor of this amendment.

In May of this year, Senator FEINSTEIN introduced this bill, S. 726. The bill creates a new stamp that costs 1 cent more than whatever the regular price stamp might be. The additional revenue is to be used to directly fund research efforts for breast cancer.

As I am sure we all know, breast cancer is the leading cause of death for women between the ages of 15 and 54. There are 2.6 million women today in America with breast cancer and an estimated 1 million are yet to be diagnosed. If only 10 percent of the first-class stamps use the option for an additional penny—currently it would be a 33-cent stamp, but that might change—but, if only 10 percent use the option of an additional penny above, $60 million would be raised for breast cancer annually. This would represent a 10 percent increase in the research funds available for this disease that is devastating so much of our population.

I frankly believe the idea will be popular and will generate even greater funding than we anticipate. It is used pretty much around the world, except in Britain and the United States, this method of raising money for worthwhile causes.

In my opinion, the new stamp provides a great opportunity to increase the research, and the proceeds come directly from the American people on a voluntary basis, not from tax money. Some have questioned what kind of precedent we are setting. I think the answer is that it is none. It is going to require an act of Congress and the support of the American people. If the program is successful, I suppose there will be people attempting to emulate it, but that is a decision for Congress to make at the time and on the issue involved. As I said, it is not a novel approach; it has been used around the world before this.

Further, I think the people who do not think this will be popular are absolutely wrong. This measure, I think, will be extremely popular. It will raise a lot of money. I have discussed it with numerous people, and all have told me that they felt it was a worthwhile idea and would be worthwhile. I thank Senator FEINSTEIN for introducing the amendment.

I think the Senate needs to go on record in favor of this and let the American people decide if it is going to succeed or not. If it does, we know we will have been right. If it does not succeed, we will not have set a precedent for other stamps. But first and foremost, it is an idea well worth trying, and I think we need to give it an opportunity.

I am aware that the post office has concerns. But every day I read the post office wants to expand its line of business. Every day, they are going into new business, new things, and to these I do not object. But I just noticed the other day they were selling neckties in the post office. I don't see why, with the vast new interest and new things they are going into, they could possibly have a problem with printing this new stamp. The cost of the stamp for distribution will be taken out before any money becomes available for research. This idea is merely a logical extension of selling stamps. I strongly urge Members to support it and urge you to vote for the Feinstein amendment.

I thank the Chair and I yield the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. Mr. President, I ask that I be yielded about 7 minutes.

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

Mr. STEVENS. Mr. President, this is not an easy task to appear in opposition to this amendment. It is not easy for me personally, because I am a survivor of prostate cancer. I come from a family where my oldest brother, my father and my grandfather and my mother all died prematurely of cancer, and I thankfully just received word today that my younger brother has now survived prostate cancer.

The question before the Senate is not cancer. The question before the Senate is how to raise money for cancer research. I have strongly urged that this amendment not come before the Senate, because we reformed the postal system and made it an independent entity. It has evolved from the old Post Office Department, where a member of the Postal Service, the Postmaster General, was a member of the President's Cabinet, to one that is run, basically, by a board of governors with a Postmaster General that is appointed by that board of governors, and we have not issued a stamp in Congress since 1978.

There is no power in the Congress to do what this amendment asks. The power under existing law was given to the Board of Governors, the Postal Service, and the Postal Rate Commission. As a matter of fact, the Postal Service does not have the authority to issue a stamp and charge more than that established by law by the Postal Rate Commission.

I refer the Senate to section 3622 of title 39 which specifically says that the cost for the stamps must be established through the postal rate procedure.

This comes at a time when all I can say is this is plainly wrong, and I have urged the sponsors to remember what they are doing. If we have this stamp—and it looked nice. I saw it beside the Senator from California on C-SPAN. But we have AIDS problems, we have prostate cancer problems, we have problems raising money for the Boy Scouts and the Girl Scouts and the community programs to raise money for all sorts of problems.

They have real trouble raising money, but, Mr. President, I started the concept of putting up defense money for cancer research for breast cancer at $25 million from the defense funds, and I have just urged the Senate to pass a bill from the subcommittee I chair, Defense Appropriations. It has in it $175 million for breast cancer research, specifically earmarked for breast cancer research.

This stamp, if it is issued, if it sold as many as the famous stamp—I think it was the Elvis stamp was the one that sold more than any stamp in history, a penny from each one of the Elvis stamps would bring in $1 million. So what we are seeing is a public relations campaign by people who want credit for being for cancer research, but it is really not an effective fundraising mechanism.

I urge them to use a process like we did for selling savings bonds, to have the Postal Service sell cancer stamps that would go into booklets. You can have one for breast cancer, one for prostate cancer, one for just the general National Institute of Cancer. But you buy the book, put them in a booklet, and when you get $25 worth, you get a $25 bond. If you do that, you would make $1 out of every $20 that came in. If this stamp becomes approved, they get 1 out of every 35 cents. In other words, $1 out of every $35, but the cost of raising this is horrendous for the Postal Service. A person who wants to buy one of these stamps will go to a window and say, "We want 100 breast cancer stamps."

"We don't have that. We have one that shows Jimmy Doolittle or one that shows World War II stamps, but we are out of those." This is not an effective way to sell stamps is what I am saying.

It is true that there are stamp collectors, and on a one-time basis, as the Elvis stamp showed, a lot of people buy them just for collection, but I have to tell you, that is a one-time thing, but it is not a one-time thing for the Postal Service. It is plainly wrong, because its job is to deliver the mail. It is paid for by the ratepayers. The taxpayers do not support the Postal Service any longer.

The Board of Governors is on record against this. The Postal Service is against it. We have seen that this has been done.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The Senator has used 7 minutes.

Mr. STEVENS. I will take 2 more minutes, if I may, and then I will quiet down.

Canada issued a semipostal, that is what they call this, a semipostal stamp, to support literacy. It was a surcharge of 5 cent per stamp, and it raised $252,000 net. This is not an effective way to raise money for breast cancer. We have shown these people how to raise more money for breast cancer, how to improve breast cancer research. I want to work with them, but I tell the Senate that this is not the way to do it.

I ask unanimous consent to have printed in the RECORD a letter that I received today from the Postal Service, from the Postmaster General, where he states that the Postal Service strongly opposes this amendment and states that it would be inappropriate for the Postal Service to raise revenue for purposes other than maintenance of the delivery system.

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

U.S. POSTAL SERVICE,
Washington, DC, July 17, 1997.

Hon. TED STEVENS,
U.S. Senate, Washington, DC.

DEAR SENATOR STEVENS: I am writing to express concern about an amendment that was offered and then withdrawn at the full Committee markup of the Treasury, Postal, and General Government appropriations bill on July 15. The amendment would require the Postal Service to issue a special postage stamp to help fund breast cancer research. This hybrid stamp, called a semipostal, would sell for one-cent above the Basic First-Class letter rate, with most of the one-cent differential going to breast cancer research.

The Postal Service strongly opposes this amendment. Our basic function today remains the same as it has been for over 200 years—universal mail service throughout the nation. We believe it would be inappropriate for the Postal Service to raise revenue for purposes other than the maintenance of a national mail delivery system.

This proposed amendment would set a precedent which would open the floodgates for all worthy social causes. In very short order, the Postal Service would find itself devoting considerable time and expense as a fund raiser. That is not our role, and we do not think it should be.

We understand this semipostal amendment will again be offered on the Senate floor today, and would appreciate your support in rejecting the idea.

Best regards,

MARVIN RUNYON,
Postmaster General, CEO.

Mr. STEVENS. Mr. President, I say the same thing, you cannot limit this process to one concept of a breast-cancer concept. It will lead to Congress getting back into the micromanagement of the Postal Service. It is plainly wrong, and it should not become law. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

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

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. What happens to the time limits?

The PRESIDING OFFICER. The time will be suspended.

Mr. STEVENS. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator may proceed.

AMENDMENT NO. 929

(Purpose: To limit the use of funds to provide for Federal agencies to furnish commercially available property or services to other Federal agencies)

Mr. THOMAS. Mr. President, I call up amendment No. 929 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wyoming [Mr. THOMAS], for himself, Mr. ENZI and Mr. BROWNBACK, proposes an amendment numbered 929.

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

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

The amendment is as follows:

At the appropriate place in the bill, insert the following new section and renumber any following sections accordingly:

SEC. . LIMITATION ON THE USE OF FUNDS TO PROVIDE FOR FEDERAL AGENCIES TO FURNISH COMMERCIALLY AVAILABLE PROPERTY OR SERVICES TO OTHER FEDERAL AGENCIES.

(a) Except as provided in subsection (b), none of the funds appropriated by this or any other Act may be used by the Office of Management and Budget, or any other agency, to publish, promulgate, or enforce any policy, regulation, or circular, or any rule or authority in any other form, that would permit any Federal agency to provide a commercially available property or service to any other department or agency of government unless the policy, regulation, circular, or other rule or authority meets the requirements prescribed under subsection (b).

(b)(1) Not later than 120 days after the date of the enactment of this Act, the Director of the Office of Management and Budget shall prescribe regulations applicable to any policy regulation, circular, or other rule or authority referred to in subsection (a).

(2) The requirements prescribed under paragraph (1) shall include the following:

(A) a requirement for a comparison between the cost of providing the property or service concerned through the agency concerned and the cost of providing such property or service through the private sector;

(B) a requirement for cost and performance benchmarks relating to the property or service provided relative to comparable services provided by other government agencies and contractors in order to permit effective oversight of the cost and provision of such property or service by the agency concerned or the Office of Management and Budget; and

(C) the regulation would not apply to contingency operations associated with national security or a national emergency.

Mr. THOMAS. Mr. President, I also ask unanimous consent that Senator ENZI and Senator BROWNBACK be added as cosponsors.

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

Mr. THOMAS. Mr. President, I bring to the floor and to this bill an amendment which was offered last year and adopted by a bipartisan vote of 59 to 39 but was trimmed out of the omnibus appropriations bill. It has to do with the question of the Federal Government competing unfairly with private firms; agencies performing commercial, rather than inherently governmental, activities for other agencies. My amendment requires Federal agencies to demonstrate that they can perform more efficiently and effectively than the private sector before providing commercially available goods and services to other agencies.

It has been the Federal Government's policy for over 40 years that it should not compete with the private sector. In fact, the Government should rely on the private sector to supply commercially available goods and services. However, this policy is too often ignored.

For example, the Defense Science Board calculates that out of 850,000 full-time positions needed to provide commercial services for the military, 640,000 are held by Federal employees instead of private sector contractors.

The Clinton administration has taken this situation one step further. Last year, OMB came out with a policy that grandfathers existing interservice support agreements from cost-comparison requirements. This change permits one Federal agency to provide goods and services to another agency regardless of cost or performance. This new policy gives Federal agencies until October 1997 to go out and recruit business from other agencies without performing a cost comparison and cost analysis. The administration implicitly argues that this entrepreneurial approach to Government will save the taxpayers money.

However, if they don't do a cost comparison, how do they know it saves money? Some examples of existing interservice support agreements are aerial photography, mapping services, laboratory services, printing services, all of which are often provided more efficiently and more cost-effectively in the private sector.

For example, in Jacksonville, FL, the Navy Public Works Division recently completed a state-of-the-art environmental lab to provide routine hazardous waste characterizations. These services are already available in the private sector, and the Navy intends to offer their services to other agencies.

In Alaska last year, the State struggled to contain a large wildfire. The CIA provided needed mapping and satellite imagery. A private company was available to do the work, but they were never asked.

These are just a few of the examples of direct Government competition with the private sector without a cost comparison.

I want to emphasize that I am not insisting that the Federal Government use the private sector. It simply needs to compare public and private sector production to ensure the American taxpayer gets the best value goods and services, the most bang for their buck.

Encouraging the Federal Government to compete with the private sector is philosophically wrong. Almost all of us stand up here day after day and talk about let's have less Government, reduce the size of Government, reduce the cost of Government, strengthen the private sector and, yet, continually allow this to go on. It is philosophically wrong. It hurts small business.

In fact, the three White House Conferences on Small Business rate this as a top concern, the ability to compete for public contracts.

Unfair Government competition with the private sector costs the taxpayers money. Numerous studies have shown that outsourcing can save the Government up to $30 billion annually. It also circumvents the appropriations process. If an agency can do work for another agency, it is likely that its resources and employees are larger than it needs to be and needs to be cut back. On the other hand, if an agency's appropriation is cut, it recruits business. That also circumvents the appropriations' process and the idea of focusing on priorities.

Most of all, the policy is contrary to current law. This policy is merely a rule from the OMB supplemental handbook A–76. But it violates the Economy Act, which specifically states that one agency can provide goods and services to another agency only when a commercial enterprise cannot provide the goods and services as conveniently or as cheaply. In other words, you do have to do a cost comparison.

I think this is an unbelievable policy for a President that has said, "The era of big Government is over," and then to turn around and implement a policy of this kind, which does not even provide for a cost comparison. This policy is another example of the administration expanding Government, not reinventing it.

I recently introduced a bill, S. 314, which is called the Freedom From Government Competition Act, which addresses Government competition with the private sector. It encourages outsourcing and utilizing private sector capability. It provides exemptions for national security, inherently governmental functions, situations where the Government can provide better value goods and services, and when private sector capability is inadequate. I want to stress that this amendment addresses functions that are commercial activities within the Government. We need to take some action now to implement the rules and the policy that has been in place for 40 years but have not been followed.

My amendment is exactly the same as that which the Senate passed last year. It merely reaffirms existing law and prohibits one agency providing commercial goods and services for another unless a comparison is done. More oversight of this problem is needed.

This amendment will create private sector jobs, help small business, save taxpayer dollars, make the Government smaller and more efficient. That is a great idea.

My bottom line is, I want the Government to cost less and be more effective. Most people here do. My amendment will ensure that. I urge my colleagues to join me in supporting this commonsense, good-Government, protaxpayer reform.

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

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. THOMAS. I will come back later and ask for the yeas and nays.

I yield the floor.

The PRESIDING OFFICER. Is there further debate on amendment No. 929 offered by the Senator from Wyoming?

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

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further debate?

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

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

VOTE ON AMENDMENT NO. 927

Mr. CAMPBELL. Mr. President, I ask for the regular order concerning the Feinstein amendment. We yield back all remaining time and ask for the yeas and nays.

Mr. KOHL. On behalf of the minority and Senator FEINSTEIN, we yield back our remaining time also.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time is yielded back. The question now occurs on agreeing to amendment No. 927.

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

The assistant legislative clerk called the roll.

The result was announced—yeas 83, nays 17, as follows:

[Rollcall Vote No. 186 Leg.]

YEAS—83

Abraham	Enzi	Lott
Akaka	Faircloth	Lugar
Ashcroft	Feingold	Mack
Baucus	Feinstein	McCain
Bennett	Ford	McConnell
Biden	Frist	Mikulski
Bond	Graham	Moseley-Braun
Boxer	Gramm	Moynihan
Breaux	Grams	Murkowski
Brownback	Grassley	Murray
Bryan	Gregg	Reed
Burns	Harkin	Reid
Byrd	Hatch	Robb
Campbell	Helms	Roberts
Chafee	Hutchinson	Rockefeller
Cleland	Hutchison	Roth
Coats	Jeffords	Santorum
Collins	Johnson	Sarbanes
Conrad	Kempthorne	Smith (OR)
Coverdell	Kennedy	Snowe
Craig	Kerrey	Specter
D'Amato	Kerry	Thomas
Daschle	Kohl	Thurmond
DeWine	Kyl	Torricelli
Dodd	Landrieu	Warner
Domenici	Lautenberg	Wellstone
Dorgan	Leahy	Wyden
Durbin	Lieberman	

NAYS—17

Allard	Hagel	Sessions
Bingaman	Hollings	Shelby
Bumpers	Inhofe	Smith (NH)
Cochran	Inouye	Stevens
Glenn	Levin	Thompson
Gorton	Nickles	

The amendment (No. 927) was agreed to.

The PRESIDING OFFICER (Mr. HAGEL). The question now occurs on amendment No. 929 offered by the Senator from Wyoming.

The yeas and nays have been ordered.

Is there further debate?

Mr. BUMPERS. 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. KOHL. 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. KOHL. Mr. President, I ask unanimous consent that my detailee from the Justice Department, Joel Christie, have floor privileges during the debate on the nomination later today of Joel Klein, and for any other Judiciary Committee matter on the floor this Congress.

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

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

The legislative clerk proceeded to call the roll.

Mr. KOHL. 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. KOHL. Mr. President, I ask unanimous consent that Bob Simon and Dan Alpert, legislative fellows in the office of Senator BINGAMAN, be granted floor privileges during the pendency of this bill.

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

UNANIMOUS-CONSENT REQUEST

Mr. CAMPBELL. Mr. President, we have been here 5 hours now, and we have encouraged our colleagues to get their amendments filed and come down to the floor. A number of Senators have.

After consultations with the majority leader and minority leader and Senator KOHL, I ask unanimous consent that the following amendments be in order and that no others be accepted after these that I will read:

Senator COLLINS, on Treasury inspector general; Senator GRASSLEY, on P-3 hangar; Senator CHAFEE, on a relevant amendment on health benefits; Senator HUTCHINSON, on Federal Acquisition Streamlining Act; Senator COVERDELL, on a relevant amendment; Senator HUTCHISON, on NAFTA; Senator THOMAS, on Federal procurement; Senator DASCHLE, on IRS; Senator HATCH, on judges' pay; Senator FAIRCLOTH, on computer games; Senator GRAHAM on HIDTAS; Senator KOHL on fire arms traffic initiatives; Senator CLELAND, on National drug campaign; and the managers amendment itself.

The PRESIDING OFFICER. Is there objection?

Mr. KOHL. Mr. President, I request—temporarily, I hope —of Senator CAMPBELL that we don't act on this at this time.

Mr. HATCH. Reserving the right to object, Mr. President, will the distinguished Senator from Colorado be willing to add a Hatch amendment on national media campaign?

Mr. CAMPBELL. National media campaign?

Mr. HATCH. Yes, in addition to the judges' compensation.

Mr. CAMPBELL. We will add that. But at the present time, the minority leader has informed me there are two or three others that are just right on the verge of offering their amendments. So I withhold my unanimous-consent request at the present time.

The PRESIDING OFFICER. Who seeks recognition?

Mr. CAMPBELL. 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. HATCH. 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. 930

(Purpose: To establish the procedure for adjusting future compensation of justices and judges of the United States)

Mr. HATCH. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. Without objection, the pending amendment numbered 929 will be set aside, and the clerk will report.

The legislative clerk read as follows:

The Senator from Utah [Mr. HATCH] for himself, Mr. LEAHY, Mr. DURBIN, and Mr. KOHL, proposes an amendment numbered 930.

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

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . JUDICIAL SALARIES.

(a) JUDICIAL COST-OF-LIVING ADJUSTMENTS.—Section 461(a) of title 28, United States Code, is amended to read as follows:

"(a) Effective on the same date that the rates of basic pay under the General Schedule are adjusted pursuant to section 5303 of title 5, each salary rate which is subject to adjustment under this section shall be adjusted by the same percentage amount as provided for under section 5303 of title 5, rounded to the nearest multiple of $100 (or if midway between multiples of $100, to the next higher multiple of $100).".

(b) AUTOMATIC ADJUSTMENTS WITHOUT CONGRESSIONAL ACTION.—Section 140 of the resolution entitled "A Joint Resolution making further continuing appropriations for the fiscal year 1982, and for other purposes.", approved December 15, 1981 (Public Law 97-92; 95 Stat. 1200; 28 U.S.C. 461 note) is repealed.

Mr. HATCH. Mr. President, my amendment delinks judges' salaries from our salary problem, because it is unbelievable how terrible it is in many parts of this country that judges do not have an annual COLA. That is what this will grant them.

Mr. President, I am offering an amendment to establish a procedure for future cost-of-living increases in judicial compensation. This legislation is a portion of a legislative proposal prepared by the Administrative Office of the U.S. Courts, and which I introduced by request as S. 394 earlier this Congress.

Under current law, salaries for Federal judges are currently linked to congressional and Executive Schedule salaries, so that Federal judges cannot receive cost-of-living adjustments [COLA's] unless Members of Congress and employees on the Executive Schedule receive the same COLA. As a consequence, Federal judges have not received a cost-of-living salary adjustment since January 1994. This amendment would amend section 461 of title 28 to end the current linkage between the judicial, congressional and Executive Schedule compensation. Instead, judicial salaries would be adjusted automatically on an annual basis, in the same percentage amount as the

rate of pay of Federal employees under the General Schedule. In addition, the amendment would repeal section 140 of Public Law No. 97–92, thereby removing the current requirement that Congress affirmatively vote for cost-of-living increases for Federal judges.

Not included in my amendment is language, originally proposed by the Administrative Office and introduced as part of S. 394 earlier this Congress, which would give a one-time salary increase to Federal judges. I do believe this separate, one-time salary increase warrants serious consideration by this body, although not necessarily as part of the second degree amendment I am presently offering.

If we are to attract and retain the most capable lawyers to serve as Federal judges, it is vitally important that we ensure that those responsible for the effective functioning of the judicial branch receive fair compensation, including reasonable adjustments which allow judicial salaries to keep pace with increases in the cost of living. As Chief Justice Rehnquist stated in his "1996 Year-End Report on the Federal Judiciary," "We must insure that judges, who make a lifetime commitment to public service are able to plan their financial futures based on reasonable expectations." This amendment, which I am offering at the request of the Judicial Conference, proposes changes viewed by the Judicial Conference as advancing this objective—an objective with which I believe most Senators would agree.

Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Utah.

The amendment (No. 930) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. HATCH. 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. THOMAS. 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. 929, AS MODIFIED

Mr. THOMAS. Mr. President, I send to the desk a modification to amendment 929.

The PRESIDING OFFICER. The amendment is so modified.

The amendment (No. 929), as modified, is as follows:

At the appropriate place in the bill, insert the following new section and renumber any following sections accordingly:

SEC. . LIMITATION ON THE USE OF FUNDS TO PROVIDE FOR FEDERAL AGENCIES TO FURNISH COMMERCIALLY AVAILABLE PROPERTY OR SERVICES TO OTHER FEDERAL AGENCIES.

(a) Except as provided in subsection (b), none of the funds appropriated by this or any other Act may be used by the Office of Management and Budget, or any other agency, to publish, promulgate, or enforce any policy, regulation, or circular, or any rule or authority in any other form, that would permit any Federal agency to provide a commercially available property or service to any other department or agency of government unless the policy, regulation, circular, or other rule or authority meets the requirements prescribed under subsection (b).

(b)(1) Not later than 120 days after the date of the enactment of this Act, the Director of the Office of Management and Budget shall prescribe regulations applicable to any policy regulation, circular, or other rule or authority referred to in subsection (a).

(2) The requirements prescribed under paragraph (1) shall include the following:

(A) a requirement for a comparison between the cost of providing the property or service concerned through the agency concerned and the cost of providing such property or service through the private sector;

(B) a requirement for cost and performance benchmarks relating to the property or service provided relative to comparable services provided by other government agencies and contractors in order to permit effective oversight of the cost and provision of such property or service by the agency concerned or the Office of Management and Budget; and

(C) the regulation would not apply to contingency operations associated with national security or a national emergency.

(D) the regulation would not apply if the goods are to be produced or services are to be performed by a private sector source at a government owned facility that is operated by the private sector source.

Mr. THOMAS. Mr. President, I ask unanimous consent that Senator HAGEL be added as a sponsor of the amendment.

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

Mr. THOMAS. I thank the Chair.

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. CAMPBELL. 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. CAMPBELL. Mr. President, I ask unanimous consent that the Senate now resume consideration of amendment No. 929 by Senator THOMAS and ask that the yeas and nays be vitiated.

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

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

The amendment (No. 929), as modified, was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. CAMPBELL. 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. CAMPBELL. 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. CAMPBELL. Mr. President, I ask unanimous consent that the following be the only remaining first-degree amendments other than the pending amendments and that they be subject to relevant second-degree amendments. They are an amendment by Senator FAIRCLOTH, two by Senator HUTCHISON, three amendments by Senator COVERDELL, one by Senator ABRAHAM, one by Senator DEWINE, one by Senator CHAFEE, one by Senator COLLINS, one by Senator GRASSLEY, one by Senator HATCH, one by Senator DASCHLE, one by Senators LOTT and DASCHLE, one by Senator CLELAND, one managers' amendment, one by Senator KOHL, one by Senator GRAHAM of Florida, one by Senator BINGAMAN, one by Senator DODD, and two by Senator FEINSTEIN.

I further ask that following the disposition of the above-listed amendments, the bill be advanced to third reading and final passage occur, and when the Senate receives the House companion bill, all after the enacting clause be stricken and the text of the Senate bill be inserted, the bill be advanced to third reading and passed, and the Senate insist on its amendments and request a conference with the House, and the Chair be authorized to appoint conferees.

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

AMENDMENT NO. 931

(Purpose: To amend the Federal Election Campaign Act)

Mr. CAMPBELL. Mr. President, I now send an amendment to the desk on behalf of the majority leader, Senator LOTT, and the minority leader, Senator DASCHLE, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows.

The Senator from Colorado [Mr. CAMPBELL], for Mr. LOTT, for himself and Mr. DASCHLE, proposes an amendment numbered 931.

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the amendment not be read at length.

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . Section 302(g)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(g)(1)) is amended—

(1) by striking "and" after "Senator,"; and
(2) by inserting after "candidate," the following: "and by the Republican and Democratic Senatorial Campaign Committees".

Mr. CAMPBELL. I ask the Senate adopt this amendment.

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

The amendment (No. 931) was agreed to.

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

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

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CAMPBELL. 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. CAMPBELL. Mr. President, I ask unanimous consent that when the House companion measure is passed by the Senate, pursuant to the previous order, that the passage of S. 1023 be vitiated and that S. 1023 be indefinitely postponed.

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

UNANIMOUS-CONSENT AGREEMENT—NOMINATIONS OF JOEL I. KLEIN AND ERIC H. HOLDER, JR.

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Senate stand in recess until 5 p.m., and at 5 p.m., the Senate proceed to executive session for the consideration of the nomination of Joel Klein, with the previous time limitations.

I further ask unanimous consent that immediately following the vote on the Klein nomination, the Senate proceed to a vote on calendar No. 139, the nomination of Eric Holder.

I further ask unanimous consent that, immediately following the vote on the Holder nomination, the motions to reconsider be laid upon the table; that any statements relating to either of these nominations appear at the appropriate place in the RECORD; that the President be immediately notified of the Senate's action; and that the Senate then return to legislative session.

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

RECESS UNTIL 5 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until the hour of 5 p.m.

Thereupon, at 4:49 p.m., the Senate recessed until 5 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Ms. COLLINS].

EXECUTIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now go into executive session.

NOMINATION OF JOEL I. KLEIN, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT ATTORNEY GENERAL

The bill clerk read the nomination of Joel I. Klein, of the District of Columbia, to be an Assistant Attorney General.

Mr. ALLARD addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

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

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

Mr. HATCH. Madam President, I would like to comment just briefly here on the nomination of Mr. Joel Klein, who has been nominated for the position of Assistant Attorney General of the Antitrust Division of the Department of Justice.

Last Friday, I spoke on this floor in support of Mr. Klein and urged my colleagues to support his nomination. I certainly continue wholeheartedly to support Mr. Joel Klein. And I continue to urge my colleagues to join me.

I will not repeat today all that I had to say last week on Mr. Klein's behalf, but I would like to reiterate that support and have my statement from last Friday printed in the RECORD. I ask unanimous consent to have that statement printed in the RECORD.

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

STATEMENT OF SENATOR ORRIN HATCH ON THE NOMINATION OF JOEL I. KLEIN TO BE ASSISTANT ATTORNEY GENERAL OF THE ANTITRUST DIVISION OF THE DEPARTMENT OF JUSTICE, JULY 11, 1997

Mr. President, I rise today on behalf of Mr. Joel Klein, who has been nominated for the position of Assistant Attorney General of the Antitrust Division of the Department of Justice. Mr. Klein was reported out of the Judiciary Committee unanimously on May 5. As his record and testimony reflect, Mr. Klein is a fine nominee for this position, and I am pleased that his nomination has finally been brought before the full Senate today. He has my strong support.

I believe Mr. Klein is as fine a lawyer as any nominee who has come before this committee. He graduated magna cum laude from Harvard Law School before clerking for Chief Judge David Brazelon of the D.C. Circuit and then Supreme Court Justice Lewis Powell. Mr. Klein went on to practice public interest law and later formed his own law firm, in which he developed an outstanding reputation as an appellate lawyer arguing—and winning—many important cases before the U.S. Supreme Court. For the past two years, Mr. Klein has ably served as Principal Deputy in the Justice Department's Antitrust Division, and for the past several months he has been the Acting Assistant Attorney General for the Antitrust Division.

It is clear, both from his speeches and his enforcement decisions, that Mr. Klein is within the mainstream of antitrust law and doctrine and will be a stabilizing influence at the Antitrust Division. While no one doubts his willingness to take vigorous enforcement actions when appropriate, it is a credit to Mr. Klein that the U.S. Chamber of Commerce, the National Association of Manufacturers and other business associations have written in strong support of his nomination to lead the Antitrust Division. They believe he will be good for American business. And I think they are right.

At the same time, Mr. Klein has demonstrated a sense of direction and a vision for the Antitrust Division, which is important in a leader. He is committed to enforcing our Nation's antitrust laws in order to uphold our cherished free enterprise system and protect consumers from cartels and other anticompetitive conduct. So, I am certain that Mr. Klein will also be good for consumers.

Antitrust doctrine has had its ups and downs over the years—although we may not all agree on which times were which. At this point, however, I am hopeful that antitrust is entering a more mature and more stable period. Although antitrust analysis is fact-intensive and will always contain gray areas, I hope Mr. Klein will work to help make antitrust doctrine as clear and predictable as possible so that companies know what is permitted and what the Antitrust Division will challenge. This will help businesses compete vigorously without the worry and chilling effects that result from uncertainty. I would suggest that the Division's goal should be to avoid burdens on lawful business activities while appropriately enforcing the law against those who clearly violate it.

Finally, I would like to add that I personally have been very impressed with Mr. Klein. He strikes me as a person of strong integrity, as a highly competent and talented lawyer who is well-suited to lead the Antitrust Division. While I expect we may not always agree on every issue, I believe that Mr. Klein's skills and expertise will be a service to the Department of Justice, to antitrust policymakers, and the health of competition in our economy and I look forward to working with him in the coming years.

In what appears to be a last-ditch effort to scuttle Mr. Klein's nomination, there are some who have now floated an allegation that the nominee's participation in a particular merger decision was somehow improper. Upon examination, let me say that it appears to me that these reports are wholly unfounded and provide no basis whatsoever for questioning the nominees conduct. I understand that, with respect to the matter at issue, Mr. Klein consulted with the proper ethics officials and was assured that his participation raised no conflict of interest or even the appearance thereof. Based on what we know, this judgment appears sound, and I am confident that the nominee has conducted himself appropriately. I should hope

that nobody in this body will use this extraneous, ill-founded notion as an eleventh hour basis for opposing Mr. Klein's nomination. I am confident that Mr. Klein is a man of integrity, and urge my colleagues to cast their votes in his favor.

Some have suggested that Mr. Klein is misapplying the Telecommunications Act and has taken questionable positions on particular mergers. I will refrain here from passing judgment on any particular decision and from engaging in a detailed debate on Telecommunications antitrust policy. I fully recognize that there are some very, very important issues at stake here, especially in light of a number of ambiguities left in the wake of the Telecommunications Act. I also recognize that there have been some controversial mergers in this area, and yet other potentially landmark mergers which have not come to pass.

In short, telecommunications competition and antitrust policy is one of the most important, yet somewhat unsettled, policy areas affecting our emerging, transforming economy. The looming policy decisions to be made in this area cannot be ignored and indeed I plan to have the Judiciary Committee and/or our Antitrust Subcommittee fully explore these issues.

But I believe it is neither fair nor wise to hold a nominee hostage because of such concerns. In my view, sound public policy is best served by bringing this nominee up for a vote, permitting the Justice Department to proceed with a confirmed Chief of the Antitrust Division, and for us in Congress to move forward and work with the Department and other involved agencies in the formulation and implementation of telecommunications policies.

I hope that all Senators, and especially those of the President's own party, would permit the administration's nominee to be voted on.

Mr. HATCH. I would also like to point out that numerous past and present Government officials and attorneys have voiced strong support for Mr. Klein, including James Rill and John Shenefield, who headed the Antitrust Division during the Bush and Carter administrations respectively.

I also ask unanimous consent that a letter to the New York Times editor from Messrs. Rill and Shenefield be printed in the RECORD.

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

WASHINGTON, DC,
July 11, 1997.

The NEW YORK TIMES,
New York, NY.

TO THE EDITOR: We write to state our disagreement with the New York Times and with several Senators who have expressed opposition to the nomination of Joel Klein to head the Antitrust Division at the Justice Department. Mr. Klein should be confirmed because he has all the qualities of leadership and judgment to make an outstanding Assistant Attorney General. In fact, the reasons why his detractors have put his nomination on "hold" actually support the case for his nomination. The objections to his nomination stem not from concern about his qualifications, but from a difference of opinion over the best way to ensure competitive markets in telecommunications.

The Antitrust Division was created to function as a specialist agency with the expertise and experience essential to making sound antitrust enforcement decisions. Quick, intuitive judgments based upon an incomplete understanding of either the facts or the law can easily lead to incorrect decisions. Critics of Mr. Klein's recent decisions are at a disadvantage because they cannot possibly have his detailed knowledge of the facts. That is why Congress wisely entrusted such decisions to an expert agency. In the past that trust has not been misplaced because the Division has been willing to take an unpopular stand that it considered to be in the public interest—as it did in settling the AT&T case.

Mr. Klein's willingness to reach a decision on the Bell Atlantic merger indicates he has the courage to make a fine Assistant Attorney General. He made a decision despite the fact that whatever he decided to do was likely to offend someone who was considering his nomination. No doubt Mr. Klein could have found a way to delay a decision until after he was confirmed. Instead, he made what he believed was the correct decision from the perspective of the antitrust laws. Mr. Klein is being criticized for doing his job. To substitute the political process for the judgment of an expert enforcement agency in an area where both the facts and the law are remarkably complicated would be a dangerous precedent that could only harm enforcement of the antitrust laws in the future. We hope that those who have expressed misgivings about Mr. Klein's nomination will soon allow it to come to a vote, so that Mr. Klein can be confirmed—as he should be.

JAMES F. RILL.
JOHN H. SHENEFIELD.

Mr. Rill was Assistant Attorney General in charge of the Antitrust Division during the Bush Administration; Mr. Shenefield was Assistant Attorney General in charge of the Antitrust Division during the Carter Administration.

Mr. HATCH. I am very pleased that cloture was invoked last week with such overwhelming support. I must say, however, that I was quite surprised, and disappointed even, to find us in the position of voting on cloture for someone as good as Joel Klein. Even I, as chairman or ranking member of the Judiciary Committee, have not filibustered a single Clinton administration nominee for the Justice Department or the Federal courts. I am not saying I will not in the future, but I will say that I have not up until now.

Indeed, the last filibuster of a Justice Department nominee was over the nomination of Walter Dellinger to head the Department's Office of Legal Counsel back in October of 1993. Of all the nominees I have seen in recent years, I must say that Joel Klein certainly ranks among the very best of them.

Of course, I know my good colleague from South Carolina would not take this step lightly and without what is, in his view, adequate justification, but in fairness I think we must now move quickly to confirm this nominee who has been awaiting confirmation since May 5 of this year.

As I explained last Friday, I believe it is critical for the Department of Justice, and the business community generally, to have a permanent, confirmed antitrust chief. Until we do, any antitrust matter before the Department of Justice will invite political maneuvering and gamesmanship by the affected parties, and any ultimate decision by the Department, no matter how justified on the merits, will unfairly be subject to criticism.

Mr. Klein has, to his credit, not permitted the likelihood of such criticism to deter him from leading the Department to bring closure on critical matters pending before the Antitrust Division. I believe it is most unfortunate that, because of this body's, the U.S. Senate's, delay, Mr. Klein has been unfairly criticized for such decisions. This does a disservice to the Department as well as to those who come before it.

By urging that we move to confirm Mr. Klein, and in expressing my support for this fine nominee, I intend in no way to diminish the important issues raised by my colleague from South Carolina, and others, regarding competition and antitrust policy in the telecommunications field. Quite the contrary, it is my belief that telecommunications competition and antitrust policy is one of the most important, yet somewhat unsettled, policy areas affecting our emerging and transforming economy.

In fact, I announce today that I plan to work in coordination with Senator DEWINE, who chairs the Judiciary Committee's Antitrust Subcommittee, to explore the looming policy decisions in this area and the role of the Department of Justice in the telecommunications arena. In my view, there are few competitive issues which are more worthy of examination than this one.

Notwithstanding the tremendous import of the issues raised by some of my colleagues, I believe it is neither fair nor wise to hold this nominee and the Antitrust Division hostage because of concerns about his potential positions in this very turbulent area of the law. In my view, sound public policy is best served by bringing this nominee up for a vote, permitting the Justice Department to proceed with a confirmed Chief of the Antitrust Division, and for us in Congress to move forward and work with the Department and other involved agencies in the formulation and implementation of telecommunications policies.

So, I urge my colleagues on both sides of the aisle to vote to confirm Joel Klein as Assistant Attorney General for the Antitrust Division.

I have known Mr. Klein for quite a while, and I have to say I know him well. I also know his abilities well. I can also say, as someone who has had a little experience in the law, that Mr. Klein will stack up with anybody. He is a fine nominee. I commend the President for having made this choice, for having had the foresight to put somebody like this into the Justice Department.

I commend Mr. Klein for the work that he has done up to date, for his fearless work and not waiting until he is confirmed to act as the acting person in that Department and for the work he did prior to this nomination in that Department. I commend him for a lifetime of service to this country and to his family and to the law firms that he has worked with.

There is no question he has the academic and other credentials that far exceed the academic and other credentials of many others who served with distinction, who served in the Government of the United States, and particularly in the Justice Department.

So I am very happy to support his nomination. I hope that today everybody will support his nomination. I think it is the right thing to do.

Again, I say, my colleague from South Carolina is sincere and dedicated in his effort, but I hope he will see fit to support this nomination as well, on the basis that he has made his case, he has made his arguments, he has stood up for what he believes his principles are, and now it is time to support the President's nominee for this particular, important position in the Antitrust Division.

Mr. LEAHY. Madam President, it is my hope that Joel Klein will be a strong and effective advocate for competition and the interests of consumers when he is confirmed as Assistant Attorney General for the Antitrust Division of the Department of Justice.

I had a close working relationship with his predecessor, Anne Bingaman. I hope that we can develop that kind of relationship, as well.

Mr. Klein has been buffeted a good bit since being nominated. He had to answer some tough questions during his nomination hearing about approving the Bell Atlantic-NYNEX merger without conditions. After the Judiciary Committee reported his nomination to the Senate on May 8, he responded to a letter from Senator BURNS and succeeded in convincing our colleague to remove his hold on this nomination. That letter and an addendum filed by Mr. Klein as Acting Assistant Attorney in connection with the application of SBC Communications before the FCC raised serious concerns for a number of other Senators, however.

Last week the Senate proceeded by unanimous consent to consideration of this nomination. Until that moment, I understood there to have been Republican holds against this nominee. Why the Republican leadership proceeded immediately upon calling up this nomination to file a cloture petition, they will have to explain. In fact, we had worked out a time agreement for the debate before the unnecessary cloture vote on Monday. That agreement was confirmed by the majority and minority leaders and pursuant thereto we are debating the nomination today.

In this regard, I note the consistent willingness of Senator HOLLINGS to debate and vote on this nomination from the outset, and the sincere efforts of Senators DORGAN and KERREY to obtain clarification of issues that concern many of us.

I have given a good deal of thought to this nomination. I believe that the Antitrust Division and the Assistant Attorney General who heads it are extremely important to effective enforcement of our laws and protection of American consumers. I have come to rely on them for advice as we draft legislation and develop policies to foster competition.

I hope to continue to do so. I believe that the President is to be given significant deference on his selections for his Administration team. The Attorney General has contacted us in support of Mr. Klein and his interpretation of the law, and that means a good deal to me. As I consider the legal interpretations and policies in question, I do not find myself in total agreement with the Acting Assistant Attorney General. Nonetheless, I will vote to confirm him.

Unlike some who have spoken in opposition to this nomination, I feel that a good deal of the fault I find with Mr. Klein's positions stems from the Telecommunications Act of 1996. I worked hard to correct and improve that act's weak and deferential standards for ensuring competition. In some measure we succeeded in strengthening the act, but other significant provisions that I supported to foster competition and protect consumers were rejected. That was a principal factor in my decision to vote against that act—the bill was not strong enough.

Others predicted that passage of the Telecommunications Act would launch an era of competition in which cable companies would compete with the regional Bell operating companies for local phone service, long distance companies would compete with the Bells in both local and long distance services, and regional Bell operating companies would compete against each other. The promise of competition was a sales pitch but has not materialized to benefit American consumers. Instead of competition, we see entrenchment, mega-mergers, consolidation, and the divvying up of markets.

I, too, hoped that the Justice Department Antitrust Division would act aggressively to protect consumers and foster competition. I have noted my concerns during Mr. Klein's confirmation hearing in my questioning of his unconditional approval of the Bell Atlantic-NYNEX merger. If the current law only serves to protect against mergers that tend to diminish competition where it already exists, it may be time to amend the law to foster competition where none has existed. I hope that Joel Klein will help us do that.

I was taken aback by the language Mr. Klein used in his May 20 letter to Senator BURNS by which he "specifically rejected the suggestion in the conference report" on the Telecommunications Act that the 8(c) test be employed. But the more that I reviewed the matter, the more I realized that much of the fault lies with the conference report itself and the Telecommunications Act's failure to provide a definitive test.

I was not appointed to serve on that conference committee, although I was serving as the ranking Democrat on the Antitrust Subcommittee on the Judiciary Committee at the time. I would have wanted to help that conference incorporate a stronger test into the law. That did not happen.

It is my hope that working with the Department of Justice we can now help ensure that the test the Attorney General has adopted—that the local market be fully and irreversibly open to competition—is a meaningful standard and strong enforcement tool. If not, Congress should revisit it and strengthen it.

I do think that Senator HOLLINGS is correct when he criticizes the addendum to the Justice Department's submission in connection with the SBC Communications application. Both Senator HOLLINGS and Congressman BLILEY concur as principal drafters of the law regarding their intent and its meaning. I trust that the Antitrust Division will review its position on the proper meaning of section 271 of the Telecommunications Act and its requirement for competing service providers to offer facilities-based services.

In opening the debate on this nomination, Senator HATCH cited "ambiguities left in the wake of the Telecommunications law" and "unsettled policy areas" and said:

> But I believe it is neither fair nor wise to hold a nominee hostage because of such concerns, especially one as competent and decent as Joel Klein. In my view, sound public policy is best served by bringing this nominee up for a vote permitting the Justice Department to proceed with a confirmed chief of the Antitrust Division, and for us in Congress to move forward and work with the Department and other involved agencies in the formulation and implementation of telecommunications policies.

I agree. I look forward to the Judiciary Committee and our Antitrust Subcommittee exploring these important competition and antitrust policy matters. I will likewise expect Senator HATCH to support other Administration nominees for areas in which policies are in controversy.

Now that the majority leader has moved to implement his new hold policy of proceeding on nominations, I trust he will not delay any further the nomination of Eric Holder to be Deputy Attorney General and that he will promptly move to consideration of the judicial nominations reported by the

Judiciary Committee over the last several weeks.

Some wrongly view confirmation as the end of the nominee's work with the Senate. I hope that this is just the beginning of Assistant Attorney General Joel Klein's work with us to protect consumers and foster competition. This is an awesome responsibility.

Mr. HATCH. 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. HATCH. I ask unanimous consent that the call of the quorum be rescinded.

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

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. KERREY. Madam President, I had a conversation with the distinguished Senator from Utah who encouraged me to throw my entire prepared remarks away and take a gentlemanly course and support the nomination of Joel Klein. I have chosen not to do that. I have great respect for the Senator from Utah, and I have chosen to continue to offer to my colleagues reasons why I have chosen to vote against Joel Klein, why I have chosen to oppose the nomination.

I like the man, I respect him, I believe he is a good individual, and I don't like coming here opposing a nominee that President Clinton sent to the Congress for confirmation. I would like very much to give him my unqualified support, but I simply, Madam President, cannot.

About a year and a half ago, many of us in this Chamber who participated in this debate over the Telecommunications Act—and I must say, Madam President, one of the reasons I found myself in opposition to Mr. Klein is I led him to get the Department a role in the Telecommunications Act so that they would have some voice in determining whether or not there could be competition prior to approving the moving of entry from one sector to another. I fought for that, and many opposed that. We ended the day and prevailed here on the floor, prevailed in conference, and prevailed for final passage. It was signed and made a part of the law.

Mr. Klein, in response to a question raised by a Member of this body who actually opposed that, it seems to me in a letter gives away Justice's role. Now the Attorney General, Janet Reno, has written in response to our asking her if she thinks Justice has a role, has written a letter saying, indeed, she believes Justice does have a role, and she intends to exercise the authority the law gives her.

Indeed, Madam President, Mr. Klein, in meetings with me and with others who were concerned about the remarks he made in this letter, has given me assurance and pointed to several cases where his actions seem to be very, very much procompetitor—my hope is that Mr. Klein is. As the head of the Antitrust Division of Justice—I can read the tea leaves earlier on the cloture vote and would expect he will receive a fairly substantial vote, a resounding vote of support. My hope is I am wrong.

This morning in the Omaha World Herald this article appeared. The headline says, "So Far, Consumers the Losers in Battle for Dial-Tone Dollars."

Madam President, this is what Members should be concerned about, not just the Antitrust Division of Justice but they should also be concerned about the nominees for the Federal Communications Commission and what they intend to do, how they intend to vote, how they intend to make certain that we have competition, because unless we get competition at the local level, unless there is competition at that local level for that local dial tone, indeed for all information and services at the local level, it is not likely the consumers will benefit in the same ways that consumers benefited after divestiture in 1982. Divestiture produced competition in long distance. That competition resulted in a reduction of price to the consumer and an improvement of quality, as competition almost always does.

Without precedent, this legislation proposes to move us from a monopoly at the local level—which we still have for most residential customers—from a monopoly to a competitive environment. We are not there yet. We still have a monopoly. That monopoly can always, if there is only one choice that the consumer has, can always basically charge whatever they want to charge.

This new legislation preempts States authorities from being able to do many of the things they had done in the past. There are 358,000 residential lines in the regional Bell company serving Omaha, NE. The present rate for that local residential service is proposed to be $16.35, from a current rate of $14.90, a 9.7-percent increase, almost a 10-percent increase from another local company that is also being proposed. They have that authority, now Madam President, to be able to come and raise these residential rates.

It is going to be a problem for all of us if we do not get, in as expeditious a way as possible, competition down to the local level. What will happen, all of us will have to be explaining why it was, in 1996 when we debated this bill, why it was that we all promised this would be great for the consumers—reduction in price, improvement in quality of service—why it is that they are not seeing this reduction in price, why it is they are seeing an increase in price instead of a promised reduction. The answer will be, we don't have competition yet.

My belief is that the Congress is going to have to think in a very hard and clear fashion what it is we have to do in order to make certain that we have competition. I remember the distinguished Senator from Arizona, Senator MCCAIN, as he debated this bill, and I believe he ended up voting against it for precisely the same reasons I am talking about now. He actually talked about lots of regulatory requirements that didn't necessarily mean that we would get competition. He favored, as I heard him at the time, something that actually had great appeal to me, which is forget all the regulatory requirements, let's have almost a Le Mans racing start. Set a time certain when everybody can compete, regardless of who they were, in everybody else's market—let's have that.

As my colleagues will probably recall in 1996 when we were having our debate, the prediction was that what we would have is the regional Bell companies competing against one another in individual markets, that we would have the cable companies then competing. Since that time, what we have seen is a significant amount of mergers, and I don't believe the kind of movement needed, with the single exception of a few companies. We have seen Ameritech moving aggressively to open their market and try to get approval, as well to get into long distance. That is the transaction that the law provides for—open up your local market and then you can go into long distance service. That is the idea of the law. But it isn't happening very fast.

As a consequence, I don't think I will be the only Member who opens up their hometown newspaper and looks at the headline and sees, "So far consumers the losers in battle for dial-tone dollars." The reason the consumers will be the losers is that the consumers in Omaha, NE, the residential consumers, when it comes to dial tone, they have two choices—take it or leave it. If you don't like the increase you can buy your local service from nobody else. You really only have one choice.

I say, Madam President, I will not be supporting the nomination of Mr. Klein. I will be voting against Mr. Klein. I hope that other Members who are wondering what this debate is about will give it some very serious thought. They will, as well, be hearing from consumers in the not-too-distant future, if they haven't already, "I remember, Senator, when you were debating this. Didn't I recall you issued a press release saying that this legislation was going to produce lots of new competition and reduction in price, and improvement and quality of service? Where is the competition? I still don't see it. Where is the promised price reduction? Where is the promised benefits to the consumers that were supposed to be coming our way at a theater near you?" Instead, what we have is price increases.

Mr. Klein, in his rather unfortunate, as he describes it, letter in response to a question by a Member who opposed giving the Justice Department authority over antitrust matters when it came to telecommunications, Mr. Klein says today, "Well, I didn't really mean all those things. I intend to be a very forceful advocate for competition."

Madam President, I don't believe that is likely to happen. Mr. Klein approved the Bell Atlantic NYNEX merger. There were a lot of people, when this bill was being debated, that would not have stood up and said, "The reason I am supporting this is because I hope what we get is the regional Bell operating companies merging with one another. I hope that happens. I hope we get mergers because that is exactly what we need in order to get more choice." I don't know how that produces more choice for the residential consumers in this new expanded area that now a single company will have. I see decreased choice.

I heard a lot of people coming down and saying in fact what we are likely to see is the large local monopolies competing with one another for service. Though we are seeing some of it, I don't believe we are seeing anywhere near what we promised we were going to see, and unless we get a vigorous advocate for competition in the Department of Justice, unless we get, as well, on the Federal Communications Commission, appointees who will do the same, as I said, Madam President, there will be a lot of people in this Senate as well as in the House of Representatives having to explain to their consumers, to their residential consumers, just what exactly did you think was going to happen back in 1996?

So I hope that my colleagues, when they come down here to make a decision about whether or not they will vote yes or no for the man who will have a very significant role in determining whether or not we were right or wrong in 1996, I hope they give very serious consideration to whether or not they believe that this individual is going to be able to do what we all promised we were going to try to do when we voted for and took credit for this very significant piece of legislation in 1996.

I yield the floor.

Mr. HOLLINGS. Madam President, let me first thank my colleague, the distinguished Senator from Nebraska. He has been very, very participatory over the years. It actually took us about 4 years to get the Telecommunications Act of 1996 to a vote. On both sides of the Capitol and both sides of the aisle we had a very, very deliberate discussion and treatment of the particular issues involved. No one understood better the thrust of trying to deregulate and bring about competition than Senator KERREY of Nebraska. I praise him publicly, once again, for his leadership and the inclusions that he had contained in the final act itself.

Referring to that final act, Senator KERREY tells exactly what is at stake here—this institution. The U.S. Senate seemingly has no historical memory. What we really had on course during the 1960's, 1970's, and early 1980's was a terrible monopolistic control of American Telephone & Telegraph. The fact of the matter was that they had some 12 particular rulings by the Federal Communications Commission. But the smart lawyers for the AT&T group would always put those on appeal, seek further delay, further consideration. While there were 12 orders on course at the Federal Communications Commission, mind you me, none of them could get enforced. We were in an outrageous standoff in the courts and at the Commission and, yes, an outrageous standoff in the Congress itself. We could not get a bill passed. They have that much political power. There isn't any question about it.

So, a very brilliant and dedicated jurist, Harold Greene of the circuit court here in Washington, DC, took this matter over on a petition from the Justice Department for the AT&T breakup. In 1984, the modified final judgment was handed down and the Bell companies were spun off on their own to begin competition, and AT&T itself was opened up for competition. That wasn't easy. I wish my friend, Bill McGowan of MCI was here because it was 30 years ago, practically, that he, with a little two-floor apartment down in Georgetown, with a little aerial on top and three assistants, started to try to get into long distance. Very interestingly, the Farmer's Home finally gave him a loan. Can you imagine that? Competition started with a Farmer's Home loan. With that little bank, so to speak, he worked and brought some cases, he began nibbling away at the magnificent monopoly of AT&T in long distance.

Since that time, of course, the long distance market has opened up. You've got MCI, Sprint, GTE, and the Brits are coming in, and the Germans, and all are participating—the Canadians, and otherwise. And so you have a very dynamic long distance market.

However, the monopolies at the local level persisted, and those monopolies were intended for the "public convenience and necessity"—that is a phrase hardly heard in the halls of our National Government—in order for the advantages, the services, the opportunity, the advancements to be brought onto the market and enjoyed by the public, we instituted the Federal Communications Commission. We had the old rulings coming out with respect to getting licenses to carry, and otherwise, at the State level, at "public convenience and necessity." And we intentionally gave these seven Bell operating companies a monopoly. We said: You provide the services and we will protect you so that you are not bothered with the competition. On the contrary, if you get those services to the people, we will give you a profit that averages around 12 percent. Sometimes, in hearings, it went above that. You find them now to have made one heck of a lot of money. But my crowd is down in Buenos Aires, and I just read this past week that Bell South is investing in Brazil, which has some 20 million people. That is way more than the 3.6 million that we have in my little State of South Carolina. So more power to them. They have been well-operated. They have that monopoly. That was a big headache that we had in trying to bring about deregulation, deregulation, deregulation.

This crowd up here in the House and Senate have no idea of the struggle that we had and the expertise that went into the drafting of this particular Telecommunications Act of 1996, to make sure that that monopolistic control, that checkpoint, that bottleneck, that choke-point was broken up, so that competition really could ensue. And we had what we call the "checklist." And I can see that being worked on late nights around the clock, over Thanksgiving holidays, working, of course, with the Bell operating companies, we would meet—I forgot my days now— there was one on Friday and long distance on Monday. The long distance may have been on Friday and the Bell operating companies on Monday. But I set up a system, those years back, as the chairman of the Committee of Commerce, Science, and Transportation, whereby everything would be operated on top of the table. We would bring all sides in. They would all be considered and they would be told where we were and what we were negotiating and why.

I deemed that nothing was going to be done, because there were all kinds of attempts during the 1970's and 1980's—and I had learned from hard experience that you had to have a bipartisan bill and you had to have all the parties in, and no last minute surprises, or anything of that kind. So credit must be given to the various staffs on the Republican and Democratic sides, working around the clock, to fathom the particular provisions that are in issue in this particular appointment.

I know that some don't want to hear, and others don't care and they don't listen to this particular background. But it is a very interesting thing because it was worked out and finally voted upon by 95 Republican and Democratic Senators when it passed. There was a strong majority over on the House side.

It was a bill that, interestingly, when we finally agreed in December of 1995, our distinguished friend, the Vice

President of the United States, heard that we in conference had gotten an agreement, and he came on the NBC Evening News program right in the middle of the news program. I happened to be listening when I had gotten back to the office. What occurred was that Tom Brokaw said, "Wait a minute, ladies and gentlemen, we have a newsbreak from the Vice President of the United States." I was worried that something may have occurred to the President, but it was not that at all. He came on and said, "We finally got my information superhighway agreed upon and I got everything I wanted. Well, this was December 1995, right after that 1994 election. Speaker GINGRICH on the House side said, "If he got everything he wanted, that bill is deader than Elvis." The leader on the Senate side, Senator Robert Dole, said, "I am not going to call it."

Of course, I had the duty, during the ensuing weeks through into Christmas and Christmas week, and all through the month of January, of holding the line.

I describe that to my colleagues because I want them to know that every little thing in that bill was worked out with everyone and to their satisfaction and, finally, of course, to the Speaker and the Majority Leader Dole, because the bills were called in February of last year and passed both Houses and were signed by the President.

Now, in coming about the breakup of the monopolies, to make sure—because you can't get competition going unless the Bell companies go along. I can tell you here and now, if I ran a monopoly, I would continue investing in Buenos Aires and all like that for my stockholders, and what have you, and making money, and just hold on and appeal and drag feet and everything else.

Let me emphasize that is just exactly what has happened, why this particular nomination ought to really be rejected. It is a sort of sad day when you work as hard as you do to get something done for the administration, and the administration sends up an appointment of this kind that upsets the entire apple cart.

Let me tell you, Madam President, here it is, just last weekend, "MCI Widens Local Market; Loss Estimate," in the July 11 Wall Street Journal. Some $800 million—saying its losses from entering that business could total $800 million this year, more than double its original estimate. Why? Because here is an analysis right here again in the Wall Street Journal, over the weekend, when they announced that their shares dropped 17 percent. I only quote Chris Mines, senior analyst of Forester Research, Inc., in Cambridge, MA, who said, "MCI's complaints are totally justified. In general, I think local carriers are dragging their feet, using every means at their disposal to protect their monopolies."

Now, Madam President, it is just not the news articles in the Wall Street Journal. Take this week's Business Week magazine, on page 33, "Why SBC Shouldn't be the First Bell in Long Distance." Rather than reading the entire article, little squibs encapsulate those reasons. "How SBC keeps rivals away: one, excess charges. AT&T needed customized routing to provide directory assistance to its customers in SBC's territory. SBC's initial quote is $300 million. AT&T says other Bells charge $1 million to $2 million." That is rather than the $300 million.

So it is perfectly obvious that they sit there and make this outrageous charge and that holds up everything. You get Senators running around, "I don't know what is the matter with our bill. We want to open up the market. Let market forces operate." You have monopolies determined. Here is another reason here how SBC keeps rivals away. "In Oklahoma, competitors must pay $19.13 per line for SBC's unbundled network, but SBC's retail rates are $14.34 a month."

So, if they are going to charge 20 percent again more than anybody coming in the market, anybody coming in the market is going broke, and there is a loss by another long distance carrier. AT&T is trying to get in this market. MCI is trying to get in the other long distance market. They are losing already $800 million trying to just break it.

Third, legal attacks. How SBC keeps rivals away. Legal attacks. SBC has appealed even basic decisions by State regulators. For example, SBC appealed a Texas decision to let Teleport Communications Group provide competing local service. SBC contends Teleport had not met State standards.

Madam President, I cite this from this particular article because it's momentary, it's timely. What really happens is not just MCI and AT&T, but others in these monopolies, with their lawyers, are bringing cases to test the constitutionality of the Telecommunications Act of 1996. The one thing they said, "Let's stop the bickering. Can't we work in a bipartisan nature and get things done?" The one thing done this past Congress on a bipartisan basis was a 95 to 4 vote for the Telecommunications Act of 1996—totally bipartisan. I think those things ought to be understood and how they came about, and how long and hard we worked over them.

Now, in getting about this particular task, I communicated with President Clinton and the White House and asked him if he could note in a letter just exactly what his concerns were. I want to make sure staff gets copies of every one of these because they are not getting my file. And every time I get ready to talk, I just need a few notes. I can't even get a few notes. They are back there hidden away. So you get your copies.

Remember this: I have a White House letter, Madam President, dated October 26, 1995, from President Clinton. I ask unanimous consent that this letter be printed in the RECORD.

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

THE WHITE HOUSE,
Washington, DC, October 26, 1995.

Hon. ERNEST F. HOLLINGS,
Ranking Member, Committee on Commerce, Science, and Transportation, U.S. Senate, Washington, DC.

DEAR FRITZ: I enjoyed our telephone conversation today regarding the upcoming conference on the telecommunications reform bill and would like to follow-up on your request regarding the specific issues of concern to me in the proposed legislation.

As I said in our discussion, I am committed to promoting competition in every aspect of the telecommunications and information industries. I believe that the legislation should protect and promote diversity of ownership and opinions in the mass media, should protect consumers from unjustified rate increases for cable and telephone services, and, in particular, should include a test specifically designed to ensure that the Bell companies entering into long distance markets will not impede competition.

Earlier this year, my Administration provided comments on S. 652 and H.R. 1555 as passed. I remain concerned that neither bill provides a meaningful role for the Department of Justice in safeguarding competition before local telephone companies enter new markets. I continue to be concerned that the bills allow too much concentration within the mass media and in individual markets, which could reduce the diversity of news and information available to the public. I also believe that the provisions allowing mergers of cable and telephone companies are overly broad. In addition, I oppose deregulating cable programming services and equipment rates before cable operators face real competition. I remain committed, as well, to the other concerns contained in those earlier statements on the two bills.

I applaud the Senate and the House for including provisions requiring all new televisions to contain technology that will allow parents to block out programs with violent or objectionable content. I strongly support retention in the final bill of the Snowe-Rockefeller provision that will ensure that schools, libraries and hospitals have access to advanced telecommunications services.

I look forward to working with you and your colleagues during the conference to produce legislation that effectively addresses these concerns.

Sincerely,

BILL CLINTON.

Mr. HOLLINGS. Madam President, I quote the second paragraph:

As I said in our discussion, I am committed to promoting competition in every aspect of the telecommunications and information industries. I believe that the legislation should protect and promote diversity of ownership and opinions in the mass media, should protect consumers from unjustified rate increases for cable and telephone services and, in particular, should include a test specifically designed to ensure that the bell companies entering into long distance markets will not impede competition.

I emphasize this because I had the charge from the President himself.

Now you have the President's nominee coming and refuting all of that, because if you want to know where rates will increase, instead of competition, we are going to get consolidation, and instead of a competitive place in the market, you are going to get fixes all around. This crowd has been operating monopolies for, lo, decades upon decades. They know how to do it. They have a hard time learning.

AT&T in the 1980's pared down by a third the size of AT&T after the modified final judgment in 1984. But they made twice the profit after they finally learned how to compete. Our friends, the Bells, have yet to come and learn that. In fact, I strongly advised from these happenings that they have no idea of competing; they have every idea of holding onto the monopoly as long as they can.

Madam President, "If we can get an Assistant Attorney General or Deputy Attorney General"—whatever you want to call Mr. Joel Klein—"in our camp, rather we can hold on and continue making out like gangbusters for years to come."

Now, as a result of the President's letter, we finally have section 271(c)(1)(A) of the Telecommunications Act, and I ask that the statement under "presence of the facilities-based competitor, including both residential and business subscribers, having a facilities-based competitor for both business and residential"—which was proscribed in this law, and there are no ifs, ands and buts how it is written—I ask unanimous consent that it be printed in the RECORD, just that section is necessary and not the entire act, of course.

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

(A) PRESENCE OF A FACILITIES-BASED COMPETITOR.—A Bell operating company meets the requirements of this subparagraph if it has entered into one or more binding agreements that have been approved under section 252 specifying the terms and conditions under which the Bell operating company is providing access and interconnection to its network facilities for the network facilities of one or more unaffiliated competing providers of telephone exchange service (as defined in section 3(47)(A), but excluding exchange access) to residential and business subscribers. For the purpose of this subparagraph, such telephone exchange service may be offered by such competing providers either exclusively over their own telephone exchange service facilities or predominantly over their own telephone exchange facilities in combination with the resale of the telecommunications services of another carrier. For the purpose of this subparagraph, services provided pursuant to subpart K of part 22 of the Commission's regulations (47 C.F.R. 22.901 et seq.) shall not be considered to be telephone exchange services.

Mr. HOLLINGS. Madam President, we had a glowing candidate for the Acting Assistant Attorney General in Joel Klein on March 11, 1997. He went down to a class, a legal work seminar, on March 11, and the title of the seminar was "Preparing for Competition in a Deregulated Telecommunications Market."

Joel Klein, on page 9, I read here, and I quote: "Now let me add a few words about how we will apply this standard to our BOC applications under section 271 of the act. Our preference, though we recognize that it may not always occur, is to see actual broad-based business and residential entry into a local market."

I ask unanimous consent that this particular speech be printed in the RECORD in its entirety. So I am not quoting out of context.

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

PREPARING FOR COMPETITION IN A DEREGULATED TELECOMMUNICATIONS MARKET

(By Joel I. Klein, Acting Assistant Attorney General, Antitrust Division, U.S. Department of Justice)

First, I want to say that I'm delighted to be here today and I'm grateful to Joe Sims and Phil Verveer for having invited me. I can tell from reading the program and looking at the impressive array of speakers that this has been a comprehensive and informative conference on some cutting-edge issues in the communications industry. In fact, when I realized that I was going to be the last person to speak I was reminded of Adlai Stevenson's quip in a similar situation when he said, "We're at the point in the program where everything that could be said has been said but, unfortunately, not everyone has had a chance to say it." So, I'm especially appreciative that so many of you have stayed around to hear my closing remarks and I hope that, despite the odds, I may be able to add something to the overall discussion.

Let me start by stating the obvious: what we're going through right now in the communications field is truly extraordinary. Technology, globalization, and last year's legislative, executive, and administrative actions have come together to create an environment of rapid change, great opportunity, and considerable risk. We all know that ten years from now things will be very different in the communications industry; we just don't know how they'll differ. From our perspective at the Antitrust Division, we have one, overarching goal—to maximize competition. To be more concrete about that, as I see it, the ideal result would be a variety of different conduits—be it wire, wireless, cable, or what have you—that link people with all kinds of content—be it voice, video, audio, computer, and so on. But envisioning an ultimately desirable competitive market structure is not the difficult part here: what's really hard is how we get there in a market that's transitioning from regulation to competition. And that is the journey that we in the Antitrust Division have embarked upon—at a somewhat dizzying pace. I might add, since the passage of the 1996 Telecom Act a little more than a year ago.

Before I focus in on some of the specifics, let me give you a sense of the breadth of what we're dealing with. In the first place, we've seen a flood of radio mergers now that the 1996 Act has authorized far more liberal ownership rules. I'm advised that there have been over a thousand such mergers in the past year and about 150 of them have been brought before the Division, principally through the hart-Scott-Rodino process, but also through independent inquiry in several non-reportable transactions. We've conducted extensive investigations in many of these cases and, to date, we've sought divestitures in a handful of mergers. And while that's important in terms of the economy the real story here is how much concentration is occurring. In short, the concentration envisioned by Congress is taking place, no doubt allowing the industry to achieve some important efficiencies. And so long as this consolidation doesn't erode competitive opportunities in any market—and, with the application of sound antitrust principles as a guide. I don't think it will—then these mergers may ultimately strengthen the position of radio in the overall communications industry. And, frankly, that's all to the good.

Beyond radio, we're also experiencing consolidation in other areas of the communications industry. The FCC is still evaluating what limits to place on broadcast ownership but, in other areas, we've already seen significant movement. There's been a major Bell Company/cable merger—U.S. West/Continental Cable—which the Division cleared with some modification to the original deal. And we've also seen three major telephone mergers—SBC/Pactel, which we cleared without objection several months ago, and Bell Atlantic/NYNEX and MCI/British Telecom, which are both still pending before us. These cases raise important questions about potential competition, and also about international interconnection where market conditions may differ significantly in different countries and we have expended, and will continue to expend, considerable time and energy analyzing them and other such mergers that may come before us in the future.

Now, in the time that remains, I'd like to focus in on one particularly challenging aspect of this journey through the communications industry and that is the deregulation of telephone services in this country. This was probably the most significant part of the 1996 Act and it raises enormously difficult questions, questions that we at the Division have, to some degree, been dealing with under the Modified Final Judgment, or the "MFJ," that resulted in the break-up of AT&T and the creation of seven Regional Bell Operating Companies, or "RBOCs," as they are called, with severe restrictions on what they could do beyond providing local telephony within their own service areas. As a result of that lawsuit, there can be little doubt that the Nation has seen significantly improved long distance competition, accompanied by the innovation and downward pressure on prices that results from such competition. That is not to say that everything's perfect in long distance—even more competition would certainly be welcome—but it's important to recognize how far we have come when we have three well-established competitors, hundreds of other resellers, and four fiber-optic systems wiring the country, with a fifth in progress. I can tell you from my personal dealings with officials from other countries that, as a result of the AT&T case, the U.S. is positioned for global competition in a way that is the envy of our current trading partners—whose telephone companies will be our future competitors, I might add.

But now we are charged with taking the next steps—in particular, the Congress, together with the leadership provided by the Clinton Administration, established a statutory framework that is designed to open up

local telephone markets to competition and that would allow the local companies to move into in-region, long distance service for the first time. The goal of this process is to have full-scale competition in telephony throughout the nation. In a nutshell, consumers should have as many as possible, but at least several local options, long distance options, and, ultimately, combined local and long distance options (one-stop shopping, if you will). Once again, knowing where we want to get is the easy part: it's getting there that's hard. And to accomplish that goal, the statute puts in place a variety of interrelated steps and assigns responsibility to three separate agencies—the FCC, the various state regulatory commissions, and the Department of Justice. This mix of players, I would suggest, sensibly reflects the fact that telephone regulation has historically been a shared function of the FCC and the state agencies and, quite naturally, both of them are necessary to the deregulatory process as well. And we also belong there, essentially because the goal of the process is competition and we have expertise in that area generally and with respect to telephony, in particular, because of our extensive involvement in the AT&T case.

The vision of the 1996 Act was premised on a simple formula: if the regulatory environment were different, the market for local telephone service—previously thought to be a "natural monopoly"—would be subject to the discipline of competition, bringing down prices and increasing quality and choices for consumers. On this point, there was widespread agreement, supported by the experience of several states in paving the way for competition in the market for local telephone service. Building on that experience in 1995, the Antitrust Division, along with Ameritech, AT&T, and many other parties proposed, on a trial basis, a waiver of the MFJ, allowing Ameritech to offer in-region, long distance service in return for compliance with some measures designed to open its local market to competition and a demonstration that actual competitive opportunities were expanding. This proposed waiver, like the 1996 Act, contemplated the creation of new, facilities-based, local service as a way to bring real competition to the local telephone market. The Act seeks to do this on a much broader scale, and in so doing, calls for a series of transitional steps. Getting these steps right is no easy task, and although they may not immediately lead to the type of comprehensive facilities-based service that we hope to see over time, we all realize that we should not let the perfect be the enemy of the good here.

As I see it then, implementing the deregulatory vision set out in the 1996 Act involves four basic things: (1) a set of rules that will allow new entrants into local markets—the so-called interconnection rules adopted by the FCC last August and which have now been stayed in significant part by the Eighth Circuit: (2) another set of provisions that establish the criteria necessary to facilitate local competition and with which the RBOCs must comply before they are allowed to provide long distance and one-stop shopping services: (3) access reform, designed to reduce the price paid to local carriers for originating and terminating long distance calls so that this price will reflect the actual cost of providing the service: and (4) a universal service plan that will eventually replace the implicit subsidies contained within the current regulated telephone service system with explicit and competitively neutral subsidies. As to this last point, I should quickly explain that the current system requires some users to pay above-cost rates to subsidize other users who are served at rates below cost: the 1996 Act calls for these implicit subsidies to be made explicit and to be paid for through a competitively neutral universal service fund. Until we fully implement this mandate, some local exchange carriers (or LECs, as they are called) may be required to bear the costs of serving these customers at uneconomic rates and/or we will continue to see inefficient pricing and entry signals which will tend to distort competitive opportunities and thereby hurt consumers.

Now, as I see it, the paradox of this kind of deregulatory effort is that it depends upon a series of regulatory steps—all taken, to be sure, in the name of deregulation—and those regulatory steps, in turn, can significantly affect the long-term prospects for full-scale competition in telephony. There is no formula or equation that one can look to in order to get these things right. They involve the exercise of discretion by government agencies, which in turn requires careful, sound judgments. And, given that these predictive judgments are necessarily based on incomplete information, we should all be somewhat humble in second-guessing those who have to make the calls. Interestingly, the Fifth Circuit, quoting Justice Cardozo, made just this point about a quarter of a century ago in a case evaluating an FCC regulation prohibiting telephone companies from offering cable service in their regions, explaining that: "[i]n a complex and dynamic industry such as the communications field, it cannot be expected that the agency charged with its regulation will have perfect clairvoyance. Indeed, Justice Cardozo once said, 'Hardship must at times result from postponement of the rule of action till a time when action is complete. It is one of the consequences of the limitations of the human intellect and of the denial to legislators and judges of infinite prevision.'"[1]

Against the backdrop of this call for humility, let me now go on to highlight the problems in making the necessary regulatory judgments by examining the four transitional steps that I just mentioned. First, in order to get even some local competition, at least for some period of time, competing carriers will have to either purchase service from the LEC at wholesale and attempt to compete with the same LEC by reselling at retail or it will have to use the LEC's facilities—switches, loops, and the like—in whole or in part. In either case, someone has to set a price for the product—be it wholesale service or the unbundled elements. That price in turn can have important repercussions—set too high, it can unfairly burden new entrants and make local competition impossible; and set too low, it can give new entrants a competitive advantage at the expense of the incumbent LEC. What this all means is not just that one of these companies may make a little (or even a lot) more than the other but that long-term competitive conditions can be seriously affected by these pricing decisions. This particular concern has led to the Eighth Circuit litigation in which the incumbent LECs are challenging the FCC's pricing methodology (as well as the Commission's authority to impose a certain pricing methodology to begin with). Fortunately, at least from our point of view, most of the States have followed the Commission's pricing methodology and so, while the litigation goes forward, the actual prices for wholesale and unbundled elements may not be materially different regardless of who ultimately prevails in the Eighth Circuit. I say that's fortunate from our point of view because we supported the FCC's approach as a sound pricing methodology for stimulating efficient local entry.

The second area where some difficult regulatory decisions must be made in this deregulatory process has to do with the issue of when a particular RBOC is permitted to enter the long distance market. Under the statute, this is a state-by-state determination, made by the FCC, with key inputs from the state regulatory agencies and the Department of Justice. Here, too, you can readily see the significance of the trade-offs in the regulatory decision. If you let the RBOC into long distance prematurely, two bad things can happen. First, you may undermine the chance to ensure a competitive local market since once in long distance, the RBOC's incentive to cooperate with its competitors will diminish—if not altogether, at least significantly. And second and derivatively, a premature entry into in-region, long distance service gives the RBOC an unfair advantage in the offering of one-stop shopping since it can readily combine its local service with one of several long distance services easily available to it in the marketplace, while its potential competitors may not have nearly so easy a time combining their long distance service with local service that has heretofore been unavailable to them. On the other hand, if you keep the RBOC out of long distances for too long a period, you risk giving the long distance carriers an undue competitive benefit, since only they are able to offer customers both local and long distance service for the period of time that the RBOC is denied entry, thereby giving them a first mover advantage. Not surprisingly in this environment both kinds of carriers—local and long distance—feel very strongly about the timing of RBOC entry into long distance, even to the point of purchasing significant advertising to make their respective cases.

For our part at the Antirust Division the issue of RBOC entry into long distance has been a special focus. Under the statute, we are expressly charged with evaluating each of the fifty state applications and our competitive assessment must be given "substantial weight" by the FCC. What is probably most notable about the process is that we are authorized to make our assessment "using any standard the Attorney General considers appropriate." Now, given that broad swath the first thing we needed to do is to establish a concrete standard so that applicants would know in advance how we'd be evaluating them. We also needed to relate our standard to the other, specific provisions of the statute—such as the 14-point checklist the Section 272 separate-subsidiary requirements, and the Track A and Track B entry provisions, as well as the public interest test that the FCC is charged with applying. In order to meet this challenge, we engaged in an extensive inquiry, soliciting comments from all interested parties and meeting with virtually all the affected players. We received almost seventy-five comments and have met with countless industry officials.

The upshot of this process has been to reach the following conclusion: Our basic standard is that before an RBOC should be allowed to enter long distance, it must be able to demonstrate that its market is truly open (which, I should make clear, is different from saying its market is fully competitive).

[1] *General Telephone Co. of Southwest* v. *United States*, 449 F.2d 846, 863 (5th Cir. 1971) (quoting Benjamin Cardozo. The Nature of the Judicial Process 145 (1921)).

Before I put meat on the bones of that standard let me first say how we think it integrates with the remainder of Section 271. We believe that the other provisions—the checklist the facilities-based requirement the separate-subsidiary requirement and the option of Track B—are all necessary, though not sufficient, to support entry. These requirements, almost as their names imply, involves fixed points but, by themselves are not sufficiently dynamic to ensure that real competition can take place. That's where we think our approach comes into play; we view it as the dynamic part of the equation looking to ensure that the wholesale support systems for opening up local markets are not simply claimed to be in place, but that they will actually work in fact are scalable, and have been beachmarked, so that competition will be real and not marely theortical. We think this approach is the best way to ensure competitive effectiveness which we take to be our express charge under the statute and we think it dovetails nicely with the "public interest" standard that the FCC is charged with applying in making the ultimate decision under 271 whether to approve a particular application. More broadly, we believe that our approach fits well within the overall statutory scheme adopted by Congress, nicely blending the fixed and dynamic requirements to reach an effective result.

Now, let me add a few words about how we will apply this standard to RBOC applications under Section 271 of the Act Our preference, though we recognize that it may not always occur, is to see actual broad-based—ie, business and residential—entry into a local market. This kind of entry requires not only appropriate agreements between the RBOCs and their potential competitors, but also the wholesale support systems necessary to ensure that when a current customer is switched from the RBOC to the new competitor, the switching process occurs quickly and effectively, so that the customer is satisfied and its new phone company is not blamed for messing up the transfer—or that, after a customer has been switched and she needs any services, such as repair of her phone line, she gets it from the RBOC in a timely and effective manner. The truth is that, no matter how effectively systems are designed and even assuming complete good faith on the part of the RBOC, this kind of transition can have a lot of bugs in it. Once we see successful full-scale entry, however, then we will have reason to believe that the local market is open to competition. This approach doesn't require the shift of any particular amount of market share; nor should it take very long once there is true broad-based entry into the RBOC's market. Rather, using a metaphor that I've become quite fond of, we just want to make sure that gas actually can flow through the pipeline; and the best way to do that is to see it happen.

This approach—i.e., looking for tangible entry—also has two additional virtues: first, once there is such entry, the new entrant certainly should have an incentive to make the process work, since any new customers that are ill-served will blame the new entrant. This will mean that the new entrant is not likely to be gaming the system and, if there are problems, the reason will be that the local market, for some real-world reason—malign or benign—just isn't ready for competition yet. And second, if broad-based competition appears to be working smoothly, as we certainly hope it does, it will establish a benchmark against which future, post-RBOC entry into long distance, performance can be measured. In other words, if competitors can obtain what they need, and what they are legally entitled to get from the RBOC prior to its entry into long distance, but not after it then we will have reason to suspect that something is wrong and we will be able to pursue appropriate remedial action.

Now, an even harder problem arises when the RBOC claims that it's done everything it can to make entry opportunities fully available but, for some reasons, no new entrant has decided to go forward in a significant way. In these circumstances, we will attempt to determine what the problem is. And, purely at the level of speculation, one could imagine a variety of explanations. For example, the prices being charged by the RBOC could be too high to allow effective competition any time soon or its systems may be too uncertain for the new entrant to take the risk of large-scale entry, or the RBOC may not be cooperating with its competitors by providing the necessary wholesale support systems. One the other hand, it may be that, despite reasonable interconnection terms, fully available support systems, and so on, it simply may not make economic sense for a new entrant to come into any given market on a large-scale basis. Or, a more elaborate version of this problem may be that, if the long distance carriers think they are better off preventing the new competition by the RBOC in their market and also think that the best way to achieve this result is to stay out of the local markets, they may simply choose not to enter. On the third hand, if you will, it may be that some other factor—such as a state statute or local regulation—is making large-scale entry infeasible or, at least, very unattractive. These are some possibilities, and I'm sure there are others as well.

In any event, we will carefully examine the facts in any case where there isn't full-scale entry to determine what's actually going on. In such circumstances, of course, we will ultimately have to make a fact-based determination on a case-by-case basis. But I want to be very clear about one thing: we will pay careful attention to see whether any party is trying to game the system for its own parochial reasons. And, if we think that's what's going on, be assured that we'll take appropriate action. We don't have any dog in this fight—just a desire to ensure full-scale competition in telephony in an enduring fashion. Once that occurs, the market can pick the winners and losers.

Let me now quickly turn to the last couple pieces of this deregulatory puzzle—access reform and universal service. These areas, which are related, also raise long-term competitive concerns. Lowering access charges to cost is desirable in a competitive market but, in the process, there are at least a couple of things you need to be alert to—first, you want to ensure that no one gets an undue competitive advantage during the transition process: and second, you need to make sure that the incumbent LEC is fairly compensation for any implicit subsidies in the system that it has to bear and which have previously been supported by above-cost access charges. That is where the universal service funding system kicks in. It is designed to pick up these kinds of subsidies so that, as I said earlier, competition can go forward without unfairly burdening those players that have to bear the costs of such subsidies.

These kinds of issues can be enormously complex—first, how do you sort out implicit subsidies as well as any historic costs that a LEC is entitled to recover in a way that is fair and, second, how do you then collect the money necessary to pay these costs through a competitively neutral system. If you've seen the FCC's Notice of Proposed Rulemaking on Access Charges—a rulemaking that is ongoing as we speak—you probably have some idea of how complicated this whole process is. The Commission has raised important questions about rate structure, about rate levels—including possible market-based as well as prescriptive methods for dealing with these levels—and about rate de-averaging, which means allowing different access charges for different customers. Anyway, the trick is to do this in a way that hastens competitive opportunities but that is fair to all parties. I am confident that the Commission will do just that.

One final point to remember as we move into a deregulated environment is that the Telecom Act explicitly keeps the antitrust laws in force. This serves not only to guard against any anticompetitive consolidation, but also against any other practices that violate the antitrust laws. Once regulation begins moving off center stage, we are prepared for the possibility that antitrust enforcement may be necessary to ensure full and fair competition in these markets. Especially in network industries, questions of exclusive dealing, control over essential facilities and the use of market power can raise significant antitrust concerns. As a result I intend to make sure that the Division keeps fully abreast of the developments in the marketplace and is ready to take any action necessary to prevent abuses of market power or other anticompetitive practices.

Let me close my emphasizing that while I've tried to accurately portray at least some of the difficulties set in motion by last year's Telcom Act I'm very optimistic about the endeavor we have embarked upon. I've seen some recent stories in the press complaining that consumers haven't yet received the benefits of the 1996 Act but frankly, I think such expectations are unrealistic. We've had a regulated system of telephony in this country for over a century; it won't be deregulated in a year and even after it is deregulated, it'll take time for competition to wring all the fat out of the system so that consumers truly get the best service at the lowest prices. But, if we stay the course, I'm confident that we will ultimately realize how wise this legislation was and how much it will benefit our people. I say that because history has taught us, time and time again, that deregulation is difficult and transitions can be costly, but if our Nation's economy is to be as strong as it can be—indeed, as strong as it must be in an increasingly globalized market—deregulation is not only desirable, it's essential. In short, history is on our side. A little patience is all that's needed.

Mr. HOLLINGS. I thank the distinguished Chair.

Madam President, it is very interesting. I want to refer back to this because that is in regular type. "Though we may recognize that it may not always occur"—"though we recognize that it may not always occur." We are going to refer back to that in just a few minutes because our distinguished chairman of the Communications Subcommittee, Senator CONRAD BURNS, of Montana, wrote Mr. Joel Klein on May 15, 1997.

I ask unanimous consent that a copy of this letter be printed in the RECORD in its entirety.

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

U.S. SENATE,
Washington, DC, May 15, 1997.

Mr. JOEL I. KLEIN,
Acting Assistant Attorney General,
Antitrust Division,
Department of Justice,
Washington, DC.

DEAR MR. KLEIN: I have written to the Senate Majority Leader requesting that a hold be placed on your nomination to be Assistant Attorney General of the Justice Department's Antitrust Division. I have concerns as to whether your views of the implementation of the Telecommunications Act of 1996 are in accordance with Congressional intent.

Section 271(d)(2)(A) of the Telecommunications Act of 1996 gives the Department of Justice a consultative role when the Federal Communications Commission considers petitions filed by the Bell Operating Companies (BOCs) for authorization to provide in-region interLATA service. This summer the FCC will begin ruling on these applications and I have several concerns about how both the Department and the FCC will implement Section 271 of the Act. As you know, both the House and the Senate, in establishing a test for BOC entry into the interLATA business, rejected the imposition of any requirement that a BOC must face "actual and demonstrable competition" in the local exchange market before obtaining relief. While the statute allows the Department to apply "any standard the Attorney General considers appropriate", a speech you gave in March raises fears the Department and the FCC may attempt to resurrect this test that was rejected in Congress.

My concern arises particularly from your March 11 speech announcing the Antitrust Division's position regarding implementation of Section 271 of the Telecommunications Act of 1996 (47 U.S.C. Section 271). You stated that the Division would take the position that the BOCs should be forbidden to enter long distance under Section 271 until there is "successful full-scale entry" into the local market. As you put it, the point of this requirement is to be sure that with respect to local telephone services, "gas naturally can flow through the pipeline." I also read your speech as suggesting that where there has not been full-scale entry, you would oppose BOC entry unless the BOC could show that its competitors are "gaming the system."

You have suggested that Section 271 gives you "broad swath" to urge whatever position the Antitrust Division likes. Congress, however, gave the Attorney General a role in advising the FCC with respect to public interest issues because of the Department's antitrust expertise. See, for example, Sen. Conf. Rep. 104-230 for a list of some antitrust standards that might be used. A "gas in the pipeline" standard is plainly unrelated to the antitrust laws and, even worse, violates congressional intent that the checklist should be the only measure of when local markets are open. Simply stated, the Attorney General's consultation on antitrust issues must be framed by the specific statutory standards for BOC entry, which preclude anything approaching a "metric test" like the one Congress rejected.

More fundamentally, the basic point of the Telecommunications Act is that regulators should stand aside and let market forces work once fair competition is possible. Holding up competition in one market because there is not enough competition in another market makes no sense. It is particularly harmful in this context, for local telephone competition may be slow in coming to rural states for reasons that have nothing to do with BOCs' steps to satisfy the checklist. If so, your approach would prevent rural consumers from realizing the benefits of long distance competition that will be available to residents of urban states, just because potential local competitors want to enter profitable urban markets first.

As you prepare to discharge your responsibilities under the Act, I would appreciate your answers to the following questions. This will enable the Subcommittee on Communications to carefully monitor implementation of this portion of the Telecommunications Act.

1. In your speech you used the following terms—"real" and "broad-based competitions", "actual, broad-based entry", "true broad-based-entry", "tangible entry", "large-scale entry", and entry on a "large-scale basis". What do these terms mean to the Department?

2. How many residential customers have to be served by a competitor to meet the Department's entry test?

3. How many business customers have to be served by a competitor to meet the Department's entry test?

4. Does there have to be more than one competitor in the local exchange market to meet the Department's entry test?

5. Does a BOC have to face competition from AT&T, MCI or, Sprint to meet the Department's entry test?

6. How do you reconcile Congress' rejection of a metric test for BOC entry into the long distance market with our statement that "successful full-scale entry" is necessary in order for the Department to "believe the local market is open to competition?"

7. You have used the metaphor that the Department "want(s) to make sure that gas actually can flow through the pipeline" before allowing interLATA entry. How many orders for resold services must be processed by a BOC in order to satisfy this standard?

8. How many orders for unbundled network elements must be processed by a BOC to satisfy this standard?

9. How much market share must a BOC lose to its competitors to demonstrate that "gas can flow through the pipeline?"

10. FCC Chairman Reed Hundt testified on March 12, 1997, before the Senate Commerce Committee that a BOC that satisfied the checklist but did not have an actual competitor in its market would meet the entry standard. Do you agree with Chairman Hundt?

11. If the Department opposes a BOC interLATA application, do you believe the FCC should reject that application? If so, wouldn't that give the Department's recommendation "preclusive effect," something that the Act specifically prohibited?

12. You have also stated that the checklist, the facilities-based requirement, the separate subsidiary requirement and the option of "Track B" (the statement of terms and conditions) are all "necessary, though not sufficient, to support entry. What more must a BOC demonstrate to obtain the Department's support?

13. Do you believe that Track B can be used only if no one has requested interconnection under Track A?

14. Can a BOC rely on Track B if it has received interconnection requests from potential competitors but faces no "competing provider" which is actually providing telephone exchange service to residential and business customers predominantly over its own facilities?

15. What if requesting interconnectors under Track A do not ask for, or wish to pay for, all of the items in the checklist? Can the BOC satisfy the entry test by supplementing their interconnection agreements with a filing under Track B to cover at least all remaining items in the checklist?

Your prompt attention to these questions would be helpful to the Subcommittee.

Sincerely,

CONRAD BURNS,
Chairman,
Senate Subcommittee on Communications.

Mr. HOLLINGS. Madam President, you can read the entire letter. But I can see the thrust of the letter by this language here, and I quote on page 2.

Congress, however, gave the Attorney General a role in advising the FCC with respect to public interest issues because of the Department's antitrust expertise. See, for example, House conference report 104-458 for a list of some antitrust standards that might be used. A gas-in-the-pipeline standard is plainly unrelated to antitrust laws, and, even worse, violates Congressional intent that the checklist should be the only measure of when local markets are open.

We in the majority who wrote this particular bill would demur very, very strongly from that wording by our distinguished friend, the Senator from Montana, in this particular letter.

What occurred is that the nominee, Joel Klein, in the talk, he talked about you can see when competition is present, when you get to see the gas coming through the pipeline. He alludes to the anecdotal situation of gas pipeline cases.

But Senator BURNS differs with that. He says you are supposed to handle this antitrust, and don't give us anything about when competition starts. You can tell his displeasure because, along with the letter, he put a hold on the Joel Klein nomination. You have a hold on the nomination by the chairman of the Communications Subcommittee, and you got a strong letter with a questionnaire that is included, because I have included it in its entirety in the RECORD.

So 5 days later, on May 20, the Department of Justice, Acting Assistant Attorney General Joel Klein sends a letter to Senator BURNS.

Madam President, I quote:

To begin with, I wholeheartedly agree with your statement that the basic point of the Telecommunications Act is that regulators should stand aside and let market forces work once fair competition is possible. I want to assure you that the Department of Justice shares that view.

Well, both distinguished gentlemen are writing and speaking colloquially. One wants to tell you that competition is present when you can see the gas coming through the pipeline, or smell the gas if you can't see it. Otherwise, the Acting Assistant Attorney General said, "Oh, yes, I want to let" —in the Conrad letter, all these expressions about "let market forces." What we are trying to do is "let market forces."

He said, "I agree with you. We have to stand aside and let market forces work."

That, Madam President, is not the duty of the Acting Attorney General of the United States. He is supposed to stand there by that market and watch it day in and day out. Because there is one thing that will occur if you let market forces work freely, and that is, monopolies will develop. Consolidations and mergers you see afoot right now are occurring every day, and money is talking. People are not suffering yet, but when they get into that monopolistic position, they will, because there won't be any of the rules and regulations, and they will be in their own private businesses.

This group up here that continues to talk about "let market forces" operate, this tells me, one, I have a questionable candidate for the Antitrust Department of the Office of the Attorney General of the United States when he starts chanting about monopolies.

Reading on page 2, again, from the Joel Klein letter, I read on page 2, one sentence:

In order to accomplish these goals, almost immediately after I became Acting Assistant Attorney last October, I asked all of the BOCs [the Bell Operating Companies] as well as any other interested party, to give me their views of the appropriate competition standards under section 271.

We set it out. We set out our report. We didn't need an Assistant Attorney General running around rewriting the law. He is talking about, "Oh, I got them all in. I am going to start developing policy." The Congress developed the policy. It took us 4 years to do it.

Here, he says gratuitously in the next sentence on the bottom of page 2—this is Joel Klein, the nominee:

In formulating this standard, I specifically rejected using the suggestion in the conference report that the Department analyze Bell Operating Company applications employing the standard used in the AT&T consent decree objecting to the Bell Operating Company in regional long distance entry "unless there is no substantial possibility that the Bell Operating Company or its affiliates could use its monopoly power to impede competition in the market such company seeks to enter."

Bear with me a minute. I know this thing sounds complicated. And those who want to watch a good, loud show they put on around the world, or whatever the dickens they put on in the afternoon, go ahead and turn to it. But this is very, very important.

Judge Greene had what we call in the trade "the VIII(c) test"—that they couldn't enter these markets until—this is the one rejected by Joel Klein—"there is no substantial possibility that the Bell Operating Company or its affiliates could use its monopoly power to impede competition in the market such company seeks to do enter."

Madam President, with that particular VIII(c) test, that is how competition starts in long distance that we have today. We don't have any in the local. Ninety-eight percent of the local calls are still controlled by the local Bell Operating Company. They have the monopoly. But this really genius test, the VIII(c) test, became the standard of the discipline, the standard of the industry.

In one hearing, as chairman of the Communications Subcommittee—the Commerce, Science, and Transportation hearing—I had the seven Bells attest. And we will put that in the RECORD, if necessary. They agreed with this particular test. You have the Bell Operating Companies agreeing to that particular test, and that is why we kept it in there. We didn't write it into the formal statute because one former colleague on the House side had held up. He had tremendous influence, Jack Fields of Texas. So we put it in the language. But you follow the course or talk to any of the conferees, you talk to any of the House and Senate Members, they will tell you the VIII(c) test was the test, and we couldn't think of a better one.

Here comes nominee Joel Klein, stating categorically here in May, "In formulating this standard, I specifically rejected using the suggestion in the conference report that the Department analyze BOC applications employing the standard used"—the VIII(c) standard.

Madam President, when you work this long and you know the industry, you know the monopolies, you know how Judge Greene held control and operated as well as he did, and communications prospered, expanded, and competition burst out all over in the long distance field with this particular standard, and then have a gentleman come in totally green and just write back, just as he got a letter from the chairman who put a hold on his nomination, and said "I threw that out." The Bell Operating Companies tried to throw it out, and they couldn't. They know it because they had already testified in behalf of it.

He goes on to say that "the VIII(c) standard which has barred Bell Operating Company entry into long distance since their divestiture from AT&T, struck me as insufficiently sensitive to the market conditions, and I was concerned that it would bar Bell Operating Company entry even where it would be competitively warranted."

I want him to describe that. My understanding is that another Senator, my distinguished colleague from North Dakota—and also I was talking to the Senator from Nebraska. And they have talked with the gentleman, Mr. Klein, and have asked him. And he has yet to come and elaborate about what is more "sensitive." He says this is "insufficiently sensitive." We have yet to find another.

I have met twice with Joel Klein. And he said I was right. He was there with the Attorney General. He understood, and he would get some ensuing opinion, or letter, or some note that he understood, and he could read the language, and it was going to be corrected.

Madam President, let's turn the page and go to Senator CONRAD BURNS' questions and answers, and go to that question. Here is what Senator BURNS questioned, and I quote.

In your speech, you use the following terms: "Real and broad-based competition," "actual broad-based entry," "true broad-based entry," "tangible entry," "large-scale entry," and "entry on a large-scale basis."

What do those terms mean to the department?

And I could read it all. The entire letter has been included. But let me read this last sentence.

Thus, in my March 11th speech—

The Acting Attorney General, he knows what we are talking about. He refers to that speech.

In my March 11th speech to which you referred, I stated that "our preference, though we recognize that it may not always occur, is to see actual broad based, that is, business and residential, entry into a local market."

Now, Madam President, for all of those unstudied in trying cases with lawyers, watch this particular language because it has the regular language and regular print but he highlights with italic the phrase: "Our preference, though we recognize that it may not always occur."

Now, that is in italic, not the rest of it. So the distinguished chairman of the communications subcommittee is given a signal. Watch the play. And then comes the play.

Madam President, on May 21, the next day, he doesn't delay. Oh, that Acting Attorney General for antitrust that held up for weeks the answer to the Dorgan letter and the Kerrey letter, he was prompt; he answered that letter of Senator BURNS in 5 days, gave the signal with the italics.

(Mr. BENNETT assumed the Chair.)

Mr. HOLLINGS. Mr. President, I ask unanimous consent that this docket No. 97-121, in the matter of the application of SBC Communications, be printed in the RECORD.

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

[Before the Federal Communications Commission, Washington, DC, CC Docket No. 97-121]

In the Matter of Application of SBC Communications Inc. et al. Pursuant to Section 271 of the Telecommunications Act of 1996 to Provide In-Region, InterLATA Services in the State of Oklahoma.

ADDENDUM TO THE EVALUATION OF THE UNITED STATES DEPARTMENT OF JUSTICE

Several parties have informally asked the Department to clarify its views concerning two issues that have arisen in connection with this proceeding: (1) whether we agree with the argument made by some commentors that under Section 271(c)(1)(A) ("Track A"), each separate class of subscribers that must be served to satisfy that

entry track, i.e., residential and business, must be served "exclusively . . . or predominantly" over the telephone exchange facilities of an unaffiliated provider;[1] and (2) the importance (and meaning) of "performance benchmarks" in assessing whether BOC in-region interLATA entry would be in the public interest. To address any confusion on these points, the Department now files this addendum.

I. Section 271(c)(1)(A) does not require that both residential and business customers be served over the facilities-based competitors' own facilities

Section 271(c)(1) requires that a BOC's application to provide in-region interLATA services proceed under one of two distinct tracks. As our evaluation explained, SBC's application is governed by the standards of Track A. 47 U.S.C. §271(c)(1)(A). See SBC Evaluation at 9–20. Under Track A, a BOC must be providing "access and interconnection to its network facilities for the network facilities of one or more unaffiliated competing providers of telephone exchange service . . . to residential and business subscribers." The statute further specifies that "such telephone exchange service may be offered by such competing providers either exclusively over their own telephone exchange service facilities or predominantly over their own telephone exchange service facilities in combination with the resale of the telecommunications services of another carrier." 47 U.S.C. §271(c)(1)(A). As we explained in our evaluation, SBC does not meet the standards of Track A because there is no facilities-based competitor offering service to residential subscribers. See SBC Evaluation at 20–21. Brooks Fiber, to which SBC points as a residential service provider, is merely testing its ability to offer residential service by providing uncompensated service to four employees; thus, it does not compete with SBC to serve any residential "subscribers." See id.

Some parties have pressed for rejection of SBC's application on the additional ground that Brooks does not provide residential service to anyone, including its four employees, over its own facilities. In their view, Track A requires, among other things, that residential service is being provided completely or predominantly over a competitor's own facilities. We disagree.

The statute requires that both business and residential subscribers be served by a competing provider, and that such provider must be exclusively or predominantly facilities-based. It does not, however, require that each class of customers (i.e., business and residential) must be served over a facilities-based competitor's own facilities. To the contrary, Congress expressly provided that the competitor may be providing services "predominantly" over its own facilities "in combination with the resale of" BOC services. 47 U.S.C. §271(c)(1)(A). Thus, it does not matter whether the competitor reaches one class of customers—e.g., residential—only through resale, provided that the competitor's local exchange services as a whole are provided "predominantly"over its own facilities.

This reading is not only consistent with the language of the statute, but also serves Congress' twin purposes of maximizing competition in local exchange and interexchange telecommunications markets. To ensure that the BOCs truly opened up their local networks to competitors, Congress required that any BOC qualifying for Track A consideration wait until a facilities-based competitor became operational—provided that there is at least one potential competitor proceeding toward that goal in a timely fashion—before that BOC could satisfy the statute's in-region interLATA entry requirements. In mandating that such a facilities-based competitor offer both residential and business service, Congress ensured both that (1) facilities-based entry path is being used wherever requested; and (2) at least one facilities-based competitor is offering service to residential, as well as business, subscribers. See SBC Evaluation at 14–17. Once those two basic conditions have been satisfied, however, there is no reason to delay BOC entry into interLATA markets simply because competitors that have a demonstrated ability to operate as facilities-based competitors, and that are in fact providing service predominantly over their own facilities, find it most advantageous to serve one class of customers on a resale basis. Imposing this requirement would tip unnecessarily the statute's balance between facilitating local entry and providing for additional competition in interLATA services by adding an unnecessary prerequisite to Track A that might foreclose entry in certain cases for no beneficial competitive purpose. Cf. id. at 22.

II. The Importance of performance benchmarks

In articulating the Department's approach to assessing BOC applications for in-region, interLATA authority, we stated that the existence of "performance benchmarks" serves an important purpose in demonstrating that the market has been "irreversibly opened to competition." To better explain the role of "performance benchmarks," "performance standards," and "performance measures" in our analysis, we have outlined further the definition and importance of these concepts below.[2]

At bottom, a "performance benchmark" is a level of performance to which regulators and competitors will be able to hold a BOC after it receives in-region interLATA authority. The most effective benchmarks are those based on a "track record" of reliable service established by the BOC. Such benchmarks may reflect either the BOC's performance of a wholesale support function for a competitor, or, in areas where the BOC performs the same function for its competitors as it does for its own retail operations, a benchmark may also be established by the BOC's service to its own retail operations. In instances where neither type of benchmark is available, the Department will consider other alternatives that would ensure a consistent level of performance, such as, for example, a commitment to adhere to certain industry performance standards and/or an audit of the BOC's systems by a neutral third party. Such benchmarks are significant because they demonstrate the ability of the BOC to perform a critical function—for example, the provisioning of an unbundled loop within a measurable period of time. Thus, benchmarks serve, as explained in our evaluation, the important purpose of foreclosing post-entry BOC claims that the delay or withholding of services needed by its competitors should be excused on the ground that the services or performance levels demanded by competitors are technically infeasible. See SBC Evaluation at 45–48.

To make "performance benchmarks" a useful tool for post-entry oversight, we also expect the BOC to adopt the specific means and mechanisms necessary to measure its performance—i.e., "performance measures." That is, if there are no such systems in place, it will be considerably more difficult to ensure that the BOC continues to meet its established performance benchmarks. Finally, we acknowledge that there may be areas in which the present industry standards will be updated, requiring new levels of performance. Accordingly, the Department will also focus on the importance of commitments by BOCs to adhere to "performance standards," even when they will be imposed upon it post-entry.

Footnotes at end of article.

FOOTNOTES

[1] See, e.g., Opposition of Brooks Fiber Properties, Inc. to Application of SBC Communications, Inc., CC Docket No. 97–121, at 8–9 (May 1, 1997).

[2] To reflect this typology, our evaluation should be modified as follows:

Page 45 line 2 of heading "b." (and Table of Contents), "standards" to "benchmarks";

Page 47 line 3, "measures" to "benchmarks";

Page 47 line 5, "measures" to "benchmarks";

Page 48 line 9, "measures" to "benchmarks" and add "as well as its commitment to adhere to certain performance standards" to the end of the sentence;

Page 60 line 9, "measures" to "benchmarks"; and

Page 60 line 11, 15, 18 "measures" to "benchmarks"

Respectfully submitted,

Donald Russell, Chief; Joel I. Klein, Acting Assistant Attorney General, Antitrust Division; Andrew S. Joskow, Deputy Assistant Attorney General, Antitrust Division; Lawrence J. Fullerton, Deputy Assistant Attorney General, Antitrust Division; Philip J. Weiser, Senior Counsel, Antitrust Division; Carl Willner, Jonathan D. Lee, Stuart H. Kupinsky: Attorneys, Telecommunications Task Force; Gerald B. Lumer, Economist, Competition Policy Section; Antitrust Division, U.S. Department of Justice, 555 4th Street, N.W., Room 8104, Washington, D.C. 20001.

Certificate of Service

I hereby certify that I am an Attorney for the United States in this proceeding, and have caused a true and accurate copy of the foregoing Addendum to the Evaluation of the United States Department of Justice to be served on all petitioners in this proceeding and other interested parties as indicated on the attached service list, by first class mail, on May 21, 1997.

JONATHAN D. LEE,

Attorney, Telecommunications Task Force, Antitrust Division, U.S. Department of Justice.

Service List

Richard Metzger, General Counsel, Association for Local Telecommunications Services, 1200 19th Street, NW., Washington, DC 20036.

John Lenahan, Ameritech Corporation, 30 South Wacker Drive, Chicago, IL 60606.

Mark Rosenblum, AT&T Corporation, 295 North Maple Ave., Basking Ridge, NJ 07920.

Susan Miller, Esq., ATIS, 1200 G Street, NW., Suite 500, Washington, DC 20005.

James R. Young, Bell Atlantic, 1320 N. Courthouse Road, 8th Floor, Arlington, VA 22201.

Walter Alford, BellSouth, 1155 Peachtree Street, NE., Atlanta, GA 30367.

Edward J. Cadieux, Director, Regulatory Affairs—Central Region, Brooks Fiber Properties, Inc., 425 Woods Mill Road South, Town and Country, MO 63017.

John Windhausen, Jr., General Counsel, Competition Policy Institute, 1156 15th Street, NW., Suite 310, Washington, DC 20005.

Genevieve Morelli, Executive Vice President and General Counsel, The Competitive Telecommunications Association, 1900 M Street, NW., Suite 800, Washington, DC 20036.

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Gregory M. Casey, LCI International Telecom Corp., 8180 Greensboro Drive, Suite 800, McLean, VA 22102.

Rocky Unruh, Morgenstein & Jubelirer, One Market, Spear Street Tower, 32d Floor, San Francisco, CA 94105, Counsel for LCI Telecom Group.

Anthony Epstein, Jenner & Block, 601 13th Street, NW., Washington, DC 20005, Counsel for MCI.

Susan Jin Davis, MCI Telecommunications Corporation, 1801 Pennsylvania Ave., NW., Washington, DC 20006.

Daniel Brenner, National Cable Television Association, 1724 Massachusetts Ave., NW., Washington, DC 20036.

NYNEX Telephone Companies, Saul Fisher, 1095 Ave. of the Americas, New York, NY 10036.

Cody L. Graves, Chairman, Oklahoma Corporation Commission, Jim Thorpe Building, Post Office Box 52000-2000, Oklahoma City, OK 73152-2000.

Mickey S. Moon, Assistant Attorney General, Oklahoma Attorney General's Office, 2300 North Lincoln Boulevard, Room 112, State Capitol, Oklahoma City, OK 73105-4894.

Robert Hoggarth, Senior Vice President, Paging and Narrowband PCS Alliance, 500 Montgomery Street, Suite 700, Alexandria, VA 22314-1561.

James D. Ellis, Paul K. Mancini, SBC Communications, Inc., 175 E. Houston, Room 1260, San Antonio, TX 78205.

Philip L. Verveer, Wilkie, Farr & Gallagher, 1155 21st Street, NW., Washington, DC 20036, Counsel for Sprint.

Richard Karre, U S West, 1020 19th Street, NW., Suite 700, Washington, DC 20036.

Charles D. Land, P.E., Executive Director, Texas Association of Long Distance Telephone Companies, 503 W. 17th Street, Suite 200, Austin, TX 78701-1236.

David Poe, LeBoeuf, Lamb, Greene & MacRae, LLP, 1875 Connecticut Ave., NW., Suite 1200, Washington, DC 20009, Counsel for Time Warner.

Janis Stahlhut, Time Warner Communications Holdings, Inc., 300 First Stamford Place, Stamford, CT 06902-6732.

Danny Adams, Kelley, Drye & Warren LLP, 1200 19th Street, NW., Suite 500, Washington, DC 20036, Counsel for USLD.

Catherine Sloan, WorldCom, Inc., 1120 Connecticut Ave., NW., Washington, DC 20036-3902.

Charles Hunter, Hunter Communications Law Group, 1620 I Street, NW., Suite 701, Washington, DC 20006, Counsel for Telecommunications Resellers Association.

Mr. HOLLINGS. I thank the distinguished Chair. And again now on page 3 here the fellow has gotten the signal, and I read on page 3—the entire matter is in the RECORD.

It does not, however, require that each class of customers, business and residential, must be served over a facilities based competitor's own facilities. To the contrary, Congress expressly provided that the competitor may be providing services predominantly over its own facilities in combination with the resale of Bell Operating Company services (47 USC 271 (c)(1)(A)). Thus, it does not matter whether the competitor reaches one class of customers, namely residential, only through resale provided that the competitor's local exchange services as a whole are provided predominantly over its own facilities.

Well, Mr. President, there it was. Bell Operating Companies through the distinguished Senator from Montana got what they wanted in black and white. They just totally refuted 4 years of work, the most important part of the checklist, the most important part that provided for competition in the long distance market, the most important part that we included. We talked about it. We discussed it. We debated it. I was in these conferences. They were in the conferences, like I tried to emphasize. The Bell Companies met all one day with our staffs on both sides and the long distance companies met all one day, and it was worked out. But do not take the word of the Senator from South Carolina.

Mr. President, I ask unanimous consent that a letter to the Honorable Reed Hunt, Chairman of the Federal Communications Commission, from Chairman TOM BLILEY, Congressman from Virginia, and chairman of the Commerce Committee over on the House side, be printed in the RECORD.

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

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON COMMERCE,
Washington, DC, June 20, 1997.

Hon. REED HUNDT,
Chairman, Federal Communications Commission, Washington, DC.

DEAR CHAIRMAN HUNDT: I recently read with interest and dismay the Department of Justice's additional comments regarding SBC Communications Inc.'s (SBC's) application to provide in-region, interLATA services in the State of Oklahoma. The Department therein clarified its views on section 271(c)(1)(A) of the Communications Act, as amended. As the primary author of this provision. I feel compelled to inform you that the Department misread the statute's plain language. As you rule on SBC's application and future BOC applications, you should not overlook the clear meaning of section 271 or its legislative history.

The Department argued that a BOC should be allowed to enter the in-region, interLATA market under "Track A" (*i.e.*, section 271(1)(A)) if a competing service provider offers facilities-based services to business customers and resale services to residential customers, so long as the combined provision of both services is predominantly over the competing service provider's facilities. In other words, the Department wrongly takes the view that section 271(c)(1)(A) is satisfied if a competitor is serving either residential *or* business customers over its own facilities.

Section 271(c)(1)(A), however, clearly requires a different interpretation. To quote the statute, a competing service provider must offer telephone exchange service to "residential and business subscribers . . . either exclusively over their own telephone exchange service facilities or predominantly over their own telephone exchange service facilities." Track A is thus satisfied if—and only if—a BOC faces facilities-based competition in both residential *and* business markets. Neither the statute nor its legislative history permits any other interpretation; I know this because I drafted both texts.

In the end, the Department's recent misinterpretation of section 271 reinforces a point I frequently made during Congressional debate over the Telecommunications Act of 1996: the Department of Justice does not have the expertise to make important telecommunications policy decisions. The FCC, by contrast, *does* have the necessary expertise, which explains why Congress gave you and your colleagues—and no one else—the ultimate authority to make important decisions, such as the decision to interpret section 271. I remind you that the Department's role in this matter is a consultative one, and should be treated as such.

Let me conclude by noting that, while this letter focuses exclusively on Department's interpretation of section 271(c)(1)(A), it should not be construed to mean that the balance of the Department's comments were either consistent or inconsistent with Congressional intent.

Sincerely,

TOM BLILEY,
Chairman.

Mr. HOLLINGS. This is dated June 20, 1997.

Dear Chairman Hunt:

I recently read with interest and dismay the Department of Justice's additional comments regarding SBC Communications' application to provide in-region interLATA services in the State of Oklahoma. The department therein clarified its views on section 271(c)(1)(A) of the Communications Act, as amended. As a primary author—

Let me emphasize that. This is Chairman BLILEY—

As a primary author of this provision, I feel compelled to inform you that the department misread the statute's plain language. As you rule on SBC's application and future Bell Operating Company applications, you should not overlook the clear meaning of section 271 or its legislative history. The Department argued that a Bell Operating Company should be allowed to enter the in-region interLATA market under track A, that is, section 271(c)(1)(A) if a competing service provides office facilities based services to business customers and resale services to residential customers, so long as the combined provision of both services is predominantly over the competing service provider's facilities.

In other words, the Department wrongly takes the view that section 271(c)(1)(A) is satisfied if a competitor is serving either residential or business customers over its own facilities. Section 271(c)(1)(a), however, clearly requires a different interpretation. To quote the statute, "A competing service provider must offer telephone exchange service to residential and business subscribers either exclusively over their own telephone exchange service facilities or predominantly over their own telephone exchange service facilities. Track A is thus satisfied if and only if a Bell Operating Company faces facilities based competition in both residential and business markets. Neither the statute nor its legislative history permits any other interpretation. I know this because I drafted both texts.

Mr. President, that is Chairman BLILEY. I do not know how you can make it more clear. He talks of the history. He talks of the conference report. He talks of the actual language. And anybody reading it can see exactly that. In

essence, Mr. Klein sort of quietly acknowledged it. I was waiting because I met with him individually and then I met with him with the Attorney General, I can tell you here and now for those who watch this and follow it. And I ask unanimous consent the recent editorial in the New York Times entitled "A Weak Antitrust Nominee" be printed in the RECORD.

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

[From the New York Times, July 11, 1997]

A WEAK ANTITRUST NOMINEE

The next head of the Justice Department's antitrust division will have a lot to say about whether the 1996 Telecommunications Act breaks the monopoly chokehold that Bell companies exert over local phone customers. He will rule on mergers among telecommunications companies and advise the Federal Communications Commission on applications by Bell companies to enter long-distance markets. Thus it is disheartening and disqualifying that President Clinton's nominee, Joel Klein, is scheduled to come up for confirmation today in the Senate with a record that suggests he might knuckle under to the powerful Bell companies and the politicians who do their bidding.

Senators Bob Kerrey, Ernest Hollings and Byron Dorgan have threatened to block the vote today and put off until next week a final determination of Mr. Klein's fate. But the Administration would do its own telecommunications policy a favor by withdrawing the nomination and finding a stronger, more aggressive successor.

Mr. Klein, who has been serving as the Government's acting Assistant Attorney General for Antitrust, demonstrated his inclinations when he overrode objections of some of his staff and approved unconditionally the merger of Bell Atlantic and Nynex. That merger will remove Bell Atlantic as a potential competitor for Nynex's many dissatisfied customers. Mr. Klein refused even to impose conditions that would have made it easier for state and Federal regulators to pry open Nynex's markets to rivals such as AT&T.

Worse, Mr. Klein sent a letter to Chairman Conrad Burns of the Senate communications subcommittee, who runs political interference for the Bell companies, that committed the antitrust division to pro-Bell positions in defiance of the 1996 act.

That act invites the Bell companies to provide long-distance service, but only if the Bells first open their systems to rivals that want to compete for local customers. Yet in the letter to Mr. Burns, Mr. Klein explicitly rejected Congress's interpretation of requirements to be imposed on the Bells in favor of his own, weaker standard.

In a subsequent submission to the Federal Communications Commission, Mr. Klein further weakened a requirement that before the Bells enter long-distance service they face a competitor that is serious enough to build its own switches and wires. Mr. Klein has also upset some senators by seeming to minimize the importance, provided in the 1996 Telecommunications Act, of Justice's advice to the F.C.C. on applications by Bell companies to enter long-distance.

True, Mr. Klein has blocked applications by two Bell companies, SBC and Ameritech, to offer long-distance service before they had opened their local markets to competition. But by pandering to Mr. Burns, he has created strong doubts that he can provide aggressive antitrust leadership.

Mr. HOLLINGS. I ask unanimous consent that the Consumer Federation of America letter of July 14, 1997, on this score be printed in the RECORD.

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

CONSUMER FEDERATION OF AMERICA,
July 14, 1997.

DEAR SENATOR: With cable rates rising almost three times faster than inflation and massive consolidation in cable, radio and telecommunications markets, your efforts to promote competition through the 1996 Telecommunications Act are backfiring.

Acting Assistant Attorney General for Antitrust Joel Klein bears significant responsibility for these unintended, monopolistic results. Unless you demand that the Justice Department's Antitrust Division reverse course and engage in strict antitrust enforcement (see attached New York Times editorial: "A Weak Antitrust Nominee"), consumers will face vastly inflated telephone and cable rates from increasingly entrenched monopolies.

After antitrust officials allowed the seven local Bell telephone monopolies to consolidate into four bigger monopolies; permitted Time Warner and TeleCommunications Inc. (TCI) to unite companies service almost one-half of all cable customers through a combination with Turner Broadcasting; and approved hundreds of radio mergers, consumers are seeing no appreciable increase in either competition or pocketbook savings from the Telecommunications Act.

While Acting Assistant Attorney General Joel Klein described some of this activity as "the concentration envisioned by Congress" (remarks to Glasser Legalworks Seminar, March 11, 1997), we believe you were hoping antitrust enforcement would foster increased competition rather than concentration.

Contrary to promises they made to Congress in return for more market freedom, large cable, telephone and other telecommunications companies are not vigorously entering each other's markets:

AT&T appears to be throwing in the towel on the notion of competing with the local Bell monopolies, as it pursues mergers with the Bell companies.

MCI is losing money hand-over-fist in its failed efforts to jump-start local phone competition.

After failing to start a competitive satellite alternative to cable monopolies, Rupert Murdoch decided to join forces with the cable giants through deals with TCI's John Malone, Primestar and Cablevision.

Finally, local phone companies have pulled the plug on most of their grandiose efforts to enter the cable business, and cable companies have retreated just as quickly from entering the phone business.

And while all this market entrenchment goes on, cable rates are skyrocketing and many local phone companies seek a doubling of local phone rates in anticipation of "competition."

It is more obvious than ever before that the Telecommunications Act will be an abject failure unless Congress makes sure that the Antitrust Division reverses course and reinvigorates its enforcement practices.

Sincerely,

HOWARD M. METZENBAUM,
Chairman, Consumer Federation of America, former chairman, Senate Subcommittee on Antitrust, Business Rights and Competition.

GENE KIMMELMAN,
Co-Director, Consumers Union.

DR. MARK COOPER,
Research Director, Consumer Federation of America.

Mr. HOLLINGS. Consumer Federation and others who have followed this thing have been on the phone and otherwise just fighting to make sure that this was really held up and defeated. And in all fairness, I am sorry, after we see the exchange of letters here recently, that I did not fight this nomination. I put a hold on it. I thought that Members would listen, that they would want to learn and they would want to understand. But evidently the jury has been fixed.

Mr. President, I ask unanimous consent that two letters, one by Senator KERREY to the Attorney General dated June 23, and the letter back from the Office of the Attorney General dated July 14 to Senator DORGAN be printed in the RECORD.

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

U.S. SENATE,
Washington, DC, June 23, 1997.

Hon. JANET RENO,
U.S. Department of Justice,
Washington, DC.

DEAR MADAM ATTORNEY GENERAL: Not too long ago, I met Joel Klein and found him to be an intelligent, talented attorney and a dedicated public servant. I would like very much to support his nomination for Assistant Attorney General for Antitrust but have some very serious concerns about the Administration's telecommunications policies and Mr. Klein's interpretation of the Telecommunications Act of 1996. I am hopeful you can clarify the Department's official views for me.

I am particularly concerned about recent comments made by Acting Assistant Attorney General Klein regarding the Department of Justice's (DOJ) role in facilitating competition in the wake of the Telecommunications Act of 1996. As you know, my support of the Telecommunications Act was contingent upon a strong role for DOJ in shaping a competitive telecommunications market. I did not stop the work of the United States Senate with a filibuster in order for the Department of Justice to take its responsibilities lightly. In the contrary, I expected DOJ to use every ounce of its authority, including those powers granted outside of the Telecommunications Act, to ensure the competitive integrity of the new telecommunications market.

In response to questions by the Chairman of the Senate Communications Subcommittee, Mr. Klein said that he "specifically rejected using the suggestion in the Conference Report that the Department analyze Bell Operating Company (BOC) applications employing the standard used in the AT&T consent decree". This standard would reject BOC entry into in-region long distance unless "there is a substantial possibility that the BOC or its affiliates could use its monopoly power to impede competition in the market such company seeks to enter."

The Telecommunications Act gave you the authority to choose any standard you see fit to evaluate BOC entry into in-region service. Winning that discretion was a hard fought battle. Is the Department using its discretion to chose a weak standard? Does Mr. Klein's statement mean that a Bell Operating Company should be allowed to enter the in-region long distance market even if there is a "substantial possibility that he BOC or its affiliates could use monopoly power to impede competition?"

Mr. Klein's comment to the Chairman that "we think that the openness of a local market can be best assessed by the discretionary authority of the FCC, relying in part on the Department of Justice's competitive assessment, and based on the evaluation of the particular circumstances in an individual state." I fought hard to include DOJ in this process because of the legal and economic expertise of the Antitrust Division. Is the Department abdicating its role in this area? The Federal Communications Commission (FCC) is not the only agency equipped to make decisions about the openness of markets. Can a market be competitive if it is not open? The Department's responsibility under the act and the nation's antitrust laws is most serious and should be aggressively pursued by the Antitrust Division. Although the ultimate decision lies with the FCC, the Department should accept its important role as the expert in competition and market power and adopt a meaningful entry standard based on pro-competitive principles. I am not convinced that the Department has done that.

On a separate but equally important competition issue, I remain very concerned about recent mergers between large telecommunications providers. The decision by Justice to approve the Bell Atlantic/NYNEX merger without any conditions is troubling. I am also concerned about rumors circulating about a possible reconstruction of the old Bell system. Reports of AT&T efforts to bring two BOC's back into its fold should give everyone pause. Such a merger will likely lead to a new round of large telecommunications mergers which could greatly reduce any chance for the swift adoption of a vibrant, competitive telecommunications market. Competitive entry could be frozen while real and potential competitors court, woo and marry each other.

Finally, I am pleased with Mr. Klein's emphasis on ensuring that the BOC's take the necessary steps to allow competition in their markets. The Department of Justice should use its authority to ensure that no one creates or uses artificial impediments to block competitive entry. Interconnection agreements are pending in all fifty states, but at this time no significant competition has developed. The era of telecommunications monopolies should be over, not recreated. Market forces, not market power should motivate all telecommunications carriers to work night and day to win and keep customers. Interconnection should be made as simple and efficient as possible. It should be very easy for a telecommunications entrepreneur to gather a group of customers and easily, efficiently and expeditiously begin providing them service through interconnection or resale.

The telecommunications industry is at a critical point in its history. The Department's commitment to using its full authority to promote competition is important to achieving an environment where consumers come first and entrepreneurs are encouraged to challenge the status quo. Thank you for your careful consideration of my concerns and would appreciate your views on these matters. I look forward to your response.

Sincerely,

J. ROBERT KERREY.

OFFICE OF THE ATTORNEY GENERAL,
Washington, DC, July 14, 1997.

Hon. BYRON L. DORGAN,
U.S. Senate,
Washington, DC.

DEAR SENATOR DORGAN: The President has requested that I respond to your recent letter to him regarding the nomination of Joel Klein to be Assistant Attorney General for Antitrust and the Administration's telecommunications policies.

At the outset, I want to emphasize my appreciation and that of the Department as a whole for your strong and unwavering support for the important role provided for the Department in the implementation of the Telecommunications Act of 1996. I remember how hard we fought together to secure the DOJ role. As a consequence, I share with you a keen interest in ensuring that the Department carries out its role under the Telecommunications Act effectively.

Let me begin by assuring you that the Department of Justice takes its role under the Telecommunications Act of 1996 extremely seriously. We have devoted substantial resources to preliminary investigations all across the nation on a state-by-state basis to understand the competitive conditions in each state. We have devoted even more resources to our review and evaluation of specific Section 271 applications. We prepared extensive, even exhaustive, analyses of SBC's Section 271 application for in-region long distance authority in Oklahoma and Ameritech's Section 271 application for in-region long distance authority in Michigan.

Our actions in these matters make absolutely clear that the Department is firmly committed to ensuring that local markets are fully and irreversibly open, so that competition can take hold there and flourish, and that long distance markets are as competitive as possible. We share your view that this is crucial for consumers in this country. To this end, we have adopted a procompetitive standard for evaluating Section 271 applications, and we are providing the FCC with meaningful guidance on competition policy in specific cases. The FCC relied heavily on our analysis in its only decision to date, its recent decision denying SBC's application.

You have specific questions regarding the standard used by the Department in evaluating Bell Operating Company (BOC) FCC applications to provide in-region long distance service.

After a careful evaluation of public input, the Department adopted a standard that the local market had to be "fully and irreversibly open to competition." I assure you that this is not a weak standard. It is a meaningful standard based on strong procompetitive principles and is designed to ensure and protect competition in both local and long-distance markets. It ensures that no one can create artificial impediments to entry, and it ensures that BOCs are not able to provide in-region long distance service prematurely, when they might have unfair competitive advantages over competitors. Otherwise, the promise of fully competitive local and long distance markets would be delayed.

As demonstrated by our evaluations of SBC's Section 271 Oklahoma application in May, and of Ameritech's Section 271 Michigan application in late June, we will not support long distance entry until local markets are fully and irreversibly open to competition. Our position (and our standard) is one that is tough but fair and designed to promote the maximum amount of competition in all markets. The Department is fully committed to ensuring that all telecommunications markets become as competitive as possible.

In closing, let me say Joel Klein is an extremely intelligent and talented attorney and a dedicated public servant. The President and I hope he is rapidly confirmed by the United States Senate to be the Assistant Attorney General for Antitrust.

Sincerely,

JANET RENO.

Mr. HOLLINGS. Now, you see every effort has been made to try to clear that record, and you can read the Attorney General's letter, and for the purposes at hand it is not worth the paper it is written on. You can throw it away. It says nothing—that she believes in competition. Now, she is a lawyer. She knows how to read emphasized italics language. She saw the pitch. I told her about the pitch and how it occurred. I showed her the talk that Klein made. We went down the whole thing. So Senator KERREY, and I understand, of course, Senator DORGAN wrote a letter, and we were waiting for a letter back and we had to wait several weeks. Not the Senator from Montana. His letter and addendum and opinion were all put out immediately. But when Senators who worked on the bill as diligently as we did tried to meet with him and then put down in black and white our misgivings, write the Attorney General's department and ask, please, now, let's see your position here on the plain, clear language, they write back—"I believe in competition." Just two pages of nothing. I have that in the RECORD.

Mr. President, I should have, like I say, politicked this nomination for its defeat.

Let me ask unanimous consent that the "Dear Colleague" letter of July 10 by Senator DORGAN of North Dakota and myself be printed in the RECORD.

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

U.S. SENATE, COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, DC, July 10, 1997.

DEAR COLLEAGUE: The Senate may soon move to consider the nomination of Joel Klein to be the Assistant Attorney General in charge of the Antitrust Division. Because of statements and actions by Mr. Klein in his acting capacity at the Department of Justice we are very concerned with the direction of the Administration's policies with respect to its interpretation of certain provisions of the Telecommunications Act of 1996. We believe that these issues need clarification before Mr. Klein's nomination should be brought to a vote in the Senate. We urge you to support us in our desire to resolve the issues surrounding Mr. Klein's actions before his nomination is brought to the Senate floor for debate.

Whether or not robust competition develops in the local telephone service market depends upon the Administration's commitment to vigorously enforce these critical

provisions of the Telecommunications Act. Unfortunately, while serving as acting chief of the Antitrust Division, Mr. Klein has explicitly contradicted specific statutory mandates and conference report directions that we, working with the White House, fought again all odds to have added to the Telecommunications Act of 1996. We have asked Mr. Klein, Attorney General Reno, and the White House to review our concerns and demonstrate that the Antitrust Division will follow the explicit meaning of the Telecommunications Act. So far, we have not received a satisfactory response to our concerns.

Our misgivings about Mr. Klein go to the very heart of whether the Telecommunications Act achieves its goal of promoting more competition and lower prices for consumers. In response to White House requests (and a very specific veto threat) we made sure that nothing in the Telecommunications act in any way undermined the antitrust laws. In fact, to address these concerns, we gave the Justice Department new authority to rule on mergers of telecommunications common carriers (power previously reserved for the Federal Communications Commission), and we gave the Justice Department a substantial role in determining when a local Bell telephone monopoly could enter the long distance market because it had sufficiently opened its market to competition. However, under the leadership of Mr. Klein, the Justice Department has abdicated its responsibility and failed to use these tools to promote the level of competition that we and the Clinton Administration believed should be developing in telecommunications markets.

By interpreting the Telecommunications Act in a manner that fails to ensure that both consumers and businesses receive competitive choices from separate local phone companies; by abandoning the Department of Justice's traditional standard for measuring competition to make it easier for the Bell companies to enter long distance; and by approving the largest merger in telecommunications history without even a policing mechanism to ensure that competition would be enhanced, Mr. Klein has sent the wrong signal to the marketplace and undermined the core principles that are the foundation upon which the Telecommunications Act was constructed.

In a letter describing his final concerns about our bill and the bill passed by our colleagues in the House, President Clinton wrote that the final bill "should include a test specifically designed to ensure that the Bell companies entering into long distance markets will not impede competition." This test described by President Clinton is actually a stronger test than the VIII(c) test contained within the Modified Final Judgment. Yet, Mr. Klein rejected both these tests recently and decided to develop his own lesser standard of "irreversibly open to competition."

In another more compelling matter, Mr. Klein has turned the statute on its head in his interpretation of the facilities-based entry test for long distance. The statute requires that a facilities-based provider serve both business and residential customers before the Bell company can enter long distance. Mr. Klein, however, believes the statute can be interpreted to mean that a facilities-based carrier need only provide service to business or residential customers. Yet again, another instance where Mr. Klein has weakened the protections that the Congress fought hard to enact into law to protect consumers from premature entry into long distance.

We will insist that any Administration nominee support the consumer protection we fought hard to put into place. Mr. Klein's interpretation of the law will result in more consolidation, less choice and higher costs to consumers. We therefore want to ensure that this or any Administration nominee implement the letter of the law and follow the steps that we and the Administration outlined in achieving a consensus during deliberations on the Telecommunications Act's conference report.

Sincerely,

BYRON L. DORGAN.
ERNEST F. HOLLINGS.

Mr. HOLLINGS. It is not my intent to take further time. I can tell that this was called. I had checked after the last rollcall. They said it wasn't going to be called until after 6 o'clock. When they filed it, they filed cloture immediately before there was any kind of debate whatever. They have not only lost their senses with respect to reality, calling deficits listed in the document as $179.3 billion as balanced, but they have lost their manners and their courtesy. Usually you have the Senator who had the hold and caused the particular confusion put on notice, but I had a staffer watching the TV and saw our friend from Utah, Senator HATCH, was talking. So there we are, just right in the middle.

You did not need cloture. At the time we put on a hold and were asked: Do you want to be identified as the one having the hold, I said absolutely. I am not playing games, tricks or anything of that kind. I would be glad if you called it this afternoon. That was weeks ago where I would have a chance to explain exactly what occurred. But, of course, you can see what has occurred. They have politically worked it, got the votes, got cloture. Don't waste time. Let us get on with this.

And then when the rates go up, when you get consolidation instead of competition and those rates go up, and you don't get competition in the local market and you don't get what we intended in the Telecommunications Act, don't come around like in Gramm-Rudman-Hollings and say it didn't work. Gramm-Rudman-Hollings worked up until 1990 when they went out to Andrews Air Base and they put in the categories and so-called ceilings—we haven't reached those ceilings yet—and repealed the across-the-board cuts, the sequester language. On October 21 at 1:40 a.m. I made the point of order that you are now repealing the thrust of Gramm-Rudman-Hollings. Today, this afternoon, I am making the same point. You are repealing the competitive feature of the Telecommuncations Act of 1996.

I hope the nomination is defeated and we get somebody here who can read.

I yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I yield 4 minutes to the distinguished Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise today in support of the nomination of Joel I. Klein to serve as Assistant Attorney General for the Antitrust Division of the Department of Justice. Mr. Klein is a fine man and is an outstanding nominee for this important position. I am pleased to support him.

Mr. Klein achieved an excellent academic record at both Columbia College in New York and Harvard Law School. He then served as a law clerk for the Chief Judge of the D.C. Circuit Court of Appeals and later for U.S. Supreme Court Justice Lewis Powell. Afterward, he developed a distinguished reputation in private practice, where he argued important cases before the U.S. Supreme Court.

For the past several months, he has served as the Acting Assistant Attorney General for the Antitrust Division. During that time, he has shown that he is firmly committed to enforcing our nation's antitrust laws. For example, under his leadership, the Antitrust Division has greatly increased its collection of criminal fines. Thus far this fiscal year, which almost coincides with Joel Klein's tenure, the Antitrust Division has collected over $192 million dollars in criminal fines, compared to only about $27 million for all of fiscal year 1996.

Mr. President, I am confident that Mr. Klein is within the mainstream of antitrust law and doctrine, and will exercise his responsibilities fairly and within the dictates of the law. He is committed to upholding our free enterprise system and to protecting consumers from anti-competitive conduct.

Under Chairman HATCH's distinguished leadership, the Judiciary Committee held a hearing on Mr. Klein's nomination in April, and his nomination was reported out of the Committee unanimously in May.

In short, I strongly believe that Mr. Klein is a man of unquestioned integrity and great ability. I urge my colleagues to vote in favor of this nomination.

Mr. President, in closing I want to commend Senator HATCH, the able chairman of the Judiciary Committee for the position he has taken on this particular nomination.

Mr. President, I yield the floor.

Mr. KOHL. Mr. President, let me make a few brief points. First, it is kind of ironic that Joel Klein's nomination has nearly universal Republican support, but has divided many Democrats. After all, he is the President's choice for the job and any Presidential nominee for an executive branch appointment—Democrat or Republican—deserves the benefit of the doubt. More than that, Mr. Klein has the support of

many prominent Democrats, among them Judge Abner Mikva, Former Deputy Attorney General Jamie Gorelick, Lloyd Cutler, and others. I ask unanimous consent that a letter from them—and from prominent Republicans—in support of Joel Klein be printed in the RECORD.

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

JULY 14, 1997.

Hon. TRENT LOTT,
Senate Majority Leader, Washington, DC.
Hon. TOM DASCHLE,
Senate Minority Leader, Washington, DC.

DEAR SENATOR LOTT AND SENATOR DASCHLE: We are lawyers, academics, and former government officials with differing views on various legal and public policy issues. We are united, however, in our belief that Joel I. Klein is a superbly and uniquely qualified nominee to be the Assistant Attorney General for Antitrust at the Department of Justice. We are confident that as Assistant Attorney General Joel Klein would vigorously enforce the nation's antitrust laws and effectively serve the public interest. We urge the Senate to act upon this nomination promptly and confirm Mr. Klein to this important post.

Sincerely,

Donald B. Ayer, Former Deputy Attorney General, Former Deputy Solicitor General; Warren Christopher, Former Secretary of State, Former Deputy Attorney General; Lloyd N. Cutler, Former Counsel to the President; Alan Dershowitz, Professor of Law, Harvard Law School; Peter Edelman, Professor of Law, Georgetown Law Center; Eleanor Fox, Professor of Law, NYU Law School; Jamie Gorelick, Former Deputy Attorney General; Carla A. Hills, Former United States Trade Representative, Former Secretary of Housing and Urban Development; Charles James, Former Assistant Attorney General, Antitrust Division.

Harry McPherson, Former Counsel to the President; Abner J. Mikva, Former Counsel to the President, Former Chief Judge, United States Court of Appeals for the District of Columbia, Former Member of Congress; Newton N. Minow, Former Chairman, Federal Communications Commission; Leon E. Panetta, Former White House Chief of Staff, Former Member of Congress; Deval Patrick, Former Assistant Attorney General, Civil Rights Division; Robert B. Reich, Former Secretary of Labor; James Rill, Former Assistant Attorney General, Antitrust Division; Richard E. Wiley, Former Chairman, Federal Communications Commission.

Senator ORRIN HATCH,
U.S. Senate.

We are writing to express our support for the nomination of Joel Klein as Assistant Attorney General for Antitrust.

We are a group of economists who are working actively to help break down entry barriers and bring competition in the telecommunications sector, as Congress intended in passing the Telecommunications Act of 1996. Collectively, we have served as economic experts for interexchange carriers, wireless companies, and Bell operating companies. The signatories below include four recent Economics Deputies from the Antitrust Division and the two most recent Chief Economists at the Federal Communications Commission.

Although we have our differences in the interpretation of various economic evidence, and in our recommendations for telecommunications policies, we all believe that Joel Klein will make an excellent Assistant Attorney General. He is fair and thoughtful, he understands and uses economic arguments and analysis effectively, and he is dedicated to enforcing our antitrust laws and promoting competition in our economy.

Sincerely yours,

JOSEPH FARRELL,
Prof. of Economics, U. of California at Berkeley.

MICHAEL KATZ,
Prof. of Business Administration, U. of California at Berkeley.

CARL SHAPIRO,
Prof. of Business Strategy, U. of California at Berkeley.

RICHARD GILBERT,
Prof. of Economics, U. of California at Berkeley.

JANUSZ ORDOVER,
Prof. of Economics, New York U.

ROBERT WILLIG,
Prof. of Economics and Public Affairs, Princeton U.

Mr. KOHL. Second, while it is unfortunate that Eric Holder is being held "hostage" to Joel Klein's nomination, the truth is that the sooner we confirm Mr. Klein, the sooner we can move forward and confirm Eric Holder. The Department of Justice, and the American people, will be better off with a confirmed Deputy Attorney General.

Third, I respect the efforts of my colleagues, Senator HOLLINGS, Senator DORGAN and Senator KERREY, who have fought long and hard for consumers on telecommunications matters. Like me, they clearly want someone in charge of the Antitrust Division who will bring about the kind of competition promised in—but not yet delivered by—the Telecommunications Act. They have sent a strong message to Joel Klein on how to interpret Section 271 of the Act, and I believe he understands that message and will work hard to promote vigorous competition in the telephone industry—and all other industries.

My hope is that Joel Klein, as a confirmed appointee, will surprise his critics and please his supporters in his enforcement of the antitrust laws. I urge my colleagues to support him.

Mr. KENNEDY. Mr. President, I give my strong support to Joel Klein's nomination to serve as Assistant Attorney General of the Antitrust Division at the Department of Justice. Mr. Klein's background and experience have prepared him well to serve the country in this capacity.

After graduating magna cum laude from Columbia University and Harvard Law School, Mr. Klein served as a law clerk for both D.C. Circuit Judge David Bazelon and Supreme Court Justice Lewis Powell. He later served with great distinction as a public interest lawyer, Deputy White House Counsel, and Principal Deputy of the Antitrust Division where he is now the Acting Assistant Attorney General.

Mr. Klein's work in the Antitrust Division has earned wide praise. Leading economists, including two former Chief Economists of the Federal Communications Commission, believe that he will be an excellent Assistant Attorney General who is "dedicated to enforcing our antitrust laws and promoting competition in our economy." Mr. Klein wins similar high praise from State and Federal officials and many members of the American Bar Association active in the Section of Antitrust Law.

This praise is well deserved. Mr. Klein has won substantial criminal fines against large companies guilty of price-fixing. He has challenged anticompetitive practices and anticompetitive mergers that harm consumers. He has given new emphasis to antitrust enforcement overseas to help open more markets for U.S. businesses.

I have had the opportunity to work closely with Mr. Klein on several issues, including a recent "East-West Initiative," which brought together business leaders, government officials, and Republican and Democratic Senators from Massachusetts, North Carolina, Washington, Utah, and California to discuss cooperative efforts by government and business to help consumers. Mr. Klein's participation in this effort was key to its success, and I have the greatest respect for his ability and his commitment to public service.

I urge the Senate to approve his nomination. His outstanding record makes him an excellent nominee for this position. I hope that the strong bipartisan support already expressed by many Senators on both sides of the aisle will lead to further cooperation in expediting action on other nominees for the Department of Justice, and for long overdue bipartisan action on judicial nominations as well.

Mr. WYDEN. Mr. President, the position of Assistant Attorney General for Anti-Trust is one of the most critical to assuring American consumers enjoy the benefits of competition. The decisions made by the individual who holds this title affect billions of dollars and the ability of our companies to compete in the global economy. They affect corporate profit and loss sheets and the course of the stock market. But most importantly, they affect the prices consumers pay for basic services, from telephone calls to transportation and television.

No area holds more promise for competition than communications, and that was the major impetus for the 1996 Telecommunications Act. The Act was intended to eliminate monopolies, spur new entrants and bring down prices.

Eighteen months later, we have seen pitifully little progress. The Administration has not moved aggressively to promote competition. The vote I will cast today is meant to send a signal to the Administration that those of us in Congress who supported the 1996 Telecommunications Act want to see competition rather than concentration.

As a member of the Commerce Communications Subcommittee, I had hoped the 1996 Telecommunications Act would unleash a torrent of competition. Instead, we have seen prices outpace inflation in many areas. Each day the paper seems to carry yet another announcement of one giant company's plans to merge with another. Companies are spending millions of dollars on litigation and negative advertising. The situation reminds me of the African proverb: when elephants fight, the grass gets trampled. The grass here is the American consumer.

Perhaps the overwhelming array of choices has lulled the consumer into a sense of complacency. We hear about 500 channel broadcast satellite and video-on-demand. We see pages and pages of advertisements for cellular phones and CD ROM's, interactive computers and digital cameras. The pace of progress is incredible.

But if one peeks behind the smorgasboard, there is a very disturbing trend. The trend is toward concentration and media mega-mergers. Today's competitors are becoming tomorrow's partners.

Mr. President, this is why the position of Assistant Attorney General for Anti-Trust is so crucial. The individual who sits in that office plays a pivotal role in assuring our anti-trust laws produce robust competition rather than rogue concentration. Consumers need a champion for choice in communications.

I like Mr. Klein personally and believe him to be a skilled lawyer. It is the Administration's failure to move aggressively to promote competition that disturbs me. I hope my vote today sends a clear message to the Administration that the trend toward increased communications concentration needs to be thorougly examined and challenged. For this reason, Mr. President, I will not be able to support the Administration on this vote.

Mr. TORRICELLI. Mr. President, I rise in support of the nomination of Joel Klein because of my confidence in his ability to be the kind of antitrust law enforcer the Justice Department and the country need to protect consumers and ensure vigorous competition.

My confidence comes from Mr. Klein's record of great success during the past nine months during which he has headed the Antitrust Division. He has proven to be a strong advocate in promotion of competition. His accomplishments include suing Rochster Gas and Electric for impeding competition for electric power, suing to block a hospital merger that would have raised prices for patients on Long Island, NY, obtaining indictments of an insulation company executive for price fixing, blocking an acquisition that would have created a dominant provider of asphalt concrete in New Hampshire and Vermont, and blocking an acquisition by Gulfstar Communications that would have created unacceptable media concentration.

His record also includes numerous guilty pleas and fines and settlements from antitrust violators, including a record $5.6 million penalty from German and Brazilian companies for violating pre-merger notification rules.

With an already strong record in an acting capacity, we can look forward to great things from Mr. Klein should he be confirmed by the Senate.

Mr. HATCH. Mr. President, I must say I find some irony in the criticisms I am hearing today regarding Mr. Klein's efforts to implement the Telecommunications Act. In essence, it is being suggested that Mr. Klein's interpretation of the Act would permit local Bell companies to enter the long distance market prematurely, or too easily.

In fact, however, Mr. Klein has weighed in against Bell entry into long distance in the 2 applications that have, to date, come before him—that is, the SBC and Ameritech applications. So it is curious to me that, while Mr. Klein's only actions in this regard have been contrary to the Bells, his confirmation is being opposed on the ground that he is being too lax on the Bells. This puzzles me.

But the broader point here is that Mr. Klein has demonstrated a studied, fair approach to interpreting the law, as a general matter.

I may well disagree with particular decisions Mr. Klein makes, but I am persuaded he will make a top-flight antitrust chief. So I urge my colleagues to join me in supporting this nomination.

Mr. BURNS. Mr. President, I rise this evening to offer may support for nomination of Joel Klein to assume the position of Assistant Attorney General of the Antitrust Division of the U.S. Department of Justice.

There has been much debate here this evening over my letter to Mr. Klein dated May 15, 1997, and his subsequent letter in response dated May 20, 1997. I'd like to take this opportunity to offer my two cents.

When Mr. Klein's nomination was first reported out of the Judiciary Committee, I was concerned for three primary reasons. First, I had recently read Mr. Klein's paper entitled "Preparing for Competition in a Deregulated Telecommunications Market," which he presented at the Willard Inter-Continental Hotel in Washington, DC, on March 11, 1997, and his interpretation in that paper of Section 271 of the Telecommunications Act of 1996 troubled me. Because I chair the Subcommittee on Communications, I felt that I could not, in good conscience, allow his nomination to move forward; consequently, I placed a hold upon his nomination and sent a letter to him asking him to explain his statements concerning 271 applications. He promptly responded with a comprehensive explanation of his statements, and, while I did not at that time nor do I now, necessarily agree with his assessment of the DoJ's role in the 271 application process, I understood the basis of his convictions.

Second, in addition to the questions raised in my letter, I also telephoned him and expressed concern over what had been reported to me—both by press accounts and by a wide range of industry representatives—as a total failure on the part of the Antitrust Division to investigate allegations that Microsoft Corporation was in violation of the Consent Decree entered into with the Department of Justice on August 21, 1995. I have here one of several newspaper articles detailing these allegations and seek unanimous consent for its introduction into the RECORD. Subsequently, I met with Mr. Klein and he assured me that he would investigate these allegations.

Finally, I had been contacted by a number of radio broadcasters who had complained that the Antitrust Division was misinterpreting the radio ownership provisions of the Telecommunications Act, but, after meeting with Mr. Klein, and discussing the issue at length, I was satisfied with his approach in this matter.

Consequently, based upon both his written and verbal responses to my concerns. I am satisfied that he will be a fine Assistant Attorney General for the Antitrust Division, and I support his nomination.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, if there is a cure for insomnia, as I said the other day, this kind of debate surely must be it. This is so arcane and technical, to be talking about antitrust issues and VIII(C) and section 271, and all of these issues that almost no one understands. They seem not very important to many, I am sure. I suppose most who would listen to this would think it incredibly boring. But, in fact, it is very, very important. We have a market system in this country that works only when there is competition. When you don't have competition, the market system doesn't work.

We have something called a referee several places in this Government: One at Justice, in the Antitrust Division; we have a referee function in the Federal Trade Commission. In fact, we

have 1,000 attorneys, roughly, I understand, whose job it is to deal with antitrust issues and the issues of monopoly and so on. The purpose is to make sure that we don't have enterprises, where people come in and grab markets and develop trusts or monopolies and extract from the consumers a price that is unfair, a price that is not set in an open market or an open competition. That is what this antitrust enforcement is about.

Mr. Joel Klein is, by all accounts, capable, smart, and a fellow with a distinguished career. I have met him. I think he is a nice fellow. We should not be voting on this nomination at this point. We should not have been voting on a cloture motion on this nomination either, as we did a week ago. Why? Because there are substantial questions that a number of us have raised about the nomination of Mr. Klein that have not been answered. I feel I must vote against this nomination. I don't like that position, but I don't intend to vote for a nomination with the kind of questions that remain about a number of positions that have been taken, a number of things that have been written and said by this potential nominee on antitrust issues, that give me great concern.

I intend to speak only briefly because I think my colleagues have covered this subject. After I complete my presentation I will yield back the remainder of our time. But I want to make a couple of important points.

The fight on the Telecommunications Act, which was the first major reform of the telecommunications laws in this country in five or six decades, was a substantial battle between behemoths in our country—organizations that provided local service that are collecting tens and tens of billions of dollars of revenue, and organizations that are involved in long distance telephone service that are just as big. These titans then clashed as we wrote a Telecommunications Act. One of my concerns as we wrote this act was that we would end up, not with more competition, but, instead, with more concentration. If you have less competition and more concentration you will have higher prices.

My colleague from Nebraska held up something that was in the paper this morning in Nebraska, "So Far, Consumers Losers in Battle for Dial-Tone Dollars; basic rates for telephone service are up for 93 percent of Nebraska residential customers the past year." I don't know much about Nebraska, but I fear what will happen if we don't have aggressive antitrust enforcement at the Justice Department, something I fought very hard for, as did the Senator from South Carolina, as did the Senator from Nebraska, when we passed the Telecommunications Act. We were the ones standing out here on the floor talking about the VIII(C) test. We are the ones who fought for a role for the Justice Department in all of these issues. Were it not for us, it would not have been there.

Now, the Justice Department role is critical, as is the role of the Federal Communications Commission. If we have a Federal Communications Commission that does the wrong thing, or we have a Justice Department that doesn't do the right thing in antitrust enforcement, I guarantee the result of the Telecommunications Act last year will not be more competition and lower prices, it will be more concentration, fewer companies, and higher prices. I guarantee it.

This is important. This is about billions and billions and billions of dollars of additional charges that consumers may or may not have to pay in the future, depending on antitrust enforcement in the Justice Department and on thoughtful, responsible decisions in the Federal Communications Commission that properly implement the Telecommunications Act. There will be more discussion about that because we also have some disagreements about nominations to the Federal Communications Commission.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter that I have written to Mr. Joel Klein dated July 15, asking some questions about the interpretations that have been made on the VIII(C) test—the VIII(C) standards, rather, relative to the new standard called "irreversibly open to competition."

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

U.S. SENATE,
Washington, DC, July 15, 1997.

Mr. JOEL KLEIN,
Acting Assistant Attorney General, U.S. Department of Justice, Washington, DC.

DEAR MR. KLEIN: Last night, I received a letter from Attorney General Janet Reno responding to a letter I sent to President Clinton relating to issues that I have with respect to your nomination. While I appreciate the fact that the Administration has acted to respond to my inquiry, the response was very general and lacks sufficient specificity to alleviate my concerns.

I expect that you will be confirmed by the Senate on Thursday. However, before I can vote in your favor, I still need to resolve some concerns with respect to the role of the Justice Department in the antitrust aspects of telecommunications policy. In particular, your assurance to other Senators that you reject the VIII(C) standard with respect to the Justice Department's evaluation of a Section 271 application by a Regional Bell Operating Company (RBOC) needs further explanation. I would like a more detailed and specific analysis from you on how the "irreversibly open to competition" standard relates to the VIII(C) standard, which was recommended in the Conference Report on the Telecommunications Act of 1996. How does the "irreversibly open to competition" standard differ from the VIII(C) standard with respect to assessing adequate local competition and the impact of RBOC entry into long distance services on long distance competition.

In our meeting last week, you said that the standard that you and the Antitrust Division have developed is stronger than the VIII(C) standard, and more appropriate in your judgement. I would like your analysis why this is the case. I want to assure you that I have an open mind on this subject. My position is not absolutely wedded to the VIII(C) standard as the only test for evaluation of a Section 271 application by an RBOC. Rather, I become concerned when an Administration official adopts a position that differs from previous Administration policy—which I fought for in the debate over the Telecommunications Act—and I would like to better understand the new position.

As I said on the Senate floor last Friday, I do not doubt your abilities nor your integrity. I simply would like some clarification on some issues that I fought hard to secure in the Telecommunications Act at the request of the Administration before the Senate votes on your nomination to be Assistant Attorney General for the Antitrust Division.

Thank you for your assistance and cooperation.

Sincerely,

BYRON L. DORGAN,
U.S. Senate.

Mr. DORGAN. I have sent Mr. Klein this letter.

Let me say this. It may well be that the irreversibly open to competition standard is a tougher standard, as they allege. I don't have the foggiest idea. I don't know. Nobody knows. And I am not prepared to have someone say, "I reject the standard that Congress determined to be the standard when it passed the Telecommunications Act, and I create my own standard," and none of us know what that means here—I am not prepared to say, "Yes, let me sign up for that. Let me be a partner in that process." I am not willing to do it.

It may be, at the end stage of this process, maybe it is proven to us that Mr. Klein was right. I hope so. I hope that is the case. But if he is not right, if we are right, what is going to happen is everybody in this country who uses a telephone, everybody in this country who is a consumer of telecommunications services, is going to end up paying higher prices. That's the test.

Mr. President, one final point and then I will conclude. During the debate on the Telecommunications Act, something happened to me that was a real learning experience. All of us in the Senate have learning experiences, despite the fact that some say we never seem to be able to learn.

I offered an amendment on the floor of this Senate on the issue of concentration, because the bill that came to the Senate said, "Let's take the limits off. Let's let these companies marry up. The more weddings the better. Let three companies become one. Let two companies become—let's have mergers, let them go off and get married—it is just terrific." That is what the bill was. So I offered an amendment on the floor of the Senate and said, "Let's put

these limits back on at this point." I don't support taking the limits off how many television stations you can own, how many radio stations you can own.

We had a vote and guess what? Guess who won? I won. My amendment prevailed. I was so surprised I could hardly stand, and it was about 4 o'clock in the afternoon. The then-majority leader did not support my position. He was on the opposite side. He changed his vote—had another Member change his vote, and asked for reconsideration after dinner, 3 hours later. And do you know what happened? There were four, five, or six Members of the Senate that went out to have dinner—Lord only knows what they ate—they came back and 3 hours later they had some sort of epiphany that allowed them to vote against my amendment, so I lost.

I learned that winning around here sometimes means you only win for 3 hours. It felt good from 4 to 7, but the fact is I lost. Then the bill went to conference and the bill had enough in it to make me feel that maybe we will move in the right direction. But I would rue the day of supporting any portion of this telecommunications act if we don't have the most aggressive antitrust enforcement and the best decisions, the most thoughtful decisions comporting with what we decide is in this act from the Federal Communications Commission.

I have a lot more to say but I know there are other times when Members will be anxious to hear it, and I will save it for those times.

Let me compliment the Senator from South Carolina and the Senator from Nebraska.

Let me say a word, finally to the nominee. I expect the Senate will cast a favorable vote for this nominee. I hope this nominee succeeds. I hope this nominee proves that the standard that he has developed is a tough, no-nonsense standard. If he does, I will come to the floor at some point in the future and say, "Hurrah for you. I support what you have done." I think we should not be voting on this nominee today. I wish we had more time. If we had more time, maybe some of these votes would have been different.

Mr. President, I yield the floor and yield the remainder of our time.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, do I understand the other side is willing to yield back the remainder of their time and we are prepared to yield back the remainder of our time?

Mr. HOLLINGS. Mr. President, we yield the remainder of our time.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I yield back the remainder of our time. I ask unanimous consent that upon the completion of debate or the yielding back of time on the Klein nomination, we proceed to a rollcall vote on the nomination and then, after that vote we proceed to vote on Executive Calendar No. 139, the nomination of Eric Holder to be Deputy Attorney General of the United States.

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

Mr. LEAHY. May I ask for the yeas and nays on both.

Mr. HATCH. On both nominees.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. LEAHY. I ask unanimous consent the yeas and nays be ordered on both.

The PRESIDING OFFICER. Is there objection to the ordering of the yeas and nays on the second nomination?

Without objection, it is so ordered. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HATCH. I yield the remainder of my time.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Joel L. Klein, of the District of Columbia, to be an Assistant Attorney General. On this question the yeas and nays have been ordered. The clerk will call the roll.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

The result was announced, yeas 88, nays 12, as follows:

[Rollcall Vote No. 187 Ex.]

YEAS—88

Abraham	Frist	McConnell
Akaka	Glenn	Mikulski
Allard	Gorton	Moseley-Braun
Ashcroft	Graham	Moynihan
Baucus	Gramm	Murkowski
Bennett	Grams	Murray
Biden	Grassley	Nickles
Bingaman	Gregg	Reed
Bond	Hagel	Reid
Boxer	Hatch	Robb
Breaux	Helms	Roberts
Brownback	Hutchinson	Rockefeller
Bryan	Hutchison	Roth
Burns	Inhofe	Santorum
Campbell	Jeffords	Sarbanes
Chafee	Johnson	Sessions
Coats	Kempthorne	Shelby
Cochran	Kennedy	Smith (NH)
Collins	Kerry	Smith (OR)
Coverdell	Kohl	Snowe
Craig	Kyl	Specter
D'Amato	Landrieu	Stevens
Daschle	Lautenberg	Thomas
DeWine	Leahy	Thompson
Dodd	Levin	Thurmond
Domenici	Lieberman	Torricelli
Durbin	Lott	Warner
Enzi	Lugar	Wellstone
Faircloth	Mack	
Feinstein	McCain	

NAYS—12

Bumpers	Dorgan	Hollings
Byrd	Feingold	Inouye
Cleland	Ford	Kerrey
Conrad	Harkin	Wyden

The nomination was confirmed.

NOMINATION OF ERIC H. HOLDER, JR., TO BE DEPUTY ATTORNEY GENERAL

Mr. HATCH. Mr. President, I am pleased today that we are finally voting on the nomination of Mr. Eric Holder, nominated to serve as Deputy Attorney General. Mr. Holder was reported out of the Judiciary Committee unanimously on June 24. I support Mr. Holder for this position, and I urge my colleagues to vote in favor of his confirmation.

This is a position which is vitally important to the efficient and effective management of the Justice Department, as well as to this committee and its many dealings with the Department. The Deputy Attorney General plays a critical role in the day-to-day oversight, management, and administration of the Justice Department, typically handling the Department's most important and sensitive matters. The deputy has ultimate responsibility for the office of the Solicitor General, who represents the United States before the Supreme Court, as well as all of the Department's civil and criminal divisions, including, for example, the civil rights, tax and antitrust divisions, the criminal division, the Federal Bureau of Investigation, and all U.S. attorneys. In short, a broad array of policy and law-enforcement decisions that are critical not just to our legal system but to the Nation as a whole, ultimately pass through the Deputy Attorney General.

Mr. Holder comes to us with a distinguished record in the law and in the administration of justice. After graduating from Columbia Law School in 1976, he served for 12 years as a prosecutor in the public integrity section of Justice Department's Criminal Division, after which he served for 5 years as a associate judge for the District of Columbia Superior Court. Since 1993, Mr. Holder has served as U.S. attorney for the District of Columbia, our Nation's largest U.S. Attorney's Office, which employs over 300 attorneys and prosecutes over 10,000 cases each year. I believe these positions provide especially useful experience for a person who would serve as Deputy Attorney General.

I would like to emphasize how important it is to the Senate and the Judiciary Committee in particular, on both sides of the aisle, to have a close and cooperative working relationship with the Deputy Attorney General. I believe that one of the Department's greatest assets over the past several years has been its former deputy, Jamie Gorelick, who successfully fostered and maintained a cooperative, honest, and responsive relationship with this committee. I cannot overestimate how valuable this relationship has been in the virtually daily interactions between the committee and the Department, and I am hopeful, and confident, that

Eric Holder will, like his predecessor, work closely with the committee to ensure that the Department maintains the highest level of professionalism and independence in its commitment to enforcing our Nation's laws. I have spoken with Mr. Holder on numerous occasions since his nomination, and am struck that, in addition to being eminently qualified for this position, he is a candid, forthright individual of character and integrity who will be a positive force in steering the Justice Department and in seeing to it that our laws our faithfully and impartially enforced. The Nation expects and deserves nothing less, and I believe they will get as much from Mr. Holder.

While I have often given Attorney General Reno due credit for the fine work and accomplishments of the Justice Department, not the least of which is the recent trial and conviction of Timothy McVeigh, the Department, like any large agency, also has its share of problems, many of which fall on the Deputy Attorney General's desk.

Moreover, the Department has been, and inevitably will be, the subject of some rather intense political pressure, and, quite frankly, I am somewhat disturbed by a growing sense that, in a number of instances, there is at least the appearance that political pressures may have won out over the fair and impartial enforcement of the law. After a rather public display by the White House of its displeasure that the Attorney General had previously sought the appointment of four independent counsels, we now see the Attorney General steadfastly refusing to appoint an independent counsel to conduct the campaign finance investigation—the one case where an independent counsel is most called for to ensure public confidence in the investigation and the Department itself. And, after the Attorney General expressly adopted one interpretation of the independent counsel statute, and I challenged that interpretation, we now receive a letter explaining that she has, notwithstanding statements to the contrary, been applying the same standard I articulated. The Justice Department issues bizarre statements seeking to put particular spins on information disclosed by Chairman Thompson in connection with the campaign fundraising hearings. The Justice Department has filed briefs taking rather dubious positions in politically sensitive cases, including its appeal brief in the litigation over California's proposition 209, and its very recent brief defending Mrs. Clinton's invocation of a governmental attorney client privilege in response to independent counsel Starr's request for certain documents. And the FBI Director is in the position of refusing to brief the White House on national security matters because of its pending investigation. While each of these instances, standing alone, might have a legitimate explanation, taken together they create an appearance that politics is influencing what should be a neutral, independent enforcement of our Nation's laws.

Public confidence in our legal system, and in our Government itself, demands nothing short of this.

Mr. Holder has given me his commitment to maintaining his own independent judgment, and to seeing to it that the law is fairly and impartially interpreted and enforced as it should be, even when doing so may lead to results that are not politically expedient. That commitment will be as important as ever for the Department as it faces numerous challenges in the coming years. I believe Mr. Holder will remain true to his word, and urge my colleagues to support him.

Mr. LEAHY. Mr. President, I commend the President on his nomination of Eric H. Holder, Jr., and am delighted that the Senate is acting to confirm this nominee to be Deputy Attorney General of the United States.

It was with concerted effort that Senator HATCH and I worked to ensure that Eric Holder was reported by the Judiciary Committee and ready for Senate confirmation to the important position of Deputy Attorney General of the United States before the Senate adjourned 3 weeks ago.

The President's nomination of Mr. Holder to the second highest position at the Department of Justice was reported to the Senate without a single dissent on June 24. This nomination could and should have been approved by the Senate before it adjourned for the last extended recess for the Fourth of July. This nomination is strongly supported by Senator HATCH, chairman of the Judiciary Committee.

There was and is no Democratic hold on this nomination. The delay on the Republican side in considering this nomination remains unexplained. I urged on July 10 and July 11 that he not be held hostage to other nominations. I am glad we have finally—finally after 3 weeks—freed this nomination.

Eric Holder has proven his dedication to effective law enforcement. As a former prosecutor myself, I appreciate Mr. Holder's distinguished career in law enforcement.

Shortly after his graduation from Columbia Law School, Mr. Holder joined the Department of Justice as part of the Attorney General's Honors Program. He was assigned to the newly formed public integrity section in 1976, where he worked for 12 years investigating and prosecuting corruption. While at the public integrity section, Mr. Holder participated in a number of prosecutions and appeals involving such defendants as the State Treasurer of Florida, a former Ambassador to the Dominican Republic, a local judge in Philadelphia, an assistant U.S. attorney in New York City, an FBI agent, and a "capo" in an organized crime family. He received a number of awards for outstanding performance and special achievement from the Department of Justice.

In 1988, President Reagan nominated and the Senate confirmed Mr. Holder to be an associate judge of the Superior Court of the District of Columbia, where he served for the next 5 years. In his 5 years on the bench, Judge Holder presided over hundreds of criminal trials. In 1993, President Clinton nominated and the Senate confirmed Eric Holder to the important post of U.S. Attorney for the District of Columbia. As U.S. attorney for one of the largest U.S. attorney's offices in the Nation, Mr. Holder has supervised 300 lawyers involved in criminal, civil, and appellate cases. He has functioned as both the local district attorney and the Federal prosecutor. He has been active in community affairs. For more than a decade, he has been a member of Concerned Black Men, an organization seeking to help young people in the District of Columbia. He is involved in a number of the group's activities, including the efficacy program and the pregnancy prevention effort. He has participated in the D.C. Street Law program and is active in the See Forever Foundation and the National Foundation for Teaching Entrepreneurship. He is cochair of Project PACT to reduce youth violence and has been instrumental in the U.S. Attorney's Office's outreach efforts to the D.C. community.

In 1994 he received the Pioneer Award from the National Black Prosecutors Association. In 1995 his contributions were recognized when he received awards from the District of Columbia Bar Association, the Greater Washington Urban League, the American Jewish Congress, and Phi Beta Sigma fraternity. Last year he received awards from the D.C. Chapter of the National Organization of Black Law Enforcement Executives, George Washington University, Columbia College, the Federation of Citizens Associations of D.C., Omega Psi Phi fraternity, the Brotherhood of Shiloh Men, McDonalds and the Asian Pacific Bar Association.

I look forward to working with him in his new position as Deputy Attorney General. I regret the unnecessary delays that have stalled this important nomination for the last 3 weeks on the Senate Executive Calendar.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Eric H. Holder, Jr., of the District of Columbia, to be Deputy Attorney General? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

The result was announced— yeas 100, nays 0, as follows:

[Rollcall Vote No. 188 Ex.]

YEAS—100

Abraham	Feingold	Lugar
Akaka	Feinstein	Mack
Allard	Ford	McCain
Ashcroft	Frist	McConnell
Baucus	Glenn	Mikulski
Bennett	Gorton	Moseley-Braun
Biden	Graham	Moynihan
Bingaman	Gramm	Murkowski
Bond	Grams	Murray
Boxer	Grassley	Nickles
Breaux	Gregg	Reed
Brownback	Hagel	Reid
Bryan	Harkin	Robb
Bumpers	Hatch	Roberts
Burns	Helms	Rockefeller
Byrd	Hollings	Roth
Campbell	Hutchinson	Santorum
Chafee	Hutchison	Sarbanes
Cleland	Inhofe	Sessions
Coats	Inouye	Shelby
Cochran	Jeffords	Smith (NH)
Collins	Johnson	Smith (OR)
Conrad	Kempthorne	Snowe
Coverdell	Kennedy	Specter
Craig	Kerrey	Stevens
D'Amato	Kerry	Thomas
Daschle	Kohl	Thompson
DeWine	Kyl	Thurmond
Dodd	Landrieu	Torricelli
Domenici	Lautenberg	Warner
Dorgan	Leahy	Wellstone
Durbin	Levin	Wyden
Enzi	Lieberman	
Faircloth	Lott	

The nomination was confirmed.

The PRESIDING OFFICER. The motion to reconsider the nomination is laid on the table. The President will be immediately notified of the Senate's confirmation.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will return to legislative session.

TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1998

The Senate continued the consideration of the bill.

Mr. LOTT. Mr. President, I want to commend the chairman of the Treasury, Postal Service Subcommittee, the distinguished Senator from Colorado, for the good work he has done today on this legislation and the cooperation he has received from the ranking member, Senator KOHL. I want to thank the Senate for the work that has been done this week.

We have completed four appropriations bills and we are down to an identifiable, finite list of amendments on the Treasury, Postal Service bill. It has taken cooperation from all the Senators and a lot of support from the leader on the Democratic side of the aisle. I think we should commend each other when we do good work like this. I appreciate the support we have had.

In recognition of that, I think rather than trying to drive on to conclusion tonight and perhaps having votes later on tonight, we will go forward tonight with debate on all remaining amendments, and then we will ask unanimous consent to stack the votes beginning at 5:15 on Monday.

Also, on Monday, we will begin the HUD–VA appropriations bill. For those that are interested, on two other subjects, at the request of a number of Senators on both sides, so that we can try to continue to see if we can work out an agreement, we have moved the tuna-dolphin issue off until next week. We hope an agreement can be worked out, or a compromise. If it cannot be, we will probably have a cloture vote on that on Friday of next week.

With regard to FDA reform, we have a very good bill that was reported from the education-labor committee. Senator JEFFORDS has been working with other interested Senators on both sides of the aisle and on both sides of the issue. We are hoping that a time agreement can be worked out on that. If we get a time agreement, we will try to take that bill up, perhaps, Tuesday or Wednesday.

If we get the unanimous-consent request, there would be no further votes tonight or Friday. The next recorded votes would be at 5:15 on Monday. We will resume consideration of the treasury, postal appropriations bill. Earlier today, the managers were able to reach an agreement to limit amendments to that bill—first-degree amendments, I believe. Therefore, the Senate will remain in session this evening until the amendments have been debated. The votes, then, will be postponed to occur until 5:15 on Monday.

Mr. President, I believe that is all we need to announce at this point, Mr. President. So we can go back to the Treasury, Postal Service bill.

Mr. STEVENS. Will the Senator yield for one comment?

Mr. LOTT. Yes.

Mr. STEVENS. Although we will not be in session tomorrow, we will have a markup of a series of bills for the Appropriations Committee starting at 9:45.

Mr. LOTT. And there will also be considerable work done tomorrow in the two conferences that are pending, as we communicate between the Congress and administration on that. I don't believe a unanimous-consent request is required on this issue, announcing when the next votes would occur.

Mr. MCCAIN. Is it the majority leader's intention to get the tuna-dolphin bill resolved in one fashion or another?

Mr. LOTT. The Senator may not have heard. I announced that in deference to the request of a number of Senators who are trying to work out a reasonable compromise, we have pushed that issue off. But it is our intent that if we don't get a compromise worked out, we would have a cloture vote on that on Friday of next week. I want it understood by Senators that we should expect to be in session next Friday. So please don't be planning on leaving Thursday night.

Mr. MCCAIN. If the majority leader will yield, I have one further question. If that cloture vote does not succeed, do we intend to continue to debate the tuna-dolphin issue until its conclusion?

Mr. LOTT. That would be my preference.

Mrs. BOXER. Mr. President, will the Senator yield?

Mr. LOTT. I yield to the Senator from California.

Mrs. BOXER. I thank the Senator very much for yielding to me.

I would like to inform the leader that I think there is a real great opportunity to resolve this problem. Senator JOHN KERRY has great interest in it. I have been working with Senator SMITH and Senator BIDEN, and many other Senators. We have some really good support for real compromise. We feel that it can be compromised. I am very hopeful we can work together to resolve this. But, if not, we are prepared to have a showdown on the matter, if we have to.

Mr. LOTT. If I could just say, Mr. President, that I appreciate the suggestion that a good compromise could be worked out. And that is why I have not forced the issue this week. I originally planned to have a cloture vote on Friday, probably. But there were requests that we not do that both from the Senator from California and others.

I am not interested in trying to make an issue here. This is not an issue I am directly involved in, although it came out of the Commerce Committee, which I serve on. I think it is an important issue, an important conservation issue. It is an issue that affects jobs and fishing areas. Senator DASCHLE and I both have been receiving calls from the President of the United States saying, please get this legislation up and get it to a conclusion.

So my desire is to try to be helpful on this one. At the request of the administration, I am looking for a compromise that will allow us to get it completed in a reasonable period of time. But, if we can't do that, then we will just go with the alternative.

I yield to the Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. If I could just add to that, I say to the majority leader, the fact is that the administration wants this bill. The fact is, this is an 11-nation agreement. The fact is, the majority of the environmental community in the United States of America and throughout the world, including Green Peace, want this bill. That is why I asked the majority leader, and, because of its importance, we were willing to debate this issue through until it is done.

I believe that it is also important to point out that the majority leader had planned on having a cloture vote and debate today. It was at the request of the ranking Democrat on the Commerce Committee, Senator HOLLINGS, that he delay this for an another entire

week after many weeks of negotiations—fruitless, I might add. And if the Senator from California feels that the way to pursue any issue is through filibuster and debate rather than bringing up her amendments and having them voted on and the issue disposed of, that is fine with me. But I strongly support the majority leader in saying that we will debate this issue until it is resolved. It is too important, Mr. President.

Mr. LOTT. Mr. President, I think probably at this point I would be well-advised to yield the floor and let the Senators talk directly to each other.

Mr. President, I yield to the Senator from California.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. I thank the Senator very much.

Mr. President, I just didn't want the Record to go by without stating my disagreement with my friend from Arizona. We have 85 environmental groups, including the Sierra Club and the Humane Society, on the side of reasonable compromise. This is an area where I don't have to agree with the administration. Sometimes those occasions do occur.

Senator BIDEN and I teamed up in 1990. We passed the Dolphin Protection Act. This bill overturns it. Frankly, it was done in a way that should have brought the parties together in the first place. So I think we are doing this a little bit backwards in the sense that the compromise, I think, is going to come.

By the way, I have no problem with bringing up the bill at any point. We are prepared to do that. So, if you want to bring up the cloture vote on the motion to proceed to the bill, we are prepared to do that. But we think we can compromise this. We see Senator JOHN KERRY now playing a lead role—Senator BIDEN, I, Senator SMITH, and others on both sides of the aisle, in a bipartisan way, are ready to put forward an excellent compromise. If we get that, this bill can go through in moments.

Ms. SNOWE. Mr. President, will the Senator yield?

Mr. LOTT. Yes. I yield to the Senator.

The PRESIDING OFFICER. The Senator from Maine.

Ms. SNOWE. Thank you, Mr. President. I thank the leader.

I would like to comment on this issue because I think it is critically important, as chair of the Ocean and Fisheries Subcommittee. The fact is, the administration has requested that this issue be addressed expeditiously because of the agreement that we have entered into with 11 other countries.

Second, we attempted to work with Senator KERRY and others on the committee for a compromise on this issue. To no avail, I might add. But irrespective of that, we incorporated a number of changes in the legislation that were recommended by Senator KERRY and others that I think makes substantial progress on the issues that have been raised by the Senator from California and others. But there is a point at which it contravenes the agreement that had been reached between the United States and these other countries.

I hope we will have a chance to resolve these issues and to work on it, but we have to have good-faith efforts on the other side in order to resolve these issues without compromising the agreement.

I should also mention there are a number of environmental conservation groups that are endorsing this agreement because they think this is the best way to protect not only dolphin and tuna but other species that have been affected because of the status quo and because of the current law.

I should add other methods have affected the byproduct of other species to the detriment of a significant number of different fish that otherwise will continue to go on in this effort if we do not change it with this agreement.

So I hope that the Senator from California will work in a good-faith effort to reach an agreement on this issue. Otherwise, it will be lost.

I would also ask the President to work very vigorously. If he wants this legislation to come through, I think he certainly has to work to make sure that it does.

Mr. LOTT. Mr. President, we are going to have this debate next week, I presume.

I thank everyone for all of their good efforts.

Please allow me to complete my unanimous-consent request, and then we will complete the debate on the Treasury, Postal Service appropriations bill.

I want to emphasize this again. The Senate will next consider after this bill the VA–HUD appropriations bill on Monday, and votes will occur on amendments and passage of the treasury, postal bill at 5:15.

I ask unanimous consent that all amendments must be offered and debated with respect to the Treasury, Postal Service tonight, and those votes then would occur on a case-by-case basis at 5:15 on Monday.

The PRESIDING OFFICER. Is there objection?

Mr. COATS. Mr. President, reserving the right to object, and I will not object.

Mr. LOTT. Good.

Mr. COATS. I do not want to be oversolicitous here, but I think anybody watching understands the difficulty of the majority leader in trying to schedule issues for the Senate to debate. But I just want to say that the majority leader has gone out of his way to give us a family-friendly schedule and some certainty in our schedule by the way he has scheduled issues, by the way he has scheduled votes with a certainty of votes and provided Members an opportunity to go home and have dinner with their families, albeit a somewhat late dinner, but we are used to late dinners.

I just think this is an example of the difficulty of doing what he is doing. But he is doing a terrific job of it. I appreciate that. I might have considered staying in the Senate if I had known it was going to be this family-friendly.

Mr. LOTT. I tried to tell you.

I would be glad to yield to the Senator from Indiana any time. I appreciate his comments.

Mr. President, I have a unanimous-consent request.

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

Mr. LOTT. I thank Senator COATS very much.

I yield the floor.

Mr. STEVENS. Mr. President, before he leaves, I do want to thank the majority leader and the minority leader for their cooperation with our committee.

This has been a historic week for the Appropriations Committee. With the cooperation of my good friend from West Virginia, Senator BYRD, and the chairman of the subcommittees and the ranking members, we will now complete debate on five separate bills in 4 days. They have all passed by sheer weight of bipartisanship and cooperation and willingness to work together to work out problems.

I am hopeful that we will see the same thing next week when we again want to bring before the Senate at least five bills. We will have them ready to go before the Senate next week, and we will try to work them in according with the schedule.

But it is imperative, if we are going to avoid the problem of an enormous continuing resolution that we passed in the last Congress, that we get these bills to conference before we go off on the August recess so that the work can be done. Not all of the staff will have to stay here for the whole month. But we will have them at least ready to go to conference when we come back. They will be preconferenced during the period of August, and I think we will avoid any continuing resolution.

So I am, again, grateful to everyone here. But I hope the Senate itself is making history, and it is doing so in really the best spirit I have seen in the Senate for many years.

Mr. CAMPBELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. CAMPBELL. Mr. President, for the benefit of our colleagues, could you state the pending business?

The PRESIDING OFFICER. Amendment 921 to the bill, S. 1023.

AMENDMENT NO. 921

Mr. CAMPBELL. Mr. President, I call up amendment 921.

The PRESIDING OFFICER. That amendment is pending.

Mr. CAMPBELL. Mr. President, the underlying first-degree amendment to No. 921 has been cleared on both sides, and I urge its immediate adoption.

The PRESIDING OFFICER. Is there further debate?

Mr. KOHL. Mr. President, it has been cleared on our side.

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

The amendment (No. 921) was agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 933

(Purpose: To clarify the limitation on undertaking a field support reorganization in Aberdeen, SD)

Mr. KOHL. I send an amendment to the desk

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wisconsin [Mr. KOHL], for Mr. DASCHLE, proposes an amendment 933.

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

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

The amendment is as follows:

On page 22, lines 15 and 16, strike "Notwithstanding any other provision of law," and insert "Hereafter,".

Mr. DASCHLE. Mr. President, I would like to thank the chairman of the Subcommittee on Treasury, General Government, and Civil Service, Mr. CAMPBELL, and the ranking member, Mr. KOHL, for their assistance with this important clarifying amendment to the fiscal year 1998 Treasury and general government appropriations bill. They and their staffs have done excellent work in putting this bill together, and they are to be commended for their leadership.

The purpose of this amendment should be clarified for the RECORD. Section 107 of the bill, as approved by the Committee on Appropriations, states, "Notwithstanding any other provision of law, no field support reorganization of the Internal Revenue Service shall be undertaken in Aberdeen, South Dakota, until the Internal Revenue Service toll-free help phone line assistance program reaches at least an 80 percent service level. The Commissioner shall submit to Congress a report and the GAO shall certify to Congress that the 80 percent service level has been met." Identical language was included in appropriations legislation approved last year for fiscal year 1997.

It has always been my intention that this language be considered permanent unless specifically changed by an act of Congress. The obvious intention of Congress in approving this provision is that reductions in force should not take place in Aberdeen until South Dakotans can be assured of being able to access assistance from IRS through the national telephone lines. It has not been the intention of Congress that this provision should expire at the end of the fiscal year for which the funds of this act are being appropriated. To make this crystal clear and explicit in the statute itself, my amendment replaces the phrase "notwithstanding any other provision of law" with the word "hereafter." As the General Accounting Office states in its publication, Principles of Federal Appropriations Law, Second Edition, Volume I, "A provision contained in an annual appropriation act is not to be construed to be permanent legislation unless the language used therein or the nature of the provision makes it clear that Congress intended it to be permanent. The presumption can be overcome if the provision uses language indicating futurity, such as 'hereafter.'"

Mr. President, this legislation ensures that no reorganization of the Aberdeen, South Dakota, IRS office shall take place until the IRS is capable of providing service on a national level that equates to the high quality service currently provided in Aberdeen.

Again, I wish to thank my colleagues for their help and consideration on this issue.

Mr. KOHL. Mr. President, this amendment has been cleared on both sides. I ask for its immediate adoption.

The PRESIDING OFFICER. Is there further debate?

Mr. CAMPBELL. The amendment has been cleared by the majority side, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota.

The amendment (No. 933) was agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 934

Mr. CAMPBELL. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Colorado [Mr. CAMPBELL], for Ms. COLLINS, for herself, Mr. SHELBY, and Mr. GRASSLEY, proposes an amendment numbered 934.

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

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

The amendment is as follows:

On page 5, line 5, strike "$30,719,000" and insert in lieu thereof, "$29,719,000".

On page 39 after line 2, insert the following new section:

SEC. 121. None of the funds made available by this Act may be used by the Inspector General to contract for advisory and assistance services that has the meaning given such term in section 1105(g) of Title 31, United States Code.

Mr. CAMPBELL. Mr. President, the amendment has been cleared by our side. We ask for its immediate adoption.

Mr. KOHL. The amendment has been cleared on our side also.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 934) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. CAMPBELL. Mr. President, at this time I would like to yield some time to Senator COLLINS, who would like to speak on the amendment.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Ms. COLLINS. Mr. President, first I express my appreciation to the very able managers of this legislation, Senator CAMPBELL and Senator KOHL, for their willingness to accept the amendment which has been proposed by myself, Senator SHELBY and Senator GRASSLEY.

Let me just briefly explain the amendment and its purpose.

This amendment would prohibit the inspector general of the Department of Treasury from spending any money on consulting contracts, and it would make a corresponding reduction in the inspector general's budget by cutting it by $1 million.

Let me first make clear that this amendment is not intended to affect in any way any audit, inspection, investigation or law enforcement function of the Inspector General's Office. The reduction proposed in my amendment is intended to be taken from administrative expenses, specifically the budget classification called "Other services," which is funded in the President's budget at $2.4 million. My amendment would leave $1.4 million available for that classification.

I am offering this amendment today because there is clear, disturbing and credible evidence that the incumbent inspector general has abused her contracting authority by spending taxpayer dollars on management studies of questionable value and of excessive cost.

For example, in April of this year, press accounts revealed that the inspector general had let a soul-source

contract for a management study of her office. This $90,000 contract was awarded without the benefit of fair and open competition, and it was awarded to a friend of hers, someone who had in fact recommended her for the position of inspector general.

Mr. President, I have personally reviewed the final product of this contract. It is a 20-page report costing taxpayers $4,500 per page.

Another example of questionable activity occurred in September of 1995 when the inspector general awarded another contract, again without full and open competition, for $85,000 that subsequently ballooned to cost more than $300,000. My amendment would curtail these kinds of abuses in contracting by limiting the amount of funds available for this purpose and by prohibiting the inspector general from spending money on consulting services. In the meantime, without prejudging the ultimate outcome, the permanent subcommittee on investigations, of which I am the Chair, will continue its in-depth investigation into the contracting practices of this office.

I ask unanimous consent to have printed in the RECORD several newspaper reports documenting these contracting abuses.

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

TREASURY ETHICS WATCHDOG GAVE NO-BID CONTRACT TO ASSOCIATE

(By John Solomon)

WASHINGTON.—Shortly after becoming the Treasury Department's ethics watchdog, Valerie Lau arranged a no-bid contract for a longtime acquaintance who had written the White House recommending her for her job.

Lau's involvement has prompted a rare congressional inquiry into a department's inspector general, an official whose normal duties are policing the conduct of others and guarding against waste, fraud and abuse.

Documents obtained by The Associated Press show that Lau wrote a Treasury contracting office on Dec. 11, 1994, to select auditor Frank Sato to conduct a management review study of her office. Sato had proposed the study only the day before.

Lau asked that the contract be a "sole source procurement," not to be competitively bid because of an "unusual and compelling urgency" for the review, the documents state.

Treasury quickly approved a $113,000 contract for Sato & Associates. The firm ultimately was paid $90,776, the documents show.

A year earlier, Sato had written the White House personnel office to recommend Lau "very highly" for an inspector general's job, saying he had known her since 1980 and found her to be "a uniquely qualified person with high integrity and character."

Treasury officials say Sato was chosen for the contract because he was a former federal inspector general "uniquely qualified" to review Lau's office and make recommendations to make it more efficient.

The disclosure marks the second time in a week that Lau's conduct has come under scrutiny. Last Thursday, she admitted she gave inaccurate testimony to Congress but blamed the error on bad information from her staff.

Congressional investigators are reviewing the Sato contract.

"At best, in this case, there is an appearance of impropriety that undermines the public confidence in this IG. This watchdog needs to be watched," said Sen. Charles Grassley, R-Iowa, chairman of one the Senate's investigative subcommittees.

Lau refused to be interviewed. But in written answers to Congress, she acknowledged she developed "professional acquaintances" with Sato and another partner in his firm over the years as they served as government auditors.

She did not mention Sato's letter of recommendation to the White House. Treasury spokesman Howard Schloss said Lau was aware of the letter but had not solicited it.

Federal ethics regulations advise employees to avoid actions that "give rise to an appearance of * * * giving preferential treatment" to someone with whom they have an outside relationship.

The regulations advise that "an employee whose duties would affect the financial interests of a friend, relative or person with whom he is affiliated with in a nongovernmental capacity" should consult with a third party to avoid the appearance of a conflict that would make a "reasonable person" question their impartiality.

Lau told Congress she chose Sato's firm because she knew he and his associated had "unique qualifications" as former inspectors general to provide "expertise in the area of audit, investigations and managing" her office.

Treasury officials could not immediately answer whether Lau consulted a third party, disclosed her outside relationship with Sato or reviewed the ethics rules before proceeding with the contract.

Sato worked for almost a decade as an inspector general at two different federal departments, then as an auditor at the Deloitte & Touche accounting firm before starting his own business. He did not return a message left at his home Friday.

In his May 1993 letter recommending Lau, he told the White House he had known Lau since 1980 and worked with her "on both professional accounting/financial management and Asian American issues."

"I have found her to not only be a top professional, but a kind of person you enjoy working with," he wrote.

Lau, a former congressional auditor, was appointed the following year to Treasury inspector general, among positions Sato recommended to presidential personnel.

She began the job in late 1994. Documents show she began inquiring in early December about the possibility of a management review study, and on Dec. 10 received a formal proposal from Sato.

The next day she wrote the contracting office recommending Sato for the contract. "Please let me know what I need to provide next," Lau scribbled in the handwritten note.

On Dec. 12, Lau submitted a formal contract proposal. Documents show it borrowed much of the language from the plan Sato had sent her just two days earlier.

[From the Washington Post, Apr. 24, 1997]

SENATOR SEEKS PROBE OF TREASURY OFFICIAL—AT ISSUE IS NO-BID CONTRACT AWARDED TO LONGTIME ACQUAINTANCE

(By Stephen Barr and Clay Chandler)

The chairman of a Senate panel on government oversight yesterday requested an inquiry into allegations that Treasury Department Inspector General Valerie Lau arranged to award a no-bid contract to a longtime acquaintance who had recommended that she be hired for her job.

Sen. Charles E. Grassley (R-Iowa), Chairman of the Judiciary Committee's subcommittee on administrative oversight and the courts, made the request, saying that if the allegations were true, "the IG's action raises appearance questions of preferential treatment and a quid pro quo."

A Treasury official, who asked not to be identified said the contract was awarded on merit, Lau was seeking a speedy review of her office to improve its ability to conduct a department-wide audit, a crucial part of a government-wide financial audit mandated by Congress, the official said.

Within weeks after her 1994 Senate confirmation, Lau selected Frank S. Sato, an auditor and former inspector general, to conduct a management study of her office and its operations, Treasury Department documents released by Grassley's office show, Lau's office is responsible for preventing waste, fraud and abuse in the department.

Lau told Treasury procurement officials on Dec. 7, 1994, that she had "identified an immediate need" for a management study. Three days later, in a letter to Lau, Sato outlined his proposal for the study.

The next day, Dec. 11, Lau recommended Sato for the job in a handwritten note. In documents attached to the note and in a subsequent memo to procurement officials, Lau indicated that the contract would be awarded without competitive bids and for a fixed price.

Treasury officials approved $113,000 for the contract and eventually paid $90,776 to Sato & Associates, a Treasury spokesman said.

In his contract proposal, Sato listed his qualifications, including experience as inspector general at the Veterans Administration (now the Department of Veterans Affairs) and Transportation Department during the 1980s. Sato said his "project team" would include at least one other former inspector general, Charles L. Dempsey, who investigated the Reagan-era scandals at the Department of Housing and Urban Development.

The year before Sato received the contract, he wrote a letter to a White House personnel official urging that Lau be considered for inspector general jobs at Treasury, the Transportation Department or the Office of Personnel Management.

Sato said he had known Lau since 1980, when she worked for the General Accounting Office, the congressional watchdog agency, in San Francisco, Sato described Lau as a "top professional" with "high integrity and character."

In Lau's prepared testimony submitted for her Senate confirmation hearing, she praised Sato as one of the government's first inspector generals who set high standards for the watch-dog positions created Congress in 1978.

Grassley made his request for a review of the Sato contract in a letter to Robert M. Bryant, who heads the FBI's Criminal Investigative Division.

The letter was addressed to Bryant in his role as chairman of the Integrity Committee, the arm of the President's Council on Integrity and Efficiency that handles allegations of misconduct against inspector generals. If the Integrity Committee decides an allegation warrants investigation, it turns the probe over to the Justice Department.

Grassely said no-bid contracts "are usually reserved for matters of 'unusual and compelling urgency.' This contract clearly was neither unusual nor urgent." He asked Bryant

to determine whether the awarding of the contract violated any laws regulations or ethics codes.

Sato did not return telephone calls seeking comment. The Treasury official said Lau had already referred the contract issue to the Integrity Committee for review.

[From the Washington Times, Apr. 28, 1997]

TREASURY MEMO CAUTIONED RUBIN ON LAU'S PROBLEMS

(By Ruth Larson)

Treasury Secretary Robert E. Rubin and the FBI were notified more than three months ago about serious ethics problems involving Treasury Department Inspector General Valerie Lau, Treasury sources say.

Treasury Department spokesman Howard Schloss said he believed the Jan. 15 internal memo, a copy of which was obtained last week by The Washington Times, was referred to the President's Council on Integrity and Efficiency, which oversees performance of inspectors general from various Cabinet departments.

"It's my understanding that nothing's been done on this matter," said Mr. Schloss, who declined further comment on the pace of the inquiry or the allegations against Miss Lau. Questions for Miss Lau were directed to Mr. Schloss.

Titled "Mismanagement and Abuse of Power," the four-page memorandum delivered to Mr. Rubin's office detailed questionable travel, contracting and administrative expenses in the inspector general's office under Miss Lau's management.

"We are supposed to be independent and detect waste, fraud and abuse," the memo reads. "We are not supposed to be practicing waste, fraud, and abuse."

The memo also questioned the inspector general's willingness to tackle difficult or sensitive audits and investigations of some of the government's most critical agencies. Miss Lau's jurisdiction includes the Internal Revenue Service, the U.S. Secret Service, and the Bureau of Alcohol, Tobacco and Firearms.

The inspector general's office "avoids at all costs conducting hard-hitting, meaningful audits and investigations," according to the memo. "It is widely perceived that we avoid controversial areas and political issues that would require the IG to take a strong stand on certain issues."

The document was also given to an FBI investigator associated with the Council on Integrity and Efficiency. That agent declined to comment on the memo or disclose whether an inquiry is under way.

The apparent lack of action at the agency in the wake of the memo has caught the attention of Sen. Charles E. Grassley, Iowa Republican and a member of the Senate Judiciary Committee.

Mr. Grassley plans to prod the FBI for an update on the Lau memo, his office said on Friday.

The Jan. 15 memo said Miss Lau:

Used more than $200,000 worth of employee time and travel resources to develop a "mission vision, value statement" for her office.

The value statement ultimately said the mission of the inspector general's office is to "conduct independent audits, investigations and reviews" that help "promote economy, efficiency and effectiveness, and prevent and detect fraud and abuse."

Hired an outside consulting firm called KLS to address problems with diversity and employee morale.

A Treasury official said Friday that $292,076 had been spent to date on the two-year contract, out of a possible $343,650. The contract runs through September.

Steered a sole-source management contract worth $90,776 to a firm owned by Frank Sato, a former inspector general and longtime acquaintance of Miss Lau's who wrote the White House to recommend her for her current post.

Made frequent trips to the West Coast, purportedly for business, but widely perceived by employees as chances to visit her family in the San Francisco area, "at a time when the agency was strapped for travel funds."

Since the Jan. 15 memo, subsequent memos provided to the FBI reported that * * * questionable behavior.

At a February 1996 meeting, for example, an employee complained that morale was suffering and there was "not enough warmth" in the agency.

"Ms. Lau then responded by saying she would show him some 'warmth,' and she proceeded to physically sit in [the employee's] lap, placed her arms round him, and gave him a big hug," one memo said.

Employees said one incident where Miss Lau failed to investigate forcefully came when she refused to allow her IRS Oversight Audit staff to investigate problems with the IRS' computer upgrade and reports of widespread employee browsing through celebrity tax returns.

In fact, since Miss Lau took over the office in October 1994, funds recovered have dropped from $201 million in fiscal 1994 to $25.9 million in fiscal 1996.

The number of audit reports issued has dropped as well, from 158 reports in 1994 to 106 in 1996.

Miss Lau has told Congress that the lower numbers are due to auditors' efforts to comply with new federal guidelines.

Meanwhile, in an effort to boost employee morale, Miss Lau hired the consulting firm KLS in September 1995.

In a written response to a House panel's questions, Miss Lau said: "The sensitivity of identified diversity issues and perceived internal problems was such that an objective, outside source was desirable."

The KLS contract was awarded using "other than full and open competition" because "the agency's need is of such unusual and compelling urgency that it precludes competition," she wrote.

Employees say the scope of $344,000 contract has been amended since the original award and now includes revamping the office's employee performance.

[From U.S. News, July 2, 1997]

TREASURY IG WORKED FOR DEMOCRATS

(By John Solomon)

WASHINGTON.—The Treasury Department's ethics watchdog, already under scrutiny for a no-bid contract to an associate, authorized skipping normal competitive bidding procedures for a second consulting contract, official say.

With Congress beginning to investigate contracting by the office of Treasury Inspector General Valerie Lau, documents and interviews also shed new light on Lau's background and her office's work. For instance, Lau:

Was given an opportunity to apply for a Clinton administration job in 1993 while working as a consultant for the Democratic Party. Inspectors general, though appointed by the president, by law are designed to be politically independent.

Was instructed by the No. 2 Treasury Department official to rewrite one of the most high-profile reports of her tenure—the investigation into law enforcement's attendance at racist, drunken Good Ol' Boys Roundups—because it lacked basic investigatory information.

The scrutiny of Lau's office is an unusual twist for a watchdog normally charged with policing against waste, fraud and abuse throughout the Treasury Department.

Lau declined to be interviewed, but her office provided written answers to questions posed by The Associated Press.

The AP reported last month that shortly after taking over as IG in late 1994, Lau approved a $90,000 no-bid, sole-source management review contract to an associate who has written the White House recommending her for the job.

Documents show Lau approved the sole-source contract to Sato & Associates on the grounds that the government would be "seriously injured" if the contract was put up for bidding.

Officials say that in 1995, Lau's office again approved skipping competitive bidding procedures to hire a consultant to boost morale among workers.

Lau's office says it approved the $271,000 contract to the consulting firm KLS under a legal provision that permits "other than full and open competition when the agency's need is such unusual and compelling urgency."

The IG office said it skipped the bidding "to prevent deterioration in workforce effectiveness' and because a survey it conducted "suggested a prompt response was necessary" to low worker morale.

The Senate Permanent Subcommittee on Investigations is investigating a variety of issues surrounding Lau's office, including the noncompetitive contracts and the performance of her office.

"I consider the allegations surrounding the Treasury Department's inspector general to be very troubling," Sen. Susan M. Collins, R-Maine, said.

In a January 1996 memo, Deputy Treasury Secretary Lawrence Summers wrote Lau that her original report into Treasury agents' participation in the controversial Good Ol'Boys Roundups was lacking key information.

"I am very concerned that the report be maximally credible in all respects," Summers wrote.

"Specifically it should be evident on the face of the report that your investigation was thorough and uncompromising.

"While those of us who know you well have no question concerning your effort and intentions, it would be helpful for your report to lay out exactly how your investigation was conducted," Summers wrote.

Among the basic information he cited as missing: identifying which witnesses were interviewed describing efforts made to collect documents, photographs and other evidence.

"In sum, it would seem advisable to describe all of the investigative techniques your office used or elected not to use in conducting this information," Summers wrote.

Assistant Treasury Secretary Howard Schloss said Summers' letter was simply designed to reinforce that "the report be as clear as possible."

Schloss also confirmed that just before she was hired by the Clinton administration, Lau volunteered in 1993 to work as a "career consultant" at the Democratic National Committee in Washington.

Schloss said Lau a professional auditor who also has a master's degree in career development, produced a series of jobs search strategy workshops for the DNC.

Ms. COLLINS. Mr. President, it is particularly troubling to uncover these apparent contracting abuses in the Office of the Inspector General, the very official who is supposed to be the watchdog against waste, fraud, and abuse in Federal departments.

Again, I thank the floor managers of this bill for their cooperation, and I appreciate their support of this amendment.

I yield the floor.

Mr. KOHL addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

AMENDMENT NO. 935

Mr. KOHL. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows.

The Senator from Wisconsin [Mr. KOHL] proposes an amendment numbered 935.

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

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

The amendment is as follows:

On page 12, line 2, strike $472,490,000 and insert in lieu thereof $473,490,000, of which $1,000,000 may be used for the youth gun crime initiative.

Mr. KOHL. Mr. President, I ask that the amendment be adopted.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. CAMPBELL. The amendment has been cleared by our side.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 935) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. KOHL. Mr. President, Senator DURBIN wants to go on as a cosponsor of this amendment, the youth gun crime initiative amendment.

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

AMENDMENT NO. 936

(Purpose: To prohibit the use of funds to pay for an abortion or to pay for the administrative expenses in connection with certain health plans that provide coverage for abortions)

Mr. CAMPBELL. Mr. President, I send an amendment to the desk on behalf of Senator DEWINE and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. CAMPBELL], for Mr. DEWINE, proposes an amendment numbered 936.

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the amendment not be read at length.

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

The amendment is as follows:

At the end of title VI, insert the following:

SEC. . No funds appropriated by this Act shall be available to pay for an abortion, or the administrative expenses in connection with any health plan under the Federal employees health benefit program which provides any benefits or coverage for abortions.

SEC. . The provision of section _____ shall not apply where the life of the mother would be endangered if the fetus were carried to term, or the pregnancy is the result of an act of rape or incest.

Mr. CAMPBELL. This amendment has been cleared by both sides, but there will be a rollcall vote. And I ask for the yeas and nays on behalf of Senator DEWINE.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 932

(Purpose: To remove computer games from government computers)

Mr. CAMPBELL. Mr. President, at this time I would like to yield the floor for Senator FAIRCLOTH.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. FAIRCLOTH. I thank the Chair. I call up amendment No. 932 which is cosponsored by Senator SHELBY, Senator HAGEL, and myself.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Carolina [Mr. FAIRCLOTH], for himself, Mr. SHELBY and Mr. HAGEL, proposes an amendment numbered 932.

Mr. FAIRCLOTH. 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:

Insert at the appropriate section.

SEC. PROHIBITION OF COMPUTER GAME PROGRAMS.—

(1) DEFINITIONS.—In this section, "agency" means agency as defined under section 105 of title 5, United States Code;

(2) REMOVAL OF EXISTING COMPUTER GAME PROGRAMS.—Not later than 180 days after the date of enactment of this Act, the head of each agency shall take such actions as necessary to remove any computer program not required for the official of the agency from any agency computer equipment.

(3) PROHIBITION OF INSTALLATION OF COMPUTER GAME PROGRAMS.—The head of each agency shall prohibit the installation of any computer game program not required for the official business of the agency into any agency computer equipment.

(4) PROHIBITION OF AGENCY ACCEPTANCE OF COMPUTER EQUIPMENT WITH COMPUTER GAME PROGRAMS.—

(a) Title III of the Federal Property and Administrative Services Act of 1949 is amended by adding at the end the following:

"SEC. 317. RESTRICTIONS ON CERTAIN INFORMATION TECHNOLOGY.

"(a) DEFINITION.—In this section the term 'information technology' has the meaning given such term under section 5002(3) of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401).

"(b) IN GENERAL.—The head of an executive agency may not accept delivery of information technology that is loaded with game programs not required for an official purpose under the terms of the contract under which information technology is delivered.

"(c) WAIVER.—The head of an executive agency may waive the application of this section with respect to any particular procurement of information technology, if the head of the agency——

"(1) conducts a cost-benefit analysis and determines that the costs of compliance with this section outweighs the benefits of compliance; and

"(2) submits a certification of such determination, with supporting documentation to the Congress.".

(b) The table of contents in section 2(b) of the Federal Property and Administrative Services Act of 1949 is amended by inserting after the item relating to section 316 the following: "Sec. 317. Restrictions on certain information technology.".

(c) The amendments made by this section shall take effect 180 days after the date of enactment of this Act.

Mr. FAIRCLOTH. Mr. President, I rise to offer an amendment that requires all Federal agencies to remove computer games from Government computers.

On June 9 of this year, I introduced S. 885, the Responsive Government Act, together with Senators HAGEL, SHELBY, STEVENS, and HUTCHINSON of Arkansas. The Responsive Government Act includes several provisions to help restore the confidence of the American people in the Federal Government. One of its provisions concerns the use of computer games on Government computers. I am again offering it today.

It is absolutely ludicrous that the taxpayers are paying people to play computer games. The computers are bought and paid for by the American taxpayers for work and not for fun, and they are footing the bill for the job, the office and everything. To be using it for pleasure is simply not in keeping with the way we should be running the Government.

The Federal Government did spend close to $20 billion last year on computers, equipment and support services. These systems are designed and purchased to increase productivity, not to provide games and ability to pass time while Federal employees are drawing wages. However, many of these computers are delivered already equipped with so-called games which reduce workers' efficiency and productivity. This legislation would prohibit the Federal Government from purchasing computers with preloaded game programs. These games, of course, do nothing but decrease productivity.

In fact, a private sector survey found that workers spent an average of 5½ hours per week playing computer games and other nonrelated tasks related to computer games. This translates into an annual loss of $10 billion in productivity.

Clearly, these games do not stay on the computers and go unused. In fact, many of the games now come equipped with a "boss key" which is a device that lets a worker strike a single key and transform the computer scene from a game to a spread sheet, a false spread sheet but a spread sheet. The soul purpose of the device is to hide unproductive behavior from supervisors. If you are playing the game and you suspect that anybody is coming, you just hit a key and it looks like you are working.

There is no reason for the Federal Government to buy computers with programs designed to divert employees' attention from their jobs. This is just simply common sense.

My amendment does provide a waiver in cases where a cost-benefit analysis finds it is more costly to purchase new computer equipment without games than with them. But these cost-benefit reports must be transmitted to the Congress. I think it is a reasonable safeguard for the unusual cases that cannot be anticipated by the Congress.

This is something that has already been done in selected Government agencies. Governor George Allen of Virginia and former Labor Secretary Robert Reich ordered workers to delete these game programs from their computers. I commend them for the action. It is time to implement such a policy throughout the Federal Government.

I thank the chairman for accepting this amendment. I understand it has been accepted by the managers of the bill on both sides, and I very much appreciate the support and help of Senator CAMPBELL and Senator KOHL.

Mr. President, I yield any remaining time.

Mr. CAMPBELL. Mr. President, the majority has no objection to this amendment.

Mr. KOHL. The minority accepts it also.

The PRESIDING OFFICER. The question is on agreeing to the amendment. Without objection, the amendment is agreed to.

The amendment (No. 932) was agreed to.

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

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

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KOHL. 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. 937

(Purpose: To strike restrictions on current authorities under the National Energy Conservation Policy Act)

Mr. KOHL. Mr. President, on behalf of Senator BINGAMAN, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. KOHL], for Mr. BINGAMAN, proposes an amendment numbered 937.

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

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

The amendment is as follows:

On page 92, strike lines 6 through 16.

Mr. MURKOWSKI. Mr. President, I rise in support of amendment from the Senator from New Mexico to strike section 630 of this legislation. The provision that would be stricken by the amendment addresses substantive issues regarding the energy efficiency requirements that apply to Federal agencies under the Energy Policy Act of 1992. The requirements addressed by this provision are complex and, along with many, if not all, of the energy efficiency provisions of EPAct, have resulted in quite a bit of controversy during their implementation. As chairman of the Energy Committee, I intend to investigate these issues thoroughly and address them legislatively, as appropriate.

I believe that the supporters of section 630 have raised a legitimate concern that will probably require a legislative resolution. However, as I noted, these issues are very complex, and within the jurisdiction of the Committee on Energy and Natural Resources. The scope of this section is very broad and its full impact is unknown at this time. Its impact on existing contracts is unclear, and it may, in fact, prohibit some activities that are appropriate and beneficial to the American taxpayer. We simply have not had the opportunity for the Energy Committee to evaluate this language and assess all of its implications, as it should. As such, I must object to their resolution in this piece of legislation on procedural grounds and would ask that my name be added as co-sponsor of the Bingaman amendment.

Mr. KOHL. I ask to have the amendment laid aside until Monday.

Mr. STEVENS. I object. I wish to discuss the amendment tonight.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. The amendment of the Senator from New Mexico would eliminate from the bill a provision that I requested be inserted because of a conference I had with a former staff member of the Commerce Committee, as a matter of fact. He pointed out to me that the basic law, the National Energy Conservation Policy Act, requires the competitive process.

According to the Office of Technology Assessment, Federal agencies spent about $4 billion annually on power, light, water and other utility bills, and that that could be cut by 25 percent, about $1 billion a year, if we required agencies to improve energy efficiency. That led to this new law.

Our provision does not call for new funding. It does not change existing law. It restricts the use of appropriated funds unless procurements are made through the competitive process. The language in the bill that I requested effects no change in that law, the existing law. The existing law does require a full competitive procurement to be used by Federal agencies to obtain energy-efficient goods and services. It is within the jurisdiction of our Appropriations Committee. It is primarily because it limits the expenditure of funds. Our language really does no more than direct Federal agencies to abide by the law, to follow the law which requires specific procurement procedures. It will not disrupt any existing contracts. It will not prohibit any utility or nonutility provider of energy-efficient services from competing for Federal contracts. It simply directs the Federal agencies to use the competitive process for procuring services for all energy efficiency providers as current law directs.

Mr. President, my problem with striking it is it will mean that we will continue to not receive the savings that we are supposed to receive as a result of the basic law of the land which is the Energy Conservation Policy Act. I do believe that this is a law which ought to be pursued. I call the Senate's attention to that act, which is basically the 1978 act. It has been improved on several times since that time.

I might say, the person who talked to me was part of the staff at the time that basic law was devised, and pointed out to me how it has not been enforced. What we are talking about is basically the provision that is required under Section 551(4) of Title I of the National Energy Conservation Policy Act which basically says this:

The term "energy conservation measures" means measures that are applied to a Federal building that improve energy efficiency or are life cycle cost effective and that involve energy conservation, cogeneration facilities, renewable energy sources, improvements in operation and maintenance efficiencies, or retrofit activities.

That is the law, Mr. President. Senator BINGAMAN's amendment would strike from this bill my amendment which requires and—prevents the use of funds under this bill for those activities unless they follow the law regarding competitive procurement practices. I know Senator BINGAMAN will have a minute when he comes on Monday. I

wanted to take this time now to explain it.

I ask unanimous consent we have printed in the RECORD at this point the relevant provisions of the National Energy Conservation Policy Act, Section 201 of the Federal Property Administrative Services Act, which is what we require.

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

EXCERPTS FROM THE NATIONAL ENERGY CONSERVATION POLICY ACT

SEC. 8259. Definitions.

* * * * *

(4) the term "energy conservation measures" means measures that are applied to a Federal building that improve energy efficiency and are life cycle cost effective and that involve energy conservation, cogeneration facilities, renewable energy sources, improvements in operations and maintenance efficiencies, or retrofit activities;

* * * * *

SEC. 8251. Findings.

The Congress finds that—

(1) the Federal Government is the largest single energy consumer in the Nation;

(2) the cost of meeting the Federal Government's energy requirement is substantial;

(3) there are significant opportunities in the Federal Government to conserve and make more efficient use of energy through improved operations and maintenance, the use of new energy efficient technologies, and the application and achievement of energy efficient design and construction;

(4) Federal energy conservation measures can be financed at little or no cost to the Federal Government by using private investment capital made available through contracts authorized by subchapter VII of this chapter; and

(5) an increase in energy efficiency by the Federal Government would benefit the Nation by reducing the cost of government, reducing national dependence on foreign energy resources, and demonstrating the benefits of greater energy efficiency to the Nation.

* * * * *

SEC. 8287. Authority to enter into contracts.

(a) In general.

(1) The head of a Federal agency may enter into contracts under this subchapter solely for the purpose of achieving energy savings and benefits ancillary to that purpose. Each such contract may, notwithstanding any other provision of law, be for a period not to exceed 25 years. Such contract shall provide that the contractor shall incur costs of implementing energy savings measures, including at least the costs (if any) incurred in making energy audits, acquiring and installing equipment, and training personnel, in exchange for a share of any energy savings directly resulting from implementation of such measures during the term of the contract.

(2)(A) Contracts under this subchapter shall be energy savings performance contracts and shall require an annual energy audit and specify the terms and conditions of any Government payments and performance guarantees. Any such performance guarantee shall provide that the contractor is responsible for maintenance and repair services for any energy related equipment, including computer software systems.

(B) Aggregate annual payments by an agency to both utilities and energy savings performance contractors, under an energy savings performance contract, may not exceed the amount that the agency would have paid for utilities without an energy savings performance contract (as estimated through the procedures developed pursuant to this section) during contract years. The contract shall provide for a guarantee of savings to the agency, and shall establish payment schedules reflecting such guarantee, taking into account any capital costs under the contract.

(C) Federal agencies may incur obligations pursuant to such contracts to finance energy conservation measures provided guaranteed savings exceed the debt service requirements.

(D) A Federal agency may enter into a multiyear contract under this subchapter for a period not to exceed 25 years, without funding of cancellation charges before cancellation, if—

(i) such contract was awarded in a competitive manner pursuant to subsection (b(2) of this section, using procedures and methods established under this subchapter;

(ii) funds are available and adequate for payment of the costs of such contract for the first fiscal year;

(iii) 30 days before the award of any such contract that contains a clause setting forth a cancellation ceiling in excess of $750,000, the head of such agency gives written notification of such proposed contract and of the proposed cancellation ceiling for such contract to the appropriate authorizing and appropriating committees of the Congress; and

(iv) such contract is governed by part 17.1 of the Federal Acquisition Regulation promulgated under section 421 of Title 41 or the applicable rules promulgated under this subchapter.

(b) Implementation.

(1)(A) The Secretary, with the concurrence of the Federal Acquisition Regulatory Council established under section 421(a) of Title 41, not later than 180 days after October 24, 1992, shall, by rule, establish appropriate procedures and methods for use by Federal agencies to select, monitor, and terminate contracts with energy service contractors in accordance with laws governing Federal procurement that will achieve the intent of this section in a cost-effective manner. In developing such procedures and methods, the Secretary, with the concurrence of the Federal Acquisition Regulatory Council, shall determine which existing regulations are inconsistent with the intent of this section and shall formulate substitute regulations consistent with laws governing Federal procurement.

(B) The procedures and methods established pursuant to subparagraph (A) shall be the procedures and contracting methods for selection, by an agency, of a contractor to provide energy savings performance services. Such procedures and methods shall provide for the calculation of energy savings based on sound engineering and financial practices.

(2) The procedures and methods established pursuant to paragraph (1)(A) shall—

(A) allow the Secretary to—

(i) request statements of qualifications, which shall, at a minimum, include prior experience and capabilities of contractors to perform the proposed types of energy savings services and financial and performance information, from firms engaged in providing energy savings services; and

(ii) from the statements received, designate and prepare a list, with an update at least annually, of those firms that are qualified to provide energy savings services;

(B) require each agency to use the list prepared by the Secretary pursuant to subparagraph (A)(ii) unless the agency elects to develop an agency list of firms qualified to provide energy savings performance services using the same selection procedures and methods as are required of the Secretary in preparing such lists; and

(C) allow the head of each agency to—

(i) select firms from the list prepared pursuant to subparagraph (A)(ii) or the list prepared by the agency pursuant to subparagraph (B) to conduct discussions concerning a particular proposed energy savings project, including requesting a technical and price proposal from such selected firms for such project;

(ii) select from such firms the most qualified firm to provide energy savings services based on technical and price proposals and any other relevant information;

(iii) permit receipt of unsolicited proposals for energy savings performance contracting services from a firm that such agency has determined is qualified to provide such services under the procedures established pursuant to paragraph (1)(A), and require agency facility managers to place a notice in the Commerce Business Daily announcing they have received such a proposal and invite other similarly qualified firms to submit competing proposals; and

(iv) enter into an energy savings performance contract with a firm qualified under clause (iii), consistent with the procedures and methods established pursuant to paragraph (1)(A).

(3) A firm not designated as qualified to provide energy savings services under paragraph (2)(A)(i) or paragraph (2)(B) may request a review of such decision to be conducted in accordance with procedures to be developed by the board of contract appeals of the General Services Administration. Procedures developed by the board of contract appeals under this paragraph shall be substantially equivalent to procedures established under section 759(f) of Title 40.

(c) Sunset and reporting requirements

(1) The authority to enter into new contracts under this section shall cease to be effective five years after the date procedures and methods are established under subsection (b) of this section.

(2) Beginning one year after the date procedures and methods are established under subsection (b) of this section, and annually thereafter, for a period of five years after such date, the Comptroller General of the United States shall report on the implementation of this section. Such reports shall include, but not be limited to, an assessment of the following issues:

(A) The quality of the energy audits conducted for the agencies.

(B) The Government's ability to maximize energy savings.

(C) The total energy cost savings accrued by the agencies that have entered into such contracts.

(D) The total costs associated with entering into and performing such contracts.

(E) A comparison of the total costs incurred by agencies under such contracts and the total costs incurred under similar contracts performed in the private sector.

(F) The number of firms selected as qualified firms under this section and their respective shares of awarded contracts.

(G) The number of firms engaged in similar activity in the private sector and their respective market shares.

(H) The number of applicant firms not selected as qualified firms under this section and the reason for their nonselection.

(I) The frequency with which agencies have utilized the services of Government labs to perform any of the functions specified in this section.

(J) With the respect to the final report submitted pursuant to this paragraph, an assessment of whether the contracting procedures developed pursuant to this section and utilized by agencies have been effective and whether continued use of such procedures, as opposed to the procedures provided by existing public contract law, is necessary for implementation of successful energy savings performance contracts.

* * * * *

SEC. 8287a. Payment of costs.

Any amount paid by a Federal agency pursuant to any contract entered into under this subchapter may be paid only from funds appropriated or otherwise made available to the agency for fiscal year 1986 or any fiscal year thereafter for the payment of energy expenses (and related operation and maintenance expenses).

* * * * *

SEC. 8287b. Reports.

Each Federal agency shall periodically furnish the Secretary of Energy with full and complete information on its activities under this subchapter, and the Secretary shall include in the report submitted to Congress under section 8260 of this title a description of the progress made by each Federal agency in—

(1) including the authority provided by this subchapter in its contracting practices; and

(2) achieving energy savings under contracts entered into under this subchapter.

EXCERPTS FROM THE PROPERTY ADMINISTRATIVE SERVICES ACT

SUBCHAPTER II—PROPERTY MANAGEMENT

SEC. 481. Procurement, warehousing, and related activities.

(a) Policies and methods of procurement and supply; operation of warehouses

The Administrator shall, in respect of executive agencies, and to the extent that he determines that so doing is advantageous to the Government in terms of economy, efficiency, or service, and with due regard to the program activities of the agencies concerned—

(1) subject to regulations prescribed by the Administrator for Federal Procurement Policy pursuant to the Office of Federal Procurement Policy Act [41 U.S.C.A. §401 et seq.], prescribe policies and methods of procurement and supply of personal property and nonpersonal services, including related functions such as contracting, inspection, storage, issue, property identification and classification, transportation and traffic management, management of public utility services, and repairing and converting; and

(2) operate, and, after consultation with the executive agencies affected, consolidate, take over, or arrange for the operation by any executive agency of warehouses, supply centers, repair shops, fuel yards, and other similar facilities; and

(3) procure and supply personal property and nonpersonal services for the use of executive agencies in the proper discharge of their responsibilities, and perform functions related to procurement and supply such as those mentioned above in subparagraph (1) at this subsection: *Provided*, That contacts for public utility services may be made for periods not exceeding ten years; and

(4) with respect to transportation and other public utility services for the use of executive agencies, represent such agencies in negotiations with carriers and other public utilities and in proceedings involving carriers or other public utilities before Federal and State regulatory bodies;

Provided, That the Secretary of Defense may from time to time, and unless the President shall otherwise direct, exempt the Department of Defense from action taken or which may be taken by the Administrator under clauses (1) to (4) of this subsection whenever he determines such exemption to be in the best interests of national security.

(b) Extension of services to Federal agencies and mixed ownership corporations and the District of Columbia.

The Administrator shall as far as practicable provide any of the services specified in subsection (a) of this section to any other Federal agency, mixed ownership corporation (as defined in chapter 91 of Title 31), or the District of Columbia, upon its request.

(c) Exchange or sale of similar items

In acquiring personal property, any executive agency, under regulations to be prescribed by the Administrator, subject to regulations prescribed by the Administrator for Federal Procurement Policy pursuant to the Office of Federal Procurement Policy Act [41 U.S.C.A. §401 et seq.], may exchange or sell similar items and may apply the exchange allowance or proceeds of sale in such cases in whole or in part payment for the property acquired: *Provided*, That any transaction carried out under the authority of this subsection shall be evidenced in writing.

(d) Utilization of services by executive agencies without reimbursement or transfer of funds

In conformity with policies prescribed by the Administrator under subsection (a) of this section, any executive agency may utilize the services, work, materials, and equipment of any other executive agency, with the consent of such other executive agency, for the inspection of personal property incident to the procurement thereof, and notwithstanding section 1301(a) of Title 31 or any other provision of law such other executive agency may furnish such services, work, materials, and equipment for that purpose without reimbursement or transfer of funds.

(e) Exchange or transfer of excess property

Whenever the head of any executive agency determines that the remaining storage or shelf life of any medical materials or medical supplies held by such agency for national emergency purposes is of too short duration to justify their continued retention for such purposes and that their transfer or disposal would be in the interest of the United States, such materials or supplies shall be considered for the purposes of section 483 of this title to be excess property. In accordance with the regulations of the Administrator, such excess materials or supplies may thereupon be transferred to or exchanged with any other Federal agency for other medical materials or supplies. Any proceeds derived from such transfers may be credited to the current applicable appropriation or fund of the transferor agency and shall be available only for the purchase of medical materials or supplies to be held for national emergency purposes. If such materials or supplies are not transferred to or exchanged with any other Federal agency, they shall be disposed of as surplus property. To the greatest extent practicable, the head of the executive agency holding such medical materials or supplies shall make the determination provided for in the first sentence of this subsection at such times as to insure that such medical materials or medical supplies can be transferred or otherwise disposed of in sufficient time to permit their use before their shelf life expires and they are rendered unfit for human use.

* * * * *

SUBCHAPTER II—PROPERTY MANAGEMENT

SEC. 481. Procurement, warehousing, and related activities.

(a) Policies and methods of procurement and supply; operation of warehouses.

The Administrator shall, in respect of executive agencies, and to the extent that he determines that so doing is advantageous to the Government in terms of economy, efficiency, or service, and with due regard to the program activities of the agencies concerned—

(1) subject to regulations prescribed by the Administrator for Federal Procurement Policy pursuant to the Office of Federal Procurement Policy Act [41 U.S.C.A. §401 et seq.], prescribe policies and methods of procurement and supply of personal property and nonpersonal services, including related functions such as contracting, inspection, storage, issue, property identification and classification, transportation and traffic management, management of public utility services, and repairing and converting; and

(2) operate, and, after consultation with the executive agencies affected, consolidate, take over, or arrange for the operation by any executive agency of warehouses, supply centers, repair shops, fuel yards, and other similar facilities; and

(3) procure and supply personal property and nonpersonal services for the use of executive agencies in the proper discharge of their responsibilities, and perform functions related to procurement and supply such as those mentioned above in subparagraph (1) of this subsection: *Provided*, That contracts for public utility services may be made for periods not exceeding ten years; and

(4) with respect to transportation and other public utility services for the use of executive agencies, represent such agencies in negotiations with carriers and other public utilities and in proceedings involving carriers or other public utilities before Federal and State regulatory bodies;

Provided, That the Secretary of Defense may from time to time, and unless the President shall otherwise direct, exempt the Department of Defense from action taken or which may be taken by the Administrator under clauses (1) to (4) of this subsection whenever he determines such exemption to be in the best interests of national security.

(b) Extension of services to Federal agencies and mixed ownership corporations and the District of Columbia.

The Administrator shall as far as practicable provide any of the services specified in subsection (a) of this section to any other Federal agency, mixed ownership corporation (as defined in chapter 91 of Title 31), or the District of Columbia, upon its request.

(c) Exchange or sale of similar items.

In acquiring personal property, any executive agency, under regulations to be prescribed by the Administrator, subject to regulations prescribed by the Administrator for Federal Procurement Policy pursuant to the Office of Federal Procurement Policy Act [41 U.S.C.A. §401 et seq.], may exchange or sell similar items and may apply the exchange allowance or proceeds of sale in such cases in whole or in part payment for the property acquired: *Provided*, That any transaction carried out under the authority of this subsection shall be evidenced in writing.

(d) Utilization of services by executive agencies without reimbursement or transfer of funds.

In conformity with policies prescribed by the Administrator under subsection (a) of this section, and executive agency may utilize the services, work, materials, and equipment of any other executive agency, with the consent of such other executive agency, for the inspection of personal property incident to the procurement thereof, and notwithstanding section 1301(a) of Title 31 or any other provision of law such other executive agency may furnish such services, work, materials, and equipment for that purpose without reimbursement or transfer of funds.

(e) Exchange or transfer of excess property.

Whenever the head of any executive agency determines that the remaining storage or shelf life of any medical materials or medical supplies held by such agency for national emergency purposes is of too short duration to justify their continued retention for such purposes and that their transfer or disposal would be in the interest of the United States, such materials or supplies shall be considered for the purposes of section 483 of this title to be excess property. In accordance with the regulations of the Administrator, such excess materials or supplies may thereupon be transferred to or exchanged with any other Federal agency for other medical materials or supplies. Any proceeds derived from such transfers may be credited to the current applicable appropriation or fund of the transferor agency and shall be available only for the purchase of medical materials or supplies to be held for national emergency purposes. If such materials or supplies are not transferred to or exchanged with any other Federal agency, they shall be disposed of as surplus property. To the greatest extent practicable, the head of the executive agency holding such medical materials or supplies shall make the determination provided for in the first sentence of this subsection at such times as to insure that such medical materials or medical supplies can be transferred or otherwise disposed of in sufficient time to permit their use before their shelf life expires and they are rendered unfit for human use.

Mr. STEVENS. We say that no funds can be used for the purpose of these measures unless they comply with the law. That is entirely within the jurisdiction of our committee, and I hope the Senate will not pursue the amendment of the Senator from New Mexico. I have not decided whether to make a motion to table that amendment. As I understand the procedure, the motions to table were not waived and therefore I reserve my right to make a motion to table this amendment should the Senator from New Mexico seek to pursue it further on Monday.

Mr. KOHL. We will lay the amendment aside until Monday.

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

The Senator from Colorado.

AMENDMENT NO. 938

(Purpose: To provide for Members of Congress to voluntarily disclose participation in Federal retirement systems in the annual financial disclosure forms)

Mr. CAMPBELL. I send an amendment to the desk on behalf of Senator ABRAHAM and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. CAMPBELL], for Mr. ABRAHAM, proposes an amendment numbered 938.

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

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

The amendment is as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . (a) The congressional ethics committees shall provide for voluntary reporting by Members of Congress on the financial disclosure reports filed under title I of the Ethics in Government Act of 1978 (5 U.S.C. App.) on such Members' participation in—

(1) the Civil Service Retirement System under chapter 83 of title 5, United States Code; and

(2) the Federal Employees Retirement System under chapter 84 of title 5, United States Code.

(b) In this section, the terms "congressional ethics committees" and "Members of Congress" have the meanings given such terms under section 109 of the Ethics in Government Act of 1978 (5 U.S.C. App.).

(c) This section shall apply to fiscal year 1998 and each fiscal year, thereafter.

Mr. CAMPBELL. Mr. President, this amendment has been cleared on both sides of the aisle. I urge its immediate adoption.

Mr. KOHL. We have no objection.

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 938) was agreed to.

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

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

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 939

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. CAMPBELL] proposes an amendment numbered 939.

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

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

The amendment is as follows:

On page 3, line 2, insert the following after "$6,745,000" *Provided further*, That Chapter 9 of the Fiscal Year 1997 Supplemental Appropriations Act for Recovery from Natural Disasters, and for Overseas Peacekeeping Efforts, including those in Bosnia, Public Law 105–18 (111 Stat. 195–96) is amended by inserting after the "County of Denver" in each instance "the County of Arapahoe".

Mr. CAMPBELL. This amendment has been cleared by both sides. I urge its immediate adoption.

Mr. KOHL. We have no objection on our side.

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 939) was agreed to.

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

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

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENTS NOS. 940 AND 941

Mr. CAMPBELL. Mr. President, I send two amendments to the desk on behalf of Senator COVERDELL.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. CAMPBELL], for Mr. COVERDELL, for himself and Mrs. FEINSTEIN, proposes amendment numbered 940 and, for Mr. COVERDELL, amendment numbered 941.

Mr. CAMPBELL. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 940

(Purpose: To provide that Federal employees convicted of certain bribery and drug-related crimes shall be separated from service)

At the appropriate place in the bill, insert the following new section:

SEC. . (a) A Federal employee shall be separated from service and barred from reemployment in the Federal service, if—

(1) the employee is convicted of a violation or attempted violation of section 201 of title 18, United States Code; and

(2) such violation or attempted violation related to conduct prohibited under section 1010(a) of the Controlled Substances Import and Export Act (21 U.S.C. 960(a)).

(b) This section shall apply during fiscal year 1998 and each fiscal year thereafter.

AMENDMENT NO. 941

(Purpose: To require a plan for the coordination and consolidation of the counterdrug intelligence centers and activities of the United States)

At the appropriate place in the bill, insert the following:

SEC. . (a) COORDINATION OF COUNTERDRUG INTELLIGENCE CENTERS AND ACTIVITIES.—(1) Not later than 120 days after the date of enactment of this Act, the Director of the Office of National Drug Control Policy shall submit to the appropriate congressional committees a plan to improve coordination, and eliminate unnecessary duplication, among the counterdrug intelligence centers and counterdrug activities of the Federal Government, including the centers and activities of the following departments and agencies:

(A) The Department of Defense, including the Defense Intelligence Agency.

(B) The Department of the Treasury, including the United States Customs Service.

(C) The Central Intelligence Agency.

(D) The Coast Guard.

(E) The Drug Enforcement Administration.

(F) The Federal Bureau of Investigation.

(2) The purpose of the plan under paragraph (1) is to maximize the effectiveness of the centers and activities referred to in that paragraph in achieving the objectives of the national drug control strategy. In order to maximize such effectiveness, the plan shall—

(A) articulate clear and specific mission statements for each counterdrug intelligence center and activity, including the manner in which responsibility for counterdrug intelligence activities will be allocated among the counterdrug intelligence centers;

(B) specify the relationship between such centers;

(C) specify the means by which proper oversight of such centers will be assured;

(D) specify the means by which counterdrug intelligence will be forwarded effectively to all levels of officials responsible for United States counterdrug policy; and

(E) specify mechanisms to ensure that State and local law enforcement agencies are apprised of counterdrug intelligence in a manner which—

(i) facilitates effective counterdrug activities by such agencies; and

(ii) provides such agencies with the information necessary to ensure the safety of officials of such agencies in their counterdrug activities.

(b) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this section, the term "appropriate congressional committees" means the following:

(1) The Committee on Foreign Relations, the Committee on the Judiciary, and the Select Committee on Intelligence of the Senate.

(2) The Committee on International Relations, the Committee on the Judiciary, and the Permanent Select Committee on Intelligence of the House of Representatives.

Mr. CAMPBELL. Mr. President, I ask unanimous consent the amendments be set aside.

Mr. KOHL. We have no objection to their being set aside.

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

PRESIDENT'S ANTI-DRUG CAMPAIGN

Mr. CLELAND. Mr. President, I had planned to offer an amendment which addresses a matter that is critical to the future of America. Drug use by the nation's youth is rising at alarming levels. The Office of National Drug Control Policy's budget request included $175 million for a youth oriented media anti-drug campaign aimed at reducing drug use by our nation's children. I strongly support this campaign.

Drug use among America's youth has doubled over the past five years, tripling among eighth graders. These trends are devastating and threaten to destroy the fabric of American society. We have an obligation to reverse these trends by motivating America's youth to reject drugs. As you know, the media exerts tremendous influence on children. Through the power of the media we are equipped to influence children via outlets that include television, radio, computer software, and the Internet.

While drug use has been glamorized, normalized and linked with popularity, this media campaign will employ a strategy to change youth attitudes about the perceived risk of drug use and to encourage parents to talk to their children about drugs. Coupled with support from the private sector, the program would finance anti-drug messages to reach 90 percent of all children ages 9 through 17 at least four times per week. The media campaign will supplement existing public service campaigns carried out by groups such as the Partnership for a Drug Free America and the Ad Council, both of whom will participate in the Office of National Drug Policy campaign.

Unfortunately, this program was not fully funded by the Appropriations Committee. I share its view that the funds used for this program must be carefully monitored to assure its effectiveness and non-partisan status, and I support the requirements the Committee has included that address these matters.

However, I believe that denial of full funding sends the wrong message here. The Appropriations Committee questioned whether full funding for this new program at this time was premature. I fail to see the rationale. The numbers of children using drugs are going up. If anything, I would say that funding for such a campaign is too late, not premature.

Let's put this funding in the context of the media. We all know that Hollywood is a multibillion dollar industry. Each year, billions of dollars are put into producing movies that glamorize drugs and alcohol. Then there is the advertising industry. I am told that the amount requested for this program is of the same magnitude of what is typically spent on one line of commercials for a fast food restaurant. And how much money every year is spent on beer commercials? If you imagine what our children are inundated with on a daily basis, and then if you think about how limited this campaign actually is, I believe one would begin to understand how much more we should be doing to prevent our children from being influenced to view drugs and alcohol in a positive light.

My amendment would have added $65 million to help counter the messages our children receive each day. Given the expressions of opposition I have received from the Committee on this amendment, I will not offer it. Nonetheless I cannot think of a sound reason to oppose this critically important campaign. We must invest in the future of America's 68 million children. We cannot allow another generation children to be lost to the culture of drug use.

I hope that in the future the Senate will have the opportunity to revisit this matter and increase funding for this most important anti-drug campaign.

FUNDING FOR THE FEDERAL ELECTION COMMISSION

Mr. DODD. Mr. President, I rise today to speak about the funding for the Federal Election Commission (FEC), as allocated in the Treasury, General Government, Civil Service Appropriations Bill.

All of us know that Congress' appropriators are tasked with guiding one of the most difficult of our duties—deciding how to spend the taxpayers' money. While I appreciate the magnitude and difficulty of this task as approached by the Subcommittee on Treasury, General Government, and Civil Service Appropriations, I am disappointed that the committee did not provide the FEC with full funding at its request of $34.2 million, as supported by the President.

Mr. President, the citizens' cries for campaign finance reform are growing louder and louder. Why? Because campaign spending is out of control. As money floods endlessly into our electoral system, however, I fear the voice of the average American will be drowned out and democracy will be the victim.

Much must be done to truly and effectively clean up our political campaigns. But one thing we can do to start right now is provide the FEC—the agency charged by Congress with overseeing our campaign finance system—with the finances it needs to promptly and effectively enforce the laws that govern our campaigns.

Consider that, in just eight years, we have seen a fourfold increase in the amount of money raised and spent by both parties, from $220 million raised by both parties in 1988 to $881 million raised in 1996.

In just 4 years, we have seen a 73 percent increase in political costs. A 73 percent increase in political costs since 1992—while wages rose 13 percent and education costs rose 17 percent during that same period.

Congressional spending in 1996 general elections was $626.4 million, 6.3

percent higher than the record 1994 levels.

And an unprecedented $2.5 billion in financial activity was reported to the commission in 1996.

And it was the FEC that had to oversee all this spending, to be sure it complied with the law.

This increase in campaign spending has therefore generated a sharp increase FEC's workload. Between 1994 and November of 1996, the FEC's caseload rose 36 percent, and because complaints related to the 1996 election are still being filed, the FEC expects the caseload to ultimately rise by 52 percent. Yet, providing adequate funding for the FEC has been a constant battle. Recent rescissions and funding rollbacks have prevented the FEC from keeping up with its ever-increasing workload and meeting inflation in rent and salary costs.

This combination of a decreasing budget and an increasing workload have hamstrung the FEC's ability to fulfill its watchdog role in a timely and effective manner. At the same time the FEC's caseload has risen, staff cuts required by the post-FY '95 budget reductions have led to a 25 percent drop in the FEC's ability to handle those cases.

Perhaps that is one reason why the FEC has become known as a toothless tiger. I believe it is time to give this tiger the teeth it needs to carry out its duties.

Mr. President, we are in the midst of multiple government investigations into campaign financing—investigations I wholeheartedly support. But as Congress has allocated millions of dollars for burgeoning Congressional campaign finance investigations, the least we can do is provide adequate funding for the independent and bipartisan FEC to do its job.

Many of my colleagues have said that campaign finance reform is not the issue for 1997. The illegalities of 1996, they say, is the issue. Yet, at the same time, they refuse to fund the very agency that should be first to uncover and punish any illegalities.

In October 1996, following news reports of alleged irregularities in fundraising by both political parties, I initiated a request that the FEC conduct an investigation of the Democratic National Committee, and pledged to make available all relevant records and personnel. At a Rules Committee hearing earlier this year, I was shocked to learn that as of February 1997, due to the tremendous backlog of cases and funding shortfalls at the FEC, that investigation had not even begun. While I am informed today that the investigation has now begun, I believe the delay in commencing the audit is illustrative of the magnitude of the FEC's budget problems.

Earlier this year, after learning of the FEC's long delay in beginning to address the cases generated by the 1996 election, I introduced a bill to strengthen the FEC and authorize full funding for the agency. I was also recently joined by my colleagues Senators KERREY, REED, and DORGAN in writing to Senate appropriators to request that they provide the FEC with full funding. I ask unanimous consent that those letters be printed in the RECORD.

I am disappointed that we have not fully funded the FEC at this time, but I remain hopeful that we will provide full funding—and enact other much needed FEC reforms—when we debate comprehensive campaign finance reform in what I hope will be the near future.

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

U.S. SENATE,
Washington, DC, July 7, 1997.

Hon. BEN NIGHTHORSE CAMPBELL,
Chairman, Subcommittee on Treasury, Postal Service, and General Government Appropriations, Committee on Appropriations, Washington, DC.

DEAR SENATOR CAMPBELL: As your subcommittee prepares to consider the Treasury-Postal Appropriations bill, we write to urge you to appropriate full funding for the Federal Election Commission at their request of $34.2 million.

Established by Congress as one of the post-Watergate reforms, the FEC was charged with overseeing and monitoring federal election campaigns' compliance with the law. As we mark the 25th anniversary of Watergate this year, it is time that we enable the FEC to live up to its mandate by providing it with the necessary funding.

In recent elections, as the cost of campaigns has spiraled out of control and current campaign laws have proven porous and ineffective in discouraging this trend, the FEC's caseload has risen, making its job more and more difficult. The cost of campaigns rose 73% between the 1992 and 1996, and parties raised four times the amount of money in 1996 that they raised just eight years before in 1988. Between 1994 and November of 1996, the FEC's caseload rose 36% and because complaints related to the 1996 election are still being filed, the FEC expects the caseload to ultimately rise by 52%. Yet, even as the FEC's workload has surged and Congress has allocated millions of dollars for burgeoning Congressional campaign finance investigations, providing adequate funding for the independent and bipartisan FEC has been a constant battle. Rescissions and funding rollbacks over the last few years have not permitted the FEC to keep pace with its increasing workload, or even to meet inflation in rent and salary costs.

This combination of a decreasing budget and an increasing workload have hamstrung the FEC's ability to fulfill its duties. At the same time the FEC's caseload has risen, staff cuts required by the post-FY '95 budget reductions have led to a 25% drop in the FEC's ability to handle those cases.

The $34.2 million requested by the FEC encompasses $29.3 million included in the President's budget, which the FEC requires to continue responsible operation and which would restore the FEC's funding to its pre-1995 recision level. The $34.2 million figure also encompasses an additional $4.9 million the FEC now needs to handle the increased volume of work resulting from the 1996 elections.

For too long, the FEC has been known as a toothless tiger, an agency rendered powerless by both structural and financial inadequacies. While we in Congress must explore many ways of strengthening the FEC, one way we can help restore its authority is to allocate the money it needs. We urge you and your committee to make the requested FEC funding a top priority.

ROBERT J. KERREY.
JACK REED.
CHRISTOPHER J. DODD.
BYRON L. DORGAN.

U.S. SENATE,
Washington, DC, July 7, 1997.

Hon. HERB KOHL,
Ranking Member, Subcommittee on Treasury, Postal Service, and General Government Appropriations, Committee on Appropriations, Washington, DC.

DEAR SENATOR KOHL: As your subcommittee prepares to consider the Treasury-Postal Appropriations bill, we write to urge you to appropriate full funding for the Federal Election Commission at their request of $34.2 million.

Established by Congress as one of the post-Watergate reforms, the FEC was charged with overseeing and monitoring federal election campaigns' compliance with the law. As we mark the 25th anniversary of Watergate this year, it is time that we enable the FEC to live up to its mandate by providing it with the necessary funding.

In recent elections, as the cost of campaigns has spiraled out of control and current campaign laws have proven porous and ineffective in discouraging this trend, the FEC's caseload has risen, making its job more and more difficult. The cost of campaigns rose 75 percent between the 1992 and 1996, and parties raised four times the amount of money in 1996 that they raised just 8 years before in 1988. Between 1994 and November of 1996, the FEC's caseload rose 36 percent, and because complaints related to the 1996 election are still being filed, the FEC expects the caseload to ultimately rise by 52 percent. Yet, even as the FEC's workload has surged and Congress has allocated millions of dollars for burgeoning Congressional campaign finance investigations, providing adequate funding for the independent and bipartisan FEC has been a constant battle. Rescissions and funding rollbacks over the last few years have not permitted the FEC to keep pace with its increasing workload, or even to meet inflation in rent and salary costs.

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For too long, the FEC has been known as a toothless tiger, an agency rendered powerless by both structural and financial inadequacies. While we in Congress must explore many ways of strengthening the FEC, one way we can help restore its authority is to

allocate the money it needs. We urge you and your committee to make the requested FEC funding a top priority.

Sincerely,

ROBERT J. KERREY.
JACK REED.
CHRISTOPHER J. DODD.
BYRON L. DORGAN.

THE NATIONAL HISTORICAL PUBLICATIONS AND RESEARCH COMMISSION AND THE NATHANIEL GREENE PAPERS

Mr. CHAFEE. Mr. President, I would like to commend Senator CAMPBELL for his work on this appropriations bill. I was particularly pleased with the funding level for the National Historical Publications and Records Commission, which was increased by $1 million over the budget request. It is my hope that, although not specifically earmarked, a portion of these funds will go toward completing the Rhode Island Historical Society's ongoing project "The Papers of General Nathaniel Greene."

As I am sure my colleagues are aware, Nathaniel Greene, in addition to being a famous Rhode Islander, was second in command to General George Washington during the American Revolutionary War. Nathaniel Greene's papers, which are extensive, provide a complete, first-person account of the Revolution. The Greene papers include numerous correspondence with George Washington, as well as letters from all of the members of the Continental Congress, the Board of War, many of the state governors, a number of Generals in the Continental Army, and other troops and their loved ones.

When the war was over, General Greene, clearly recognizing the historical significance of his correspondence, gathered as many as 6,000 letters and documents in trunks and made his way home to Rhode Island. Later, he stopped in Princeton, New Jersey, the site of the Continental Congress, and expressed his desire to have his papers copied, assembled, and bound in books. That very day, Congress agreed to General Greene's request and voted to provide him with a clerk to undertake this task. Regrettably, General Greene died two years later, and, over the years, his papers have been scattered between more than 100 repositories in a number of states.

Since 1971, the Rhode Island Historical Society has worked to assemble and publish the extraordinary papers of this remarkable patriot. At the onset of this project, which was cosponsored by The William L. Clement Library at the University of Michigan, funds were provided by the National Historical Publications Commission (now the NHPRC). Additional funds were received through the National Endowment for the Humanities, which contributed to the completion of the first nine volumes of "The Papers of General Nathaniel Greene."

The remaining volumes of the Greene Papers will focus on the Revolutionary War in the South. Details about the Southern Campaign are far less well known than those about the War in the North.

At the age of thirty-two, Nathaniel Greene became the youngest General in the Continental Army and later became commander of the Southern Army. In 1781 and 1782, he and his troops defeated the British in the Carolinas and in Georgia. The several volumes that remain to be completed focus on this aspect of our nation's early history. It is a period that, in some important aspects, is not well chronicled, and I believe that completion of the Greene Papers will add significantly to our knowledge of an entire region—the South.

Once again, I applaud Senators CAMPBELL and KOHL for their work on this bill and hope that funds from the National Historical Publications and Records Commission will be available for completion of the Greene Papers.

REGULATORY ACCOUNTING, SECTION 625

Mr. THOMPSON. Mr. President, I want to take this opportunity to express my support for the regulatory accounting provision in Section 625 of the Treasury-Postal Appropriations bill, S. 1023. This continues last year's effort by Senator STEVENS, and as the new Chairman of the Governmental Affairs Committee, I strongly support it. I believe the public has the right to know the benefits and burdens of Federal regulatory programs. And Congress needs this information to better manage the regulatory process. Currently, Federal regulatory programs cost hundreds of billions of dollars per year—$700 billion by some estimates. That comes to several thousand dollars for the average American household—perhaps $7,000 per year. Our regulatory goals are too important, and our resources are too precious, to spend this money unwisely.

This provision is identical to last year's Stevens Amendment. It requires the Office of Management and Budget to provide Congress with a report on: (1) the total annual costs and benefits of Federal regulatory programs; (2) the costs and benefits of rules costing $100 million or more; (3) the direct and indirect impacts of Federal rules on the private sector, State and local government, and the Federal government; and (4) recommendations to streamline and improve regulatory programs. Before issuing the report in final form, OMB must provide the public with notice and an opportunity to comment on the draft report—its substance, methodologies, and recommendations. In the final report, OMB must summarize the public comments.

Now we know that regulatory accounting is doable, and it does not impose an unjustifiable burden on the agencies. First, OMB has done its first draft report under last year's regulatory accounting provision, and we expect the draft to be published in the Federal Register early next week. While this report is not perfect, it shows that regulatory accounting can be done and can help us better understand the benefits and burdens of regulation. In the past week, the American Enterprise Institute and the Brookings Institution released a primer on how to do regulatory accounting, entitled "Improving Regulatory Accountability." This should be helpful to all of us as OMB revises its draft report.

Estimating the total annual costs and benefits of Federal regulatory programs is like assembling a jigsaw puzzle, and some of the major sections have been assembled. OMB's first draft report will provide a foundation for further improvements that can be proposed during the public comment period. Private studies have estimated the annual costs of regulation, and many of its benefits. These include Bob Hahn's "Regulatory Reform: What Do the Numbers Tell Us?," Tom Hopkins' "Cost of Regulation," and Hahn and Hird's "The Costs and Benefits of Regulation." Moreover, Executive Order 12866, like the preceding Orders for the last 15 years, requires a cost-benefit assessment for significant regulations, which constitute most of the puzzle. The Unfunded Mandates Reform Act also requires detailed cost-benefit analyses of $100 million rules. In addition, the paperwork burden—and I do think it should be addressed—constitutes about 1/3 of the cost puzzle, and paperwork burden hours already are estimated under the Paperwork Reduction Act. Those burdens can easily be monetized by estimating the value of the time needed to comply with paperwork requirements. In addition, the cost of environmental regulation—about ¼ of the cost puzzle—is estimated in EPA's study, The Cost of a Clean Environment (1990), in annual estimates by the Department of Commerce, and by other sources. Finally, regulatory accounting should not create a resource drain for OMB. OMB should issue guidelines requiring the agencies to compile needed information, just as OMB does in the fiscal budget process.

This regulatory accounting provision requires OMB to do a credible and reliable report on the costs and benefits of Federal regulation. First, subsection 625(a)(1) requires OMB to provide estimates of the "total annual" costs and benefits of Federal regulatory programs. This includes those regulatory costs and benefits that will impact the nation during the upcoming fiscal year. These costs and benefits would include impacts from rules issued before this upcoming fiscal year, not just new rules. OMB should do its best to estimate and quantify that figure on the cost side, and to explain what benefits we are getting for the costs of these programs.

When estimating the costs and benefits of "Federal regulatory programs,"

OMB should use the valuable information already available, and supplement it where needed. Where agencies have or can produce detailed information on the costs and benefits of individual programs, they should make full use of this information. For example, EPA produces reports on the costs of their major environmental programs. Since EPA has program-by-program information, EPA should include such detail in its estimates. Other agencies may not have program-by-program estimates of costs and benefits, nor be capable of producing it, so they may need to rely on less detailed information. I expect a rule of reason will prevail: Where the agencies can produce detail that will be informative for the Congress and the public, they should do so. Where it is extremely burdensome to provide such detail, broader estimates should suffice. Information generated during the public comment period should assist OMB.

Subsection 625(a)(3) requires OMB to assess the direct and indirect impacts of Federal rules on the private sector, State and local government, and the Federal Government. As many studies show, regulatory impacts go beyond compliance costs. Regulation also creates a drag on real wages, economic growth, and productivity. Complex economic models can quantify these adverse impacts. However, OMB is not mandated to devote vast resources to create such models. Instead, OMB may use available reports, studies, and other relevant information to assess the direct and indirect impacts of Federal rules. In addition, OMB should discuss the serious problems posed by unfunded federal mandates for State, local and tribal governments. OMB should inform Congress of its efforts to address these problems. Ultimately, OMB must provide Congress with a credible accounting statement on the regulatory process. This report should show clearly the benefits and burdens of the regulatory process, and it should help Congress to see which programs are cost-effective and which are wasteful.

We have received a copy of OMB's first draft report prepared under last year's Stevens Amendment. The draft is an important first step, and I agree with many recommendations it provides. For example, I strongly agree that OIRA should lead an effort to raise the use and quality of agency analyses for developing regulations. I also agree that OIRA should develop a database on the costs and benefits of major rules and a system to track the net benefits of all new federal regulations and reforms of existing regulations. This information could be used to determine what improvements to recommend. However, I also think that there are several more areas that would be fruitful for OMB to consider. First, OMB should estimate the total costs of all federal mandates, not just environmental, health, safety and economic regulation. In particular, OMB should estimate the entire costs of paperwork, including from tax collection. Second, OMB should estimate, where feasible, the quantifiable indirect costs and the indirect benefits of regulation. This includes, for example, the costs associated with product bans and marketing limitations, as well as the indirect benefits associated with the preservation of endangered species. Third, OMB should examine the impact of regulation on wages, innovation, employment, and income distribution, including employment impacts on particular sectors of the economy. OMB should leverage the expertise and resources of other agencies, especially the President's Council of Economic Advisors, to do these analyses. Finally, OMB should do more to recommend improvements to the regulatory process, as well as particular programs and regulations. OMB does not have to be omniscient to propose such improvements, and its recommendations do not have to be based on perfect empirical data. Let's also use common sense and work together for the public good.

In closing, I should note that this regulatory accounting provision is founded on broad support. Last year's Stevens amendment was adopted by voice vote. It was modeled on more detailed provisions strongly supported in the 104th Congress—in the Roth bill, S. 291, the Dole-Johnston bill, S. 343, and the Glenn-Chafee bill. Regulatory accounting is widely endorsed—by those who labor under the growing regulatory burden, as well as by those who want to assure the benefits of regulation and to enhance the public's right to know about important governmental decisions.

Mr. CAMPBELL. Mr. President, under a prior unanimous consent, all Members were advised that there would be debates tonight on the amendments that many of them had said they wanted to pursue. Several Senators have said they were going to be here this evening to do that. Unfortunately, we cannot find them. We don't know where they are. We called their offices. They are not down here to debate their amendments. So, with consultation with Senator KOHL, we are prepared to just close us down tonight.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SESSIONS. 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. SESSIONS. Mr. President, I ask unanimous consent to proceed for 5 minutes as in morning business.

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

NATION OF EXPLORERS

Mr. SESSIONS. Mr. President, I rise today to honor the men and women whose work contributes to our nation's great space program. Their contributions have made the first seventeen days of the month of July a high point of public interest and enthusiasm. I would like to share with my colleagues some observations of these contributions.

Earlier this week, I visited NASA's Marshall Space Flight Center in Huntsville, AL, and spent a few minutes talking with three of the astronauts on board of the Space Shuttle Columbia. Members of my staff viewed their launch on July 1 from the Kennedy Space Center in Florida. It was another great launch and another great milestone for Columbia and our shuttle program. In case you missed the landing on CNN, Columbia returned safely to Earth at approximately 7:15 a.m. this morning. While in orbit, the crew conducted world class research in areas which are so critical to our future success in the global economy—biotechnology, materials science, and combustion research. This research is vitally important, and here is why:

It is hard to understate the importance of the biotechnology research when you consider the hundreds of proteins in the human body. We currently understand the structure of about 1 percent of these proteins. If scientists can decipher the exact structure of a protein, they can determine how it works with other proteins to perform a specific function. For example, by studying a protein that is part of a virus, they can learn how that virus attacks plants or animals. To do this, however, scientists must grow near-perfect crystals of that protein. While some can be done quite easily on Earth, some are distorted by gravity. During Columbia's mission, protein growth experiments grew large quantities of various proteins. These experiments are designed to improve our knowledge and lead to breakthroughs in diabetes, bronchial asthma, AIDS, various kinds of inflammation, and Chagas disease, a disease affecting 20 million people worldwide but most prevalent in Latin America and making its way into the United States.

Materials science has unlimited potential. Historically, mankind's development has been tied to the development of new materials since the dawn of time—the "Stone Age", the "Iron Age", the "Bronze Age." As humanity matures into the "space age," the need for new materials is as important and evolutionary as ever. The key to materials science research is understanding how the structure of a material forms

and how this structure affects the properties of the material. On Earth, sedimentation and buoyancy cause uneven mixing of the ingredients of the material and can deform the structure as it solidifies. Imperfections in the structures of metals and alloys can affect mechanical strength or resistance to corrosion, while similar flaws in glasses and alloys can make them easier to crack or break. In microgravity, sedimentation and buoyancy are reduced or eliminated, enabling investigators to learn how these factors affect the final structure of the material. The knowledge gained from the studies on board Columbia will be used to improve materials processing on earth. These are the materials which will allow us to chart the great unknowns of space in the decades ahead.

The third area of world-class research was conducted in combustion, which accounts for approximately 85 percent of the world's energy production and a significant percentage of the world's atmospheric pollution. Combustion plays a key role in processes involved in ground transportation, spacecraft propulsion, aircraft propulsion, and hazardous waste disposal. However, despite many years of study, we have only a limited understanding of many fundamental combustion processes. The results from experiments in these areas will help NASA design engines for cleaner air and more fuel efficiency. Just a tenth of 1 percent increase in the ability to burn fuel more efficiently can more than pay the cost of a shuttle mission and help keep the environment cleaner as well. We spend hundreds of billions of dollars each year on oil and every penny saved is a penny that stays right here in America.

All of these experiments I just mentioned, Mr. President, were performed inside Spacelab, a joint venture of NASA and the European Space Agency. Investigators representing 32 universities, 12 commercial industries and five government agencies participated in the 33 microgravity experiments in Spacelab. This mission was a bridge between the activities currently possible on Spacelab and those of a much longer duration but with similar international cooperation that will take place on International Space Station.

This mission caused no great fanfare like the Mars mission is continuing to cause. Like many of you, I greatly enjoyed watching the coverage of the landing of the Pathfinder with my family over the Fourth of July weekend. I felt a special pride at this event. The Mars mission is a uniquely American accomplishment and has captured the imagination and attention of the world. I look forward to the day when the United States sends a manned mission to Mars. America must continue to be a nation of explorers, carrying out the traditions of discovery embodied by Lewis and Clark, and the other great explorers. So much depends on our leadership and the dedication of thousands of men and women working on projects large and small that will lead us to new frontiers in space.

This morning, NASA Administrator Dan Goldin addressed the Republican Freshman Caucus. We discussed with him many of NASA's visionary projects and the future need for the International Space Station as a bridge to future exploration. On the Space Station, NASA will learn how to keep astronauts safe and healthy for long periods of time. They will learn how to shield astronauts from radiation. They will learn more about how to combat the bone loss astronauts experience after they have been in orbit for just a short period of time. And they will learn how to deal with medical problems, such as blood loss, a virus or bacterial infection, and surgical procedure. These are all things that we must be prepared for if we are to send men and women in space for long periods of time. Mr. Goldin praised astronaut Michael Foale, our astronaut abroad the Mir space station, as a true American hero. Foale is demonstrating to the world that U.S. astronauts are prepared to deal with adversity and hardship. He stressed that our children are seeing a drama in real time that is as fascinating to them as the drama we followed aboard Apollo 13 many years ago. Mr. Goldin assured us, however, that he has three teams examining the safety factors of the Mir and that all must sign off before any more U.S. astronauts are placed on board. He has confidence in the crew and confidence in the Mir, he strongly believes we must stay the course.

Each Senator in attendance received a copy of the first photograph to be returned from Mars. I understand Mr. Goldin will be sending one to each Member of this body. He also proudly stated that NASA's Internet site on this mission has received over 300 million hits during its first five days, breaking all records for an Internet site. This mission has united the world in its interest. It has sparked the imagination of a new generation of space adventurers, and only time will tell how far they will go.

In conclusion, Mr. President, I believe the Mars mission symbolizes the very best of America. It transcends politics and demonstrates the cutting edge technology that has made our Nation the forerunner in space exploration. This is truly the way we want the world to see us, isn't it? Space is the key to the image and the future of this nation in the 21st century and beyond. We must have national leadership, a keen vision, clear-cut goals, and a strong commitment from this and the Congresses to follow. We must be willing to pay the price necessary to realize our dreams and the dreams and goals of our children. Where will we be in just 20 years from now? Mr. Goldin and his employees at NASA have the vision that will take us beyond the fringe of the universe and, along the way, will provide untold benefits for mankind.

We are indeed a nation of adventurers and the crew of Columbia, the scientists at JPL and U.S. astronaut Michael Foale are setting the azimuth and cutting the trail for us to follow. The question is "Will we heed the signs and run the risks to get to the other side?" I believe our nation is ready for that challenge and will meet it in every way.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Colorado.

TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1998

The Senate continued with the consideration of the bill.

AMENDMENT NO. 942

(Purpose: To provide for a national media campaign focused on preventing youth drug abuse)

Mr. CAMPBELL. Mr. President, I send an amendment to the desk on behalf of Senator HATCH and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. CAMPBELL], for Mr. HATCH, proposes an amendment numbered 942.

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

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

The amendment is as follows:

At page 47, line 19, strike all after "Appropriations" to page 48, line 1 at "*Provided*".

In lieu thereof, insert "and Judiciary of the House of Representatives and the Senate that includes (1) a certification, and guidelines to ensure that funds will supplement and not supplant current anti-drug community based coalitions; (2) a certification, and guidelines to ensure that none of the funds will be used for partisan political purposes; (3) a certification, and guidelines to ensure that no media campaigns to be funded pursuant to this campaign shall feature any elected officials, persons seeking elected office, cabinet-level officials, or other Federal officials employed pursuant to Schedule C of 5 Code Federal Regulations, Section 213, absent notice to each of the Chairmen and Ranking Members of the House and Senate Committees on Appropriations and Judiciary; (4) a detailed implementation plan to be submitted to the Chairman of the Committees on Appropriations and Judiciary for securing private sector contributions including but not limited to in kind contributions; (5) a quantifiable system to measure outcome of success of the national media campaign, including but not limited to total funds expended, to what, where, or whom such funds were expended, and the effect which such

media campaign has had in reducing youth drug abuse."

Mr. CAMPBELL. Mr. President, I ask unanimous consent that this amendment be set aside.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mrs. HUTCHISON. 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. 943

(Purpose: To establish parity among the countries that are parties to the North American Free Trade Agreement with respect to the personal allowance for duty-free merchandise purchased abroad by returning residents)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON] proposes an amendment numbered 943.

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

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

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . PERSONAL ALLOWANCE PARITY AMONG NAFTA PARTIES.

(a) IN GENERAL.—The United States Trade Representative and the Secretary of the Treasury, in consultation with the Secretary of Commerce, shall initiate discussions with officials of the Governments of Mexico and Canada to achieve parity in the duty-free personal allowance structure of the United States, Mexico, and Canada.

(b) REPORT.—The United States Trade Representative and the Secretary of the Treasury shall report to Congress within 90 days after the date of enactment of this Act on the progress that is being made to correct any disparity between the United States, Mexico, and Canada with respect to duty-free personal allowances.

(c) RECOMMENDATIONS.—If parity with respect to duty-free personal allowances between the United States, Mexico, and Canada is not achieved within 180 days after the date of enactment of this Act, the United States Trade Representative and the Secretary of the Treasury shall submit recommendations to Congress for appropriate legislation.

Mrs. HUTCHISON. Mr. President, we have probably the best relations with Mexico than we have had in this country in a long, long time. I think NAFTA has added to the good will and the trade between our nations. But there is one part of our trade relationship that is not at parity and is not in the spirit of NAFTA, and that is the exemptions for personal goods or for buying when you are on the border between Mexico and the United States.

As a matter of fact, there is not parity in the exemption, and I think that is against the spirit of NAFTA. I am hoping that we will be able to change that, and that is what my amendment will attempt to do.

The amendment is very simple. It directs the U.S. Trade Representative and the Secretary of the Treasury to begin discussions with their counterparts in Mexico to achieve parity in the duty-free allowance structure of all of our NAFTA countries, and the concern is between Mexico and the United States.

These officials will report to Congress within 90 days on the changes they are making to correct these disparities. If the situation remains unchanged, in 6 months these officials will propose appropriate legislation to bring the United States' duty-free allowance to conform to the allowance levels established by Mexico and Canada.

Let me give an example of what is wrong and why this disparity exists. The United States provides that each U.S. resident returning from Mexico has a personal exemption from duty on merchandise valued at up to $400 once every 30 days. Mexico, however, has a two-tier duty-free allowance. If you are a resident in a 25-kilometer strip along Mexico's northern border, and you return from the United States at a land border crossing, you may only return with $50 in duty-free merchandise.

This has become known as the $50 rule. It is crippling business in our border retailers on the U.S. side of the border in Texas, California, New Mexico and Arizona, because if you are a Mexican resident bringing in more than $50, you must pay a 22.8 percent duty rate. Now, this makes it prohibitively expensive for a Mexican resident to purchase a washing machine, a refrigerator, any kind of electronics or any item costing more than $50, so it is inequitable.

We believe in the spirit of NAFTA, in parity, in equity, any rule you want to apply, that it should just be the same. We have been talking about this for 3½ years, since I came to the Senate. The border retailers in Texas told me that the $50 rule was being enforced by the Mexican Government. I have talked to the officials of the Mexican Government about this. I truly believe that President Zedillo intended to do something about it. He said he was going to right after he was elected. But we all know that the peso crisis occurred, and surely he had so many things on his plate that this was not on the front burner. I understood that.

Now the Mexican economic situation is stabilized, and certainly, I think, it is on its way to full recovery, and I think this matter of equity and parity must be addressed. That is why my amendment would just ask the U.S. Trade Representative and the Secretary of the Treasury to begin these discussions, to report back, and if they are not able to make progress, then tell us what legislation should be passed to make this happen.

That is the amendment. I hope both sides will agree this is in everyone's best interests, and I hope we will be able to vote on this or have it accepted early next week and that we can begin the process of making sure that the spirit, as well as the letter, of NAFTA is applied to both sides of our relationship with the country of Mexico.

Mr. President, I ask unanimous consent to lay the amendment aside, and we will take it up at the appropriate time.

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

Mr. STEVENS. 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. STEVENS. 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. STEVENS. Mr. President, there are several amendments now pending at the desk that will be subject to a vote on Monday. I ask unanimous consent that no second-degree amendments be in order. I understand this has been cleared on both sides.

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

MORNING BUSINESS

(During today's session of the Senate, the following morning business was transacted.)

TRIBUTE TO COL. THOMAS L. OWENS, U.S. ARMY CHIEF OF PERSONNEL, U.S. SPECIAL OPERATIONS COMMAND

Mr. LOTT. Mr. President, I take this opportunity to recognize and say farewell to an outstanding Army officer who has served our Nation with distinction for the past 27 years. It is a privilege for me to recognize his many outstanding achievements and commend him for his service.

A native of Brandon, MS, Colonel Owens attended High School in Byram, MS. He graduated from the University of Southern Mississippi, where he was commissioned as a regular Army second lieutenant in June 1970. This foundation, provided by his education and training in Mississippi, began his distinguished national career.

Colonel Owens has served throughout the world in defense of our Nation's freedom. He served three tours in Europe during the Cold War against the

Communist block countries. These tours were served with renowned units including, VII U.S. Corps, 2d Armored Division and 8th Infantry Division (Mechanized). While stationed in the United States, Colonel Owens served with the elite XVIII Airborne Corps, Fort Bragg, North Carolina. He served in Desert Storm with XVIII Airborne Corps, receiving a Bronze Star for his dedicated service.

Colonel Owens' current and final assignment has been with the U.S. Special Operations Command, MacDill Air Force Base, Florida as Chief of Personnel. Colonel Owens' magnificent work has ensured our Special Operations Forces personnel who are deployed throughout the world in more than 50 countries are always taken care of and put in the right place at the right time.

The common thread throughout his 27 years of service has been Colonel Ownes' selfless sacrifice in doing everything he could to take care of the young men and women who served under him as a platoon leader all the way through Brigade Commander. Mr. President, we owe a debt of gratitude to Col. Tom Owens, his wife, Ulrike, son, Steve, and daughter, Audrey, for their many sacrifices during his 27-year Army career. He is a great credit to both the Army and the country he has so proudly served.

On behalf of the great State of Mississippi and our Nation, I wish him, as a paratrooper and distinguished soldier, "calm winds and soft landings, while keeping his feet and knees into the breeze" as he transitions into life as a civilian. He is a soldier's soldier.

Mr. President, I yield the floor.

PIERRE AREA SENIOR CITIZENS 20TH ANNIVERSARY

Mr. DASCHLE. Mr. President, I am proud to honor the Pierre Area Senior Citizens on the organization's 20th birthday. This occasion is being celebrated in Pierre, SD, this week, July 13–19, 1997.

For the past 20 years, the Pierre Area Senior Citizens has served as a means for seniors to get together and enjoy the companionship of their peers.

It is also an active group in the civic life of South Dakota's capital city. Many members of the organization are volunteers, donating their time and expertise for the benefit of their community.

I want to thank the Pierre Area Senior Citizens for their civic pride and good works, and I wish them many more great years of service.

OCEAN SHIPPING REFORM

Mr. BROWNBACK. Mr. President, I rise today to bring attention to legislation that I believe could have a substantial positive impact on United States commerce. For several months now, my colleagues on the Commerce Committee have been working to forge an agreement that will deregulate ocean shipping and allow our exporters to compete on a more level playing field with our foreign competitors. S. 414, The Ocean Shipping Reform Act of 1997, would bring much-needed reform to the shipping industry by injecting a higher degree of competition into the current conference-dominated system of ocean shipping. It would also end federal government tariff filing with the Federal Maritime Commission and I believe that this is a significant step toward reducing red tape in this industry.

First of all, I want to commend those Senators who have played an active role in writing and furthering this important legislation. Senators HUTCHISON, GORTON, LOTT, and BREAUX have worked diligently to achieve a consensus among the diverse interests in the shipping industry, and I know that is no small task. I also want to commend Senator MCCAIN and his staff, who have endeavored to find common ground with all affected parties by working openly and holding numerous meetings. The result of this work is an important piece of legislation on which I hope the Senate will be able to focus its attention in the near future.

I care about this legislation because it could have a tremendous impact on the agriculture industry which is, of course, vitally important to Kansas. Exporting is critical to the agriculture industry—overall, forty percent of what we grow in the U.S. is consumed overseas. Moreover, exports will play an increasingly important role in agriculture because any growth in the industry will primarily come from exports. As the incomes of people in many developing countries increase, they are able to afford a higher quality, more diversified diet—and the U.S. stands ready to provide it. And, the fastest growing category of agricultural commodities for export are high-value products, such as meat and vegetables, which are transported in ocean containers—the type of ocean transportation that is affected by this legislation.

Transportation costs are a particularly important factor in achieving agricultural exports because transportation typically comprises a larger proportion of the final cost of the good than for other industries. In fact, transportation is often the single largest component of the delivered cost of the good, accounting for as much as 50 percent of total landed cost. The U.S. Department of Agriculture estimates that the agriculture industry alone spends more than four billion dollars each year in containerized shipping, and that this price includes a premium attributable to conference market power which is 18 percent of the cost of transportation. In a business where sales are made or lost based on pennies per pound, this is the difference between the U.S. or our competitors making the sale. And, given that every $1 in agricultural exports generates an additional $1.50 in economic activity, the importance of S. 414 for not only the agriculture industry, but the U.S. economy as a whole, is clear.

This bill has the support of many farm organizations; in fact, I have letters that I would like to submit for the record from the American Farm Bureau Federation, the National Pork Producers Council, the National Cattlemen's Beef Association, the National Grain and Feed Association, Farmland Industries, ConAgra, the National Broiler Council, and the American Frozen Food Institute. Additionally, many agricultural chemicals are exported via containerized ocean vessels would benefit from reduced regulatory restraints.

However, while these organizations are united in their support for legislation to reform ocean shipping, they also share the concern I have regarding certain provisions of the bill in its current form. In its current form, this bill requires the reporting of essential contract terms with the Intermodel Transportation Board. I must register my belief that without contract confidentiality the basic premise of this legislation, to allow greater competition in the shipping industry, is severely undermined. What is gained by the ability to negotiate individual contracts if one's competitors have access to the essential terms of the contract?

When I voted for this bill as it was passed out of the Commerce Committee on May 1 it was clear that outstanding concerns regarding confidential contracting would be addressed before the bill was to be considered on the Senate floor. It was with that understanding that I supported the bill. While I appreciate the sincere efforts that have been made to accommodate the interests of exporters since that time, my reservations remain because no agreement has been reached. I understand that the distinguished majority leader has promised to bring this bill to the floor in its current form during this Congress and that Senator GORTON has expressed his intention to address the contract reporting provisions through amendment. While I am disappointed that more reform will not be embraced in the bill that is brought to the floor, I respect our leader's view and look forward to the debate that will ensue.

I want to support this legislation. I support its underlying goal to reduce burdensome regulation. I believe that reducing regulatory hurdles that hinder the efficiency of U.S. businesses is the right thing to do, and it is one of the primary reasons that I came to Washington. However, to the extent

that the reforms in this bill are diminished, my support is eroded.

Nevertheless, I continue to believe in the importance of this legislation. I hope that the Senate will take action soon so that the agriculture industry, as well as all other industries which utilize containerized ocean shipping, will be able to increase their competitive advantage in the global marketplace.

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

JUNE 4, 1997.

Hon. SAM BROWNBACK,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR BROWNBACK: We are asking your assistance in assuring that S. 414 is enacted in a form that will enable shippers to contract with ocean carriers in the same manner that they now contract with motor carriers and railroads.

Although we support the objective of S. 414, we are quite concerned about some of the modifications that have been made to the bill subsequent to introduction. We urge the *objectionable provisions be removed before the bill is sent to the Senate floor.*

(1) We are concerned with the language added that would require filing of service contracts with the Intermodal Transportation Board and the publications of the essential terms of those contracts. We believe that the disclosure requirements that have recently been incorporated into the bill would serve only to inhibit the ability of ocean carriers and shippers to negotiate contracts that best serve their mutual interests. This is because disclosure will enable rate-making conferences to continue to pressure individual carriers to maintain parallel pricing of ocean transportation services. Disclosure is not required to protect any shipper interest. Our members have contracted for transportation services with railroads and motor carriers for many years and have found that confidentiality has encouraged carriers to agree to creative and responsive terms designed to meet each customer's distinct transportation needs.

(2) We also believe that contracts should be excluded from Section 10 which deals with discrimination and other prohibited acts. Contracts of motor carriers and railroads are not subject to such antidiscrimination provisions and this has never presented any problems for shippers. Even the present statute applicable to ocean carriers, which was enacted in 1984, does not subject contracts to the prohibited acts section of the statute. Therefore, including them would represent a significant step backwards from where we are at present. If there are concerns about potential abuses by carrier conferences operating under antitrust immunity, we would have no objection to making only those contracts to which a conference itself is actually a party subject to such provisions. An alternative would be to simply prohibit conferences from entering into service contracts.

It is our understanding that certain port and maritime labor interests have expressed a need to have access to terms of transportation contracts for planning purposes. Whatever information may be useful for those purposes is readily available from the individual carriers that serve a particular port or that employ members of maritime unions. It is neither necessary nor appropriate to subject carriers and shippers to burdensome regulatory requirements in order to provide an alternative source for that type of information.

Again, we urge that the changes addressing our concerns be made to S. 414 before it is sent to the Senate floor. If we can provide you further information or otherwise be of assistance to you with regard to this matter, please let us know.

Sincerely,

AMERICAN FARM BUREAU FEDERATION,
NATIONAL CATTLEMEN'S BEEF ASSOCIATION,
NATIONAL PORK PRODUCERS COUNCIL.

NATIONAL GRAIN AND FEED ASSOCIATION,
April 29, 1997.

Hon. JOHN MCCAIN,
Chairman, Committee on Commerce, Science, and Transportation, U.S. Senate, Washington, DC.

Re: S. 414, The Ocean Shipping Reform Act of 1997.

DEAR CHAIRMAN MCCAIN: We are writing in response to last week's staff draft of S. 414, which is scheduled for mark-up by the Committee on May 1. We are extremely concerned about several provisions of last week's draft, and urge the Committee to reject S. 414 in its present form.

Further, the NGFA offers the following comments as the Committee prepares to address the bill and any amendments:

1. The Federal Maritime Commission should not be merged with the Surface Transportation Board. The NGFA has long advocated the elimination of the Federal Maritime Commission as an unnecessary entity. Additionally, the STB is already in danger of becoming an ineffective agency because of inadequate funding. Indeed, the Clinton Administration's fiscal 1998 budget proposal would fund the agency entirely from user fees. The Administration's proposal would ensure that filling fees charged to rail users and others would rise so high as to, as a practical matter, preclude recourse before the agency. The NGFA has recommended that the STB be eliminated and the Interstate Commerce Act repealed should Congress choose not to adequately fund the agency. Combining the FMC and the STB would simply compound the STB's existing problems.

2. Users of ocean vessels and consumers would be better served by eliminating the special antitrust protection granted to liner vessel operators. Enforcement of U.S. antitrust laws would be a more effective deterrent to discriminatory treatment than the existing or proposed regulatory scheme. Economic regulation of transportation carriers can too easily be turned into a carrier shield to block marketplace competition and enforcement of laws, such as U.S. antitrust laws, that apply to shippers and other businesses.

3. The bill fails to make needed changes to the Jones Act and other cabotage laws. The Jones Act, in particular, creates significant barriers and added costs for those wishing to use self-propelled bulk vessels for shipments between domestic deepwater ports. An "ocean shipping reform bill" which fails to achieve reforms in our nation's antiquated and market-distorting cabotage laws should not move forward.

The NGFA is the national nonprofit trade association of about 1,000 grain, feed and processing firms comprising 5,000 facilities that store, handle, merchandise, mill, process and export more than two-thirds of all U.S. grains and oilseeds utilized in domestic and export markets. Founded in 1896, the NGFA's members include country, terminal, and export elevators; feed mills; cash grain and feed merchandisers; commodity futures brokers and commission merchants; processors; millers; and allied industries. The NGFA also consists of 37 affiliated state and regional grain and feed associations whose members include more than 10,000 grain and feed companies nationwide.

As always, please contact me or David Barrett at the NGFA if you have any questions.

Sincerely,

KENDELL W. KEITH,
President.

FARMLAND INDUSTRIES, INC.,
KANSAS CITY, MO,
June 4, 1997.

Hon. SAM BROWNBACK,
U.S. Senate, Washngton, DC.

DEAR SENATOR BROWNBACK: I would first like to thank you for your support of S. 414, The Ocean Shipping Reform Act of 1997. In my responsibilities with Farmland Industries, Inc., I know first hand the need for changes in the archaic ocean shipping laws which prevent U.S. companies from being competitive in the world marketplace. S. 414, as approved by the Commerce, Science and Transportation Committee, went a long way toward improving this inequity. However, there are two areas which must be addressed if we are to have legislation which truly meets this nation's future international trade needs.

Confidential Contracts.—The amendment offered by Senator Slade Gorton would aggregate contract information rather than publicly disclosing data in contracts between ocean carriers and their customers. We believe this excellent compromise deserves your support since it would eliminate the current bill's economic disadvantage of disclosing individual contract information to our overseas competitors. This approach, supported by Chairman John McCain in a Journal of Commerce interview, provides the U.S. ports and labor the information they say they need in determining cargo flows and long term strategic planning and at the same time shields the specific terms of ocean transportation contracts.

Eliminate Restrictions on Contracting.—S. 414, as currently drafted, would apply broad antidiscrimination provisions to all types of service contracts. If these were to be put into effect, it would be extremely difficult for carriers to know which contract terms and prices would be discriminatory. We believe an easy solution to this problem would be to apply these provisions only to contracts that maintain antitrust immunity and by limiting the parties who may bring an action under the provisions to ports and ocean transportation intermediaries. These changes would ensure that individual contracts may be entered into in a normal business fashion and that adequate oversight is provided to agreement contracts.

We ask your support for these changes to S. 414 and ultimately for passage of legislation which would encourage U.S. exports and greater international trade. Thank you for your serious consideration of our position and proposals.

Yours very truly,

FRED E. SCHRODT,
Vice President.

CONAGRA, INC.,
WASHINGTON, DC,
April 29, 1997.

Hon. SAM BROWNBACK,
U.S. Senate, Washington, DC.
Attention: Tim McGivern
Subject: S. 414, The Ocean Shipping Reform Act of 1997

DEAR SENATOR: We have previously written to you to express our strong support for S. 414. Because we spend more than $200,000,000.00 each year on maritime transportation we are vitally interested in elimination of artificial, outdated regulatory constraints that handicap our ability to compete in the global marketplace.

S. 414 is now scheduled for mark-up by the Committee on Commerce, Science and Transportation on May 1, 1997. We are extremely concerned about proposed amendments which surfaced over the weekend and would, if incorporated into the bill, represent a giant step backwards.

The key feature of S. 414 is the language that authorizes individual ocean carriers to enter into confidential transportation contracts. Similar provisions have been in effect for years for virtually all other forms of transportation including truckers, railroads, barge lines and air carriers. They have proven to be tremendously effective in promoting efficiency and thereby lowering transportation costs to the benefit of both carriers and shippers. There is nothing unique about maritime transportation that would cause confidential contracts to be any less beneficial.

Amendments that are being promoted by foreign flag carriers and their ratemaking cartels would eviscerate the transportation contract provisions of the bill. Under the misleading banner of antidiscrimination, the proposed amendments would:

(1) require the filing of individual carrier contracts with the Intermodal Transportation Board;

(2) require disclosure of the essential terms of each contract;

(3) establish substantive standards of "prejudice and disadvantage" that would effectively preclude carriers from entering into service contracts that are tailored to meet the distinct needs of shippers and to allow them to maximize the efficiency of their operations; and

(4) create a regulatory scheme that would allow specious challenges to service contracts as a pretext for obtaining access to their terms.

Although such provisions are supposedly designed to benefit shippers, the shipper community overwhelmingly opposes them. Instead of removing unnecessary regulatory burdens, these provisions would add new ones.

We urge you to oppose these amendments and allow S. 414 to go forward in a form that would allow shippers to enter into transportation contracts with individual ocean carriers in the same manner as they have done with all other modes for many years, with great economic benefit to both carriers and shippers.

If you would like further detail about our concerns, we will be happy to provide it.

Best wishes,

PAUL A. KORODY,
Vice President.

NATIONAL BROILER COUNCIL,
June 3, 1997.

Re S. 414 Ocean Shipping Reform Act of 1997.

Hon. SAM BROWNBACK,
U.S. Senate,
Washington, DC.

DEAR SENATOR BROWNBACK: The National Broiler Council strongly supports the objective of S. 414 to allow ocean transportation to be more competitive by eliminating unnecessary regulatory burdens. Because members of the Broiler Council produce poultry that is sold for export, we have a keen interest in enactment of S. 414.

Although we support the objective of S. 414, we are quite concerned about some of the modifications that have been made to the bill since it was originally introduced. We would urge that two amendments be made before the bill is sent to the Senate floor in order to enable the shipping public to realize the full benefits in the original bill.

We are concerned with language that has been inserted in the bill that would require filing of service contracts with the Intermodal Transportation Board and the publication of essential terms of those contracts. Our members have contracted for transportation services with railroads and motor carriers for many years and have found that filing of contracts with a regulatory agency is unnecessary and needlessly burdensome. We believe that the disclosure requirements that have crept into the bill would serve only to inhibit the ability of individual ocean carriers and shippers to negotiate contracts that best serve their mutual interests. The filing and processing of those contracts would also require perpetuation of an unnecessary bureaucracy, since virtually no other transportation mode is required to file its contracts with any regulatory agency. If there are concerns about potential abuses by carrier conferences operating under antitrust immunity, we would have no objection to contracts to which a conference itself is actually a party being subject to such provisions. An alternative would be to simply prohibit conferences from entering into contracts. However, individual ocean carriers should be able to negotiate and enter into contracts in the same manner that has worked so well for motor carriers and railroads.

As a related matter, we believe that contracts should be excluded from Section 10 of S. 414 which deals with discrimination and other prohibited acts. Contracts of motor carriers and railroads are not subject to such antidiscrimination provisions and this has never presented any problem to shippers. In fact, under the terms of the present statute, which was enacted in 1984, service contracts of ocean carriers are not subject to the prohibited acts section of the statute.

Therefore, including them would represent a significant step backwards from where we are at present.

We understand that certain port and maritime labor interests have expressed a need to have access to terms of transportation contracts for planning purposes. Whatever information may be needed for those purposes is readily available from the individual carriers that serve a particular port or that employ members of maritime unions. It is neither necessary nor appropriate to subject carriers and shippers to burdensome regulatory requirements in order to provide an alternative source of such information.

We urge that the foregoing changes be made before the bill is sent to the Senate floor. If we can provide you any further information or otherwise be of any assistance to you with regard to this matter, please let us know.

Sincerely,

GEORGE WATTS,
President.

AMERICAN FROZEN FOOD INSTITUTE,
McLean, VA, June 18, 1997.

Hon. JOHN MCCAIN,
Chairman, Commerce, Science and Transportation Committee, U.S. Senate, Washington, DC.

DEAR SENATOR MCCAIN: On behalf of the members of the American Frozen Institute (AFFI), this letter is to urge your continued support for expedient final passage of S. 414, *The Ocean Shipping Reform Act of 1977.*

As S. 414 advances for consideration by the full Senate, AFFI urges you and your colleagues on the Commerce, Science and Transportation Committee to support efforts to modify the bill as reported by the Committee to maximize confidentiality in ocean shipping contracting. The Institute also urges your support for efforts to ensure that the broad antidiscrimination provisions included in the reported bill will not create a disincentive for firms to enter into individual contract negotiations.

The American Frozen Food Institute is the national trade association that has represented the interests of frozen food manufacturers, processors, marketers and suppliers for more than 50 years. The Institute's 550 member companies account for over 90 percent of the total annual production of frozen food in the United States, valued at approximately $60 billion.

Meaningful reform of U.S. ocean shipping laws is critical to foster international trade in an increasingly global marketplace. The refinements to S. 414 recommended above would further this goal by promoting more competitive pricing and contracting for products which are imported from and exported to overseas markets by frozen food processors and other U.S. shippers.

Thank you again for the leadership you and your Committee have demonstrated on maritime reform. If AFFI may be of assistance to you or your staff in accomplishing this shared objective, please feel free to give me a call.

Sincerely,

STEVEN C. ANDERSON,
President and Chief Executive Officer.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Wednesday, July 16, 1997, the federal debt stood at $5,357,953,848,082.50. (Five trillion, three hundred fifty-seven billion, nine hundred fifty-three million, eight hundred forty-eight thousand, eighty-two dollars and fifty cents)

One year ago, July 16, 1996, the federal debt stood at $5,158,430,000,000. (Five trillion, one hundred fifty-eight billion, four hundred thirty million)

Five years ago, July 16, 1992, the federal debt stood at $3,980,221,000,000. (Three trillion, nine hundred eighty billion, two hundred twenty-one million)

Ten years ago, July 16, 1987, the federal debt stood at $2,318,155,000,000. (Two trillion, three hundred eighteen billion, one hundred fifty-five million)

Fifteen years ago, July 16, 1982, the Federal debt stood at $1,083,558,000,000

(One trillion, eighty-three billion, five hundred fifty-eight million) which reflects a debt increase of more than $4 trillion—$4,274,395,848,082.50 (Four trillion, two hundred seventy-four billion, three hundred ninety-five million, eight hundred forty-eight thousand, eighty-two dollars and fifty cents) during the past 15 years.

U.S. FOREIGN OIL CONSUMPTION FOR WEEK ENDING JULY 11TH

Mr. HELMS. Mr. President, the American Petroleum Institute reports that for the week ending July 11, the U.S. imported 7,678,000 barrels of oil each day, 409,000 barrels more than the 7,269,000 imported each day during the same week a year ago.

Americans relied on foreign oil for 54.9 percent of their needs last week, and there are no signs that the upward spiral will abate. Before the Persian gulf war, the United States obtained approximately 45 percent of its oil supply from foreign countries. During the Arab oil embargo in the 1970's, foreign oil accounted for only 35 percent of America's oil supply.

Anybody else interested in restoring domestic production of oil? By U.S. producers using American workers?

Politicians had better ponder the economic calamity sure to occur in America if and when foreign producers shut off our supply—or double the already enormous cost of imported oil flowing into the United States—now 7,678,000 barrels a day.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. McMathran, 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 one nomination which were referred to the Committee on Foreign Relations.

(The nomination received today is printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 12 noon, a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

S. 768. An act for the relief of the Michel Christoper Meili, Guiseppina Meili, Mirjam Naomi Meili, and Davide Meili.

At 1:36 p.m., a message from the House of Representatives, delivered by Ms. Geotz, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2158. An act making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for the fiscal year ending September 30, 1998, and for other purposes.

The message also announced that the House insists upon its amendment to the bill (S. 858) to authorize appropriations for fiscal year 1998 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, and asks a conference with Senate on the disagreeing votes of the two Houses thereon; and appoints the following Members as the managers on the part of the House.

From the Permanent Select Committee on Intelligence, for consideration of the Senate bill, and the House amendment, and modifications committed to conference: Mr. GOSS, Mr. YOUNG of Florida, Mr. LEWIS of California, Mr. SHUSTER, Mr. MCCOLLUM, Mr. CASTLE, Mr. BOEHLERT, Mr. BASS, Mr. GIBBONS, Mr. DICKS, Mr. DIXON, Mr. SKAGGS, Ms. PELOSI, Ms. HARMAN, Mr. SKELTON, and Mr. BISHOP.

From the Committee on National Security, for consideration of defense tactical intelligence and related activitiesss: Mr. SPENCE, Mr. STUMP, and Mr. DELLUMS.

MEASURE PLACED ON THE CALENDAR

The following measure was read the first and second times by unanimous consent and placed on the calendar:

H.R. 2158. An act making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for the fiscal year ending September 30, 1998, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-2508. A communication from the Deputy Associate Director for Compliance, Royalty Management Program, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, notice of the intention to make refunds of offshore lease revenues where a refund or recoupment is appropriate; to the Committee on Energy and Natural Resources.

EC-2509. A communication from the Acting General Counsel of the Department of Energy, transmitting, pursuant to law, a rule entitled "Energy Conservation Program for Consumer Products" (RIN1904-AA61) received on July 14, 1997; to the Committee on Energy and Natural Resources.

EC-2510. A communication from the Assistant General Counsel for Regulations, Department of Education, transmitting, pursuant to law, a rule entitled "Rehabilitation Short-Term Training" (RIN1820-ZA09) received on July 15, 1997; to the Committee on Labor and Human Resources.

EC-2511. A communication from the Chairman and President of the John F. Kennedy Center for the Performing Arts, transmitting jointly, pursuant to law, the annual report for calendar year 1996; to the Committee on Rules and Administration.

EC-2512. A communication from the Secretary of Defense, transmitting, pursuant to law, the second-half fiscal year 1996 semi-annual report on program activities to facilitate weapons destruction and nonproliferation in the Former Soviet Union; referred jointly, pursuant to Sec. 1208 of Public Law 103-160, to the Committee on Appropriations, to the Committee on Armed Services, and to the Committee on Foreign Relations.

EC-2513. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the notice of a proposed issuance of an export license; to the Committee on Foreign Relations.

EC-2514. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the notice of a proposed issuance of an export license; to the Committee on Foreign Relations.

EC-2515. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the notice of a proposed issuance of an export license; to the Committee on Foreign Relations.

EC-2516. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the notice of a proposed issuance of an export license; to the Committee on Foreign Relations.

EC-2517. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the notice of a proposed issuance of an export license; to the Committee on Foreign Relations.

EC-2518. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, the report of the texts of international agreements, other than treaties, and background statements; to the Committee on Foreign Relations.

EC-2519. A communication from the Director of Defense Procurement, Under Secretary of Defense, transmitting, pursuant to law, two rules received on July 14, 1997; to the Committee on Armed Services.

EC-2520. A communication from the Assistant Secretary of the Navy (Installations and Environment), transmitting, pursuant to law, a notice relative to outsourcing; to the Committee on Armed Services.

EC-2521. A communication from the Secretary of Defense, transmitting, pursuant to law, the report of the TRICARE evaluation plan; to the Committee on Armed Services.

EC-2522. A communication from the General Counsel of the Department of Defense, transmitting, pursuant to law, the report of the Overseas Jurisdiction Advisory Committee; to the Committee on Armed Services.

EC-2523. A communication from the Assistant Attorney General, Office of Legislative Affairs, Department of Justice, transmitting, pursuant to law, the report of the Overseas Jurisdiction Advisory Committee; to the Committee on Armed Services.

EC-2524. A communication from the Assistant Secretary of Defense, transmitting, pursuant to law, a report relative to activated Reservists; to the Committee on Armed Services.

REPORTS OF COMMITTEE

The following reports of committees were submitted:

By Mr. STEVENS, from the Committee on Appropriations:

Special Report entitled "Further Revised Allocation to Subcommittees of Budget Totals from the Concurrent Resolution for Fiscal Year 1998" (Rept. No. 105–50).

By Mr. COCHRAN, from the Committee on Appropriations, without amendment:

S. 1033: An original bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1998, and for other purposes (Rept. No. 105–51).

By Mr. BURNS, from the Committee on Appropriations, with amendments:

H.R. 2016: A bill making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 1998, and for other purposes (Rept. No. 105–52).

By Mr. BOND, from the Committee on Appropriations, without amendment:

S. 1034: An original bill making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for fiscal year ending September 30, 1998, and for other purposes (Rept. No. 105–53).

By Mr. HELMS, from the Committee on Foreign Relations, without amendment:

S. 1032: An original bill to amend the Foreign Assistance Act of 1961 with respect to the authority of the Overseas Private Investment Corporation to issue insurance and extend financing.

By Mr. HELMS, from the Committee on Foreign Relations, without amendment and with a preamble:

S. Con. Res. 40: An original concurrent resolution expressing the sense of Congress regarding the OAS–CIAV Mission in Nicaragua.

S. Con. Res. 41: An original concurrent resolution calling for a United States initiative seeking a just and peaceful resolution of the situation on Cyprus.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on Armed Services:

Rudy deLeon, of California, to be Under Secretary of Defense for Personnel and Readiness.

(The above nominations were 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.)

By Mr. HELMS, from the Committee on Foreign Relations:

Karl Frederick Inderfurth, of North Carolina, to be Assistant Secretary of State for South Asian Affairs.

Linda Jane Zack Tarr-Whelan, of Virginia, for the rank of Ambassador during her tenure of service as United States Representative to the Commission on the Status of Women of the Economic and Social Council of the United Nations.

Richard Sklar, of California, to be Representative of the United States of America to the United Nations for UN Management and Reform, with the Rank of Ambassador.

A. Peter Burleigh, of California, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be the Deputy Representative of the United States of America to the United Nations, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

Gordon D. Giffin, of Georgia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Canada.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knoweldge, the information contained in this report is complete and accurate.

Nominee: Gordon D. Giffin.

Post: Ambassador to Canada.

Contributions, Amount, Date Donee

1. Self, See attached schedule.

2. Spouse, See attached schedule.

3. Children and Spouses Names, Kelley Giffin, none.

4. Parents Names, Earl K. Giffin—Deceased—none.

Sarah Gwen Giffin—Retired—none.

5. Grandparents Names, all grandparents have been deceased for more than ten years. I am confident that no political contributions were made by them in the last thirty years.

6. Brothers and Spouses Names, none.

7. Sisters and Spouses Names, Cheryl Carter—none. Richard Carter—none.

Schedule A.—Political Contributions By Gordon D. Giffin and Patti A. Giffin

1993:	
4/19/93 Chuck Robb Committee (GDG)	$100
3/17/93 Don Johnson Committee (GDG)	$100
8/29/93 Marvin Arrington Committee (City Council) (GDG)	$250
10/15/93 Miller for Governor (Ga) Committee (GDG)	$1,000
10/26/93 John O'Callaghan Committee (GDG)	$125
1993: Long, Aldridge & Norman State Political Committee (GDG)	$615
1994:	
2/1/94 Chuck Robb Committee (GDG)	$100
2/18/94 Wendy Shoob Committee (Superior Court) (GDG)	$25
1994: Long, Aldridge & Norman State Political Committee (GDG)	$200
6/6/94 Darden for Congress (GDG)	$500
6/30/94 Kennedy for Senate (GDG)	$200
1995:	
6/5/95 Clinton-Gore Committee (During the year Patti contributed $50 to Women's Leadership Forum of DNC) (GDG)	$1,000
1996:	
2/8/96 Cindy Wright Committee (Superior Court) (GDG)	$100
3/12/96 Yates Committee (PAG)	$250
3/25/96 Wendy Shoob Committee (Superior Court) (GDG)	$25
3/25/96 Max Cleland Committee (GDG)	$500
4/8/96 Alice Bonner Committee (Superior Court) (GDG)	$100
4/21/96 Robert Benham Committee (Supreme Court) (GDG)	$100
5/14/96 Craig Dowdy Committee (State Legislature) (GDG)	$200

Schedule A.—Political Contributions By Gordon D. Giffin and Patti A. Giffin—Continued

9/24/96 Max Cleland Committee (GDG)	$500
10/4/96 David Bell Committee (GDG)	$250
4/18/96 Victory '96—State Party (Joint)	$80

1997: None.

John C. Holzman, of Hawaii, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of Bangladesh.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Nominee: John C. Holzman.

Post: Ambassador to Bangladesh.

Contributions, Amount, Date, Donee

1. Self, John C. Holzman, None.

2. Spouse, M. Kim Hom, None.

3. Children and Spouses: Leah A. Holzman, None. Nicole K. Holzman, None. Alexandra V. Holzman, None.

4. Parents, Josef J. Holzman, deceased. Virginia S. Holzman, deceased.

5. Grandparents: Wiliam Stewart, deceased. Ellen McGinn Stewart, deceased. Zelik Holzman, deceased. Esther Holzman, deceased.

6. Brothers and Spouses: Alan S. Holzman, $100, 1992/3, John Felix, Candidate for Honolulu Councilman, $100, 1993/94, Arnold Morgado, Candidate for Honolulu Mayor.

David H. Holzman, None. Diane Holzman (Spouse), none.

7. Sisters and Spouses: Esther E. Holzman, none.

Ralph Frank, of Washington, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Nepal.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Nominee: Ralph Frank.

Post: Nepal.

Contributions, amount, date, donee

1. Self, none.

2. Spouse, Susan Kathryn Gundersen, none.

3. Children and Spouses Names, Erik Christian Gundersen-Frank, none. Kathryn Jean Gundersen-Frank, none.

4. Parents names, Lloyd I. Frank, deceased. Jean C. Frank, deceased.

5. Grandparents: Names Ralph C. Conrad, deceased. Elsie Frank, deceased.

6. Brothers and Spouses Names, none.

7. Sisters and Spouses Names, none.

David J. Scheffer, of Virginia, to be Ambassador at Large for War Crimes Issues.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Nominee: David John Scheffer.

Post: Ambassador at Large for War Crimes.

Contributions, Amount, Date, Donee

1. Self, none.

2. Spouse Michelle M. Huhnke, none.

3. Children and Spouses Names, Katherine M. Scheffer, none.

4. Parents Names, Barbara Scheffer (deceased). Walter F. Scheffer

DNC	1997	$75
DNC	1996	$200
John Kerry Senate Campaign	1996	$20
Ted Kennedy Senate Campaign	1996	$25
DNC	1995	$50
Clinton-Gore Primary Committee	1995	$50
Diane Feinstein Senate Campaign	1994	$500

5. Grandparents Names, deceased.

6. Brothers and Spouses Names, none.

Sisters and Spouses Names, Claudia and Michael Gallo.

Paula and George Lader, none.

Nicole Scheffer, none.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. HELMS. Mr. President, for the Committee on Foreign Relations, I also report favorably two nomination lists in the Foreign Service which were printed in full in the CONGRESSIONAL RECORDS of February 13 and April 25, 1997, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

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

(The nominations ordered to lie on the Secretary's desk were printed in the RECORDS of February 13 and April 25, 1997, at the end of the Senate proceedings.)

Nomination in the Foreign Service:

Marilyn E. Hulbert received by the Senate and appeared in the RECORD of February 13, 1997

Nominations in the Foreign Services: Beginning John R. Swallow and ending George S. Dragnich received by the Senate and appeared in the RECORD of April 25, 1997.

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. GRAMS (for himself, Mr. D'AMATO, Mr. SARBANES, Ms. MOSELEY-BRAUN, Mr. MCCONNELL, and Mr. LEAHY):

S. 1026. A bill to reauthorize the Export-Import Bank of the United States; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. CAMPBELL (for himself, Mr. JOHNSON, Mr. DOMENICI, and Mr. HATCH):

S. 1027. A bill to extend the Native American veteran direct housing loan pilot program, and for other purposes; to the Committee on Veterans Affairs.

By Mrs. FEINSTEIN (for herself and Mrs. BOXER):

S. 1028. A bill to direct the Secretary of Agriculture to conduct a pilot project on designated lands within Plumas, Lassen, and Tahoe National Forests in the State of California to demonstrate the effectiveness of the resource management activities proposed by the Quincy Library Group and to amend current land and resource management; to the Committee on Energy and Natural Resources.

By Mr. DEWINE (for himself and Mr. WELLSTONE):

S. 1029. A bill to provide loan forgiveness for individuals who earn a degree in early childhood education, and enter and remain employed in the early child care profession, to provide loan cancellation for certain child care providers, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. FRIST (for himself and Mr. WELLSTONE):

S. 1030. A bill to amend title IV of the Public Health Service Act to establish a National Center for Bioengineering Research; to the Committee on Labor and Human Resources.

By Mr. GRASSLEY (for himself and Mr. D'AMATO):

S. 1031. A bill to protect Federal law enforcement officers who intervene in certain situations to protect life or prevent bodily injury; to the Committee on the Judiciary.

By Mr. HELMS:

S. 1032. An original bill to amend the Foreign Assistance Act of 1961 with respect to the authority of the Overseas Private Investment Corporation to issue insurance and extend financing; from the Committee on Foreign Relations; placed on the calendar.

By Mr. COCHRAN:

S. 1033. An original bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1998, and for other purposes; from the Committee on Appropriations; placed on the calendar.

By Mr. BOND:

S. 1034. An original bill making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for fiscal year ending September 30, 1998, and for other purposes; from the Committee on Appropriations; placed on the calendar.

By Mr. REED (for himself, Mr. TORRICELLI, Mr. CHAFEE, and Mr. LAUTENBERG):

S. 1035. A bill to establish a moratorium on large fishing vessels in Atlantic herring and mackerel fisheries; to the Committee on Commerce, Science, and Transportation.

By Mr. ALLARD (for himself and Mr. CAMPBELL):

S. 1036. A bill to amend section 435(d)(1)(A)(ii) of the Higher Education Act of 1965 with respect to the definition of an eligible lender; to the Committee on Labor and Human Resources.

By Mr. JEFFORDS (for himself, Mr. DODD, and Mr. ENZI):

S. 1037. A bill to amend the Internal Revenue Code of 1986 to establish incentives to increase the demand for and supply of quality child care, to provide incentives to States that improve the quality of child care, to expand clearing-house and electronic networks for the distribution of child care information, to improve the quality of child care provided through Federal facilities and programs, and for other purposes; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. HELMS:

S. Con. Res. 40. An original concurrent resolution expressing the sense of Congress regarding the OAS–CIAV Mission in Nicaragua; from the Committee on Foreign Relations; placed on the calendar.

By Mr. HELMS:

S. Con. Res. 41. An original concurrent resolution calling for a United States initiative seeking a just and peaceful resolution of the situation on Cyprus; from the Committee on Foreign Relations; placed on the calendar.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CAMPBELL (for himself, Mr. JOHNSON, Mr. DOMENICI, and Mr. HATCH):

S. 1027. A bill to extend the native American veteran direct housing loan pilot program, and for other purposes; to the Committee on Veterans' Affairs.

NATIVE AMERICAN VETERANS HOUSING LOAN IMPROVEMENTS LEGISLATION

Mr. CAMPBELL. Mr. President, I am pleased today to introduce legislation to extend and improve the native American veteran direct loan pilot program. I am pleased to add Senators JOHNSON, DOMENICI, and HATCH as cosponsors of this legislation.

America's most important resource has always been the individuals willing to lay down their lives for their country. Throughout our history we have been blessed with men and women willing to put themselves at risk for the greater good.

Native Americans have been proud to be a part of this Nation's defense. From the revolutionary era to our ongoing peacekeeping missions around the globe, native Americans have served and continue to serve the United States honorably. It may surprise some members to know that native Americans served, suffered, and died in service to this Nation even though they were not allowed to be citizens until 1924.

As a veteran I feel a special kinship with all those men and women who served this Nation in peacetime and in war. As an Indian veteran I am keenly aware of the dedicated service Indians, Alaskans, and Hawaiians have given—often without recognition of their sacrifice.

How can we compensate these men and women for making the greatest sacrifice they could? There is no dollar value we can place on a life. At the very least, we must provide the basic benefits of health care, housing, and education to those that laid down their lives for America.

Since 1992, the Department of Veterans Affairs has operated a direct housing loan program to help native

America veterans build decent homes. I was amazed to find out that in the last 5 years, that program had provided eight Indian veterans with loans.

That is not an indication that all Indian veterans have no housing needs. During a hearing on veterans issues, members of the Indian Affairs Committee saw videotape of the houses used by Navajo veterans. They looked like something you would see in a Third World nation, not America. Houses had holes in their roofs and walls and plastic sheets for windows. Many houses do not have working plumbing and water has to be carried from miles away. This is certainly not the appreciation and respect war veterans deserve.

Native Americans seeking home loans face many obstacles unique to Indian country, including poor economic conditions and the fact that the land cannot be used as collateral. But the most surprising revelation at the committee's hearing was that the majority of Indian veterans seem to have little or no knowledge that the VA's direct loan program exists. If they do, many do not know how or where to apply. The Government has no problem finding these men and women when it is time to draft them to fight in a war. But when it is time to pay them back for their sacrifice, the effort just is not there.

That is why the bill I introduce today does more than extend the direct loan program for 3 years. It includes measures to boost the Department of Veterans Affairs' efforts to implement the direct loan program for native American veterans. The bill places new requirements on the Department to consult with tribal organizations, native veterans organizations, and other groups prior to making decisions under the act. It also expresses Congress's desire that the Department carry out vigorous outreach and education efforts to inform potential beneficiaries of the housing assistance benefits under the act. The bill requires the Department to submit annual reports to the Committee on Indian Affairs, the House Resources Committee, and the Veterans' Committees of both Chambers containing a description of the outreach activities undertaken by the VA on a regional basis, with a second mandate that the VA conduct an assessment of how effective these efforts have been in encouraging greater use of the loan program.

We must honor the service and sacrifice of our warriors. We must recognize the sacrifice they have made for all of us. The direct loan program is an ambitious idea designed to help our veterans with the most basic human need: a roof over their heads. It should not sit unused because of bureaucratic complacency. It is my hope that this reauthorization, with the appropriate changes, will jumpstart the Department's efforts to make the program available to native veterans and help them use it. I believe it is the least we can do. I urge my colleagues to join me in supporting this critical legislation.

Mr. President, I ask unanimous consent that the text of the bill and a section-by-section analysis be printed in the RECORD.

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

S. 1027

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

SECTION 1. FINDINGS.

Congress makes the following findings:

(1) Native Americans across the United States have a long, proud, and distinguished tradition of service in the Armed Forces of the United States.

(2) Native Americans have historically served in the Armed Forces in numbers which far exceed their representation in the population of the United States.

(3) Native Americans have lost their lives in the service of the United States and in the cause of peace.

(4) The demand for safe, decent, and affordable housing among the 210,000 Native American veterans in the United States is acute.

(5) Native American veterans face unique impediments to the use of traditional housing programs to benefit veterans such as poor economic conditions, the legal status of Indian trust lands, and the lack of incentives for lenders to make loans on trust lands.

SEC. 2. EXTENSION OF DIRECT HOUSING LOAN PILOT PROGRAM.

Section 3761(c) of title 38, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 2000".

SEC. 3. OUTREACH.

Section 3762(i) of title 38, United States Code, is amended—

(1) by inserting ", in consultation with tribal organizations and Native American veterans organizations," after "The Secretary shall"; and

(2) by striking out "tribal organizations and".

SEC. 4. CONSULTATION WITH NATIVE AMERICAN VETERANS ORGANIZATIONS.

The Secretary of Veterans Affairs shall consult with Native American veterans organizations in carrying out the Native American veterans direct housing loan program under subchapter V of chapter 37 of title 38, United States Code.

SEC. 5. ANNUAL REPORTS.

Section 8(d) of the Veterans Home Loan Program Amendments of 1992 (Public Law 102-547; 106 Stat. 3640; 38 U.S.C. 3761 note) is amended—

(1) in the matter preceding paragraph (1)—

(A) by striking out "1998," and inserting in lieu thereof "2001,"; and

(B) by inserting ", the Committee on Indian Affairs of the Senate, and the Committee on Resources of the House of Representatives" after "the House of Representatives";

(2) by striking out "and" at the end of paragraph (3);

(3) by redesignating paragraph (4) as paragraph (5); and

(4) by inserting after paragraph (3) the following new paragraph (4):

"(4) a description of the outreach activities undertaken by the Secretary under section 3762(i) of such title (as so added) which—

"(A) specifies such activities on a region-by-region basis; and

"(B) assesses the effectiveness of such activities in encouraging the participation of Native American veterans in the pilot program; and".

VETERANS DIRECT HOUSING LOAN PILOT PROGRAM—SECTION-BY-SECTION ANALYSIS

Background. Begun in 1992, the Native American Veterans Housing Program is due to be reauthorized. The account retains some $3.5 million of an original $5 million appropriation. Since 1992, the performance of the Veterans Administration in distributing this money to Indians is poor, especially compared with the experience of the Native Hawaiians and Pacific Islanders. The goal of the amendments is to get the VA to do its job better in Indian country. The reasons adduced by the VA for the poor performance are not convincing.

Section 1. New Findings Section. This section recognizes Indians' long and historic contributions made to the Armed Forces and defense of the United States. This section also recognizes the acute need for housing among the more than 200,000 native veterans, and the unique impediments native veterans face due to poor economic conditions on the reservation, and the inability to securitize Indian trust lands.

Section 2. Extension of Program. The bill would extend the authority for the program for 3 years, to September 30, 2000.

Section 3. Outreach. Most of the discernible problems in the implementation of this program involve a lack of knowledge about the program by Indians and lack of proactive endeavors by the VA to disseminate information about the program through Indian country. The bill would place new requirements on the VA to consult with tribal organizations, native veterans organizations, and other groups prior to making decisions under the act.

Section 4. Consultation with Native American Veterans Organizations. This new section requires the VA to consult with native veterans organizations in implementing the act.

Section 5. Annual Reports. The VA is required to submit annual reports to the Committee on Indian Affairs, the House Resources Committee, and the veterans committees of both Chambers containing a description of the outreach activities undertaken by the VA on a regional basis, with a second mandate that the VA conduct an assessment of the efficacy of such activities in encouraging greater use of the program.

By Mrs. FEINSTEIN (for herself and Mrs. BOXER):

S. 1028. A bill to direct the Secretary of Agriculture to conduct a pilot project on designated lands within Plumas, Lassen, and Tahoe National Forests in the State of California to demonstrate the effectiveness of the resource management activities proposed by the Quincy Library Group and to amend current land and resource management; to the Committee on Energy and Natural Resources.

THE QUINCY LIBRARY GROUP FOREST RECOVERY AND ECONOMIC STABILITY ACT OF 1997

Mrs. FEINSTEIN. Mr. President, today Senator BARBARA BOXER and I are introducing the Quincy Library Group Forest Recovery and Economic Stability Act of 1997. This legislation is

nearly identical to H.R. 858 sponsored in the House of Representatives by Congressman WALLY HERGER and passed by the House last week on a vote of 429 to 1.

The House vote is remarkable for two reasons:

First, any legislation involving a controversial issue—particularly on one as contentious as forest management —that receives 429 votes is remarkable in and of itself.

Second, the process by which this legislation evolved is really, I think, ground breaking, and it deserves to be recognized.

I first met the Quincy Library Group back in 1992 when I was running for the Senate, and was then very impressed with what they were trying to do.

The overwhelming House vote is a real victory for local communities like Quincy which seek to avoid the polarizing—and often paralyzing—battles that have characterized forest management issues for the last decade.

The Quincy Library Group is a local coalition of timber industry representatives, environmentalists, citizens, and elected officials in Plumas, Lassen, and Sierra Counties, CA, who came together to resolve their long-standing conflicts over timber management on the national forest lands in their area.

They had seen first hand the seemingly ever present conflict between timber harvesting and jobs, environmental laws and protection of their communities and forests, and the devastation of massive forest fires. They also saw that a practical solution to the conflict between timber interests and environmental interests were both going to be wiped out one day by uncontrollable wildfires. And so they tried to get together and talk things out.

They decided to meet in a quiet, nonconfrontational environment—the main room of the Quincy Public Library. Hence, they became known as the Quincy Library Group.

They began their dialog in the recognition that they shared the common goal of fostering forest health, ecological integrity, an adequate timber supply for area mills, and economic stability for their community.

So, after a year-and-a-half of negotiation, the Quincy Library Group developed an alternative management plan for the Lassen National Forest, Plumas National Forest, and Sierraville Ranger District of the Tahoe National Forest.

This legislation is the result. The bill we introduce today implements the Quincy Library Group's plan.

I know that some environmental organizations had concerns about aspects of this legislation, and some may still oppose it.

But let me make something very clear: As I stated when I met with the Quincy Library Group, in order to have my support, the legislation had to explicitly state that all activities would be carried out consistent with all applicable Federal environmental laws, both substantive and procedural. The administration made this requirement clear as well.

The House bill and this legislation do so.

Another condition for my support, and that of the administration, was that the legislation must authorize sufficient funds to carry out the plan, so that funds will not be diverted from other important programs like wildlife protection, grazing and recreation.

The House bill and this legislation authorize appropriations to do so.

With these key provisions in place, I believe this legislation deserves strong support and swift passage.

Specifically, this legislation:

Directs the Secretary of Agriculture to implement the Quincy Library Group's forest management proposal on designated lands in the Plumas, Lassen, and Tahoe National Forests for 5 years as a demonstration of community-based consensus forest management;

Protects the California spotted owl and riparian areas by excluding all spotted owl habitat in the pilot project area from logging and other resource management activities during the 5-year pilot project, and requiring the Forest Service to follow the scientific analysis team guidelines for riparian system protection;

Calls for the construction of fuel breaks on 40,000 to 60,000 acres a year;

Provides for group selection on 0.57 percent of the project area annually as well as individual tree selection uneven-aged forest management;

Limits the total acreage subject to forest management activities to 70,000 acres annually;

Requires a program of riparian management, including wide protection zones and riparian restoration projects;

Requires the preparation of an environmental impact statement prior to the commencement of the pilot project;

Authorizes the appropriation of funds to carry out the Quincy Library Group pilot project;

Directs the Forest Service to amend the land and resource management plans for the Plumas, Lassen, and Tahoe National Forests to consider adoption of the Quincy Library Group plan in the forest management plans;

Requires an annual report to Congress on the status of the pilot project, including the source and use of funds, the acres treated and description of the results, economic benefits to the local communities, and activities planned for the following year; and finally,

Requires a scientific assessment of the Quincy Library Group project to be commenced at the midpoint of the project and submitted to Congress by July 1, 2002.

At the suggestion of the environmental community, and with the concurrence of the Quincy Library Group, I have added language to the House version of the bill to provide additional environmental safeguards. These additions will ensure that there will be no road building or timber harvesting on the lands the Quincy Library Group plan designated as off base, plan designates certain lands as deferred, and require the annual reports and the final report on the Quincy Library Group project to include a report on any adverse environmental impacts of the pilot project. Finally, it is our intention that areas of late successional emphasis identified in the Sierra Nevada ecosystem project report also be protected from resource management activities during the pilot project, and I will seek committee report language on this issue.

What all this means is that as a result of the Quincy Library Group pilot project:

The threat of catastrophic forest fires will be reduced, through the clearing of underbrush and thinning of the smaller trees;

Enough jobs in the forests will be provided to keep the local mills in operation and the communities in existence; and

Forest health will be improved, riparian areas will be restored, and biological diversity maintained.

Mr. President, I believe the Quincy Library Group deserves a great deal of credit and respect for approaching a tough issue with the goal of finding common ground.

There is a lot of common ground. They all live in the area. They all work there. They raise their children there. They all care about both the environment and the industry that provides jobs to the region. They wanted to work out a solution instead of continuing the take-no-prisoners-approach of endless litigation and standoff.

I believe the solution-based approach demonstrated by the Quincy Library Group should be supported by the Congress, and that is why I committed months ago to introduce legislation based on this group's efforts.

On an issue like forest management and timber harvesting, many local variables are involved and must be considered to find workable solutions:

For example, the wildfire threat in Tennessee is not the same as it is in California.

And the economic impact of the timber industry may be different in Hayfork, CA than it is in Juneau, AK.

The bottom line is that, as long as certain basic standards of environmental law are met, this pilot project will demonstrate whether a local initiative can be successful in developing a forest management plan that works to protect the old growth trees, endangered species, and jobs for the community.

And based on that belief I am pleased to support their efforts by sponsoring this legislation in the U.S. Senate.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1028

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 "Quincy Library Group Forest Recovery and Economic Stability Act of 1997".

SEC. 2. PILOT PROJECT FOR PLUMAS, LASSEN, AND TAHOE NATIONAL FORESTS TO IMPLEMENT QUINCY LIBRARY GROUP PROPOSAL.

(a) DEFINITION.—For purposes of this section, the term "Quincy Library Group-Community Stability Proposal" means the agreement by a coalition of representatives of fisheries, timber, environmental, county government, citizen groups, and local communities that formed in northern California to develop a resource management program that promotes ecologic and economic health for certain Federal lands and communities in the Sierra Nevada area. Such proposal includes the map entitled "QUINCY LIBRARY GROUP Community Stability Proposal", dated June 1993, and prepared by VESTRA Resources of Redding, California.

(b) PILOT PROJECT REQUIRED.—

(1) PILOT PROJECT AND PURPOSE.—The Secretary of Agriculture (in this section referred to as the "Secretary"), acting through the Forest Service and after completion of an environmental impact statement (a record of decision for which shall be adopted within 200 days), shall conduct a pilot project on the Federal lands described in paragraph (2) to implement and demonstrate the effectiveness of the resource management activities described in subsection (d) and the other requirements of this section, as recommended in the Quincy Library Group-Community Stability Proposal.

(2) PILOT PROJECT AREA.—The Secretary shall conduct the pilot project on the Federal lands within Plumas National Forest, Lassen National Forest, and the Sierraville Ranger District of Tahoe National Forest in the State of California designated as "Available for Group Selection" on the map entitled "QUINCY LIBRARY GROUP Community Stability Proposal", dated June 1993 (in this section referred to as the "pilot project area"). Such map shall be on file and available for inspection in the appropriate offices of the Forest Service.

(c) EXCLUSION OF CERTAIN LANDS, RIPARIAN PROTECTION AND COMPLIANCE.—

(1) EXCLUSION.—All spotted owl habitat areas and protected activity centers located within the pilot project area designated under subsection (b)(2) will be deferred from resource management activities required under subsection (d) and timber harvesting during the term of the pilot project.

(2) IN GENERAL.—The Regional Forester for Region 5 shall direct that during the term of the pilot project any resource management activity required by subsection (d), all road building, and all timber harvesting activities shall not be conducted on the Federal lands within the Plumas National Forest, Lassen National Forest, and Sierraville Ranger District of the Tahoe National Forest in the State of California that designated as either "Off Base" or "Deferred" on the map referred to in subsection (a).

(3) RIPARIAN PROTECTION.—

(A) IN GENERAL.—The Scientific Analysis Team guidelines for riparian system protection described in subparagraph (B) shall apply to all resource management activities conducted under subsection (d) and all timber harvesting activities that occur in the pilot project area during the term of the pilot project.

(B) GUIDELINES DESCRIBED.—The guidelines referred to in subparagraph (A) are those in the document entitled "Viability Assessments and Management Considerations for Species Associated with Late-Successional and Old-Growth Forests of the Pacific Northwest", a Forest Service research document dated March 1993 and co-authored by the Scientific Analysis Team, including Dr. Jack Ward Thomas.

(4) COMPLIANCE.—All resource management activities required by subsection (d) shall be implemented to the extent consistent with applicable Federal law and the standards and guidelines for the conservation of the California spotted owl as set forth in the California Spotted Owl Sierran Provence Interim Guidelines, or the subsequently issued final guidelines whichever is in effect.

(d) RESOURCE MANAGEMENT ACTIVITIES.—During the term of the pilot project, the Secretary shall implement and carry out the following resource management activities on an acreage basis on the Federal lands included within the pilot project area designated under subsection (b)(2):

(1) FUELBREAK CONSTRUCTION.—Construction of a strategic system of defensible fuel profile zones, including shaded fuelbreaks, utilizing thinning, individual tree selection, and other methods of vegetation management consistent with the Quincy Library Group-Community Stability Proposal, on not less than 40,000, but not more than 60,000, acres per year.

(2) GROUP SELECTION AND INDIVIDUAL TREE SELECTION.—Utilization of group selection and individual tree selection uneven-aged forest management prescriptions described in the Quincy Library Group-Community Stability Proposal to achieve a desired future condition of all-age, multistory, fire resilient forests as follows:

(A) GROUP SELECTION.—Group selection on an average acreage of .57 percent of the pilot project area land each year of the pilot project.

(B) INDIVIDUAL TREE SELECTION.—Individual tree selection may also be utilized within the pilot project area.

(3) TOTAL ACREAGE.—The total acreage on which resource management activities are implemented under this subsection shall not exceed 70,000 acres each year.

(4) RIPARIAN MANAGEMENT.—A program of riparian management, including wide protection zones and riparian restoration projects, consistent with riparian protection guidelines in subsection (c)(2)(B).

(e) COST-EFFECTIVENESS.—In conducting the pilot project, Secretary shall use the most cost-effective means available, as determined by the Secretary, to implement resource management activities described in subsection (d).

(f) FUNDING.—

(1) SOURCE OF FUNDS.—In conducting the pilot project, the Secretary shall use, subject to the relevant reprogramming guidelines of the House and Senate Committees on Appropriations—

(A) those funds specifically provided to the Forest Service by the Secretary to implement resource management activities according to the Quincy Library Group-Community Stability Proposal; and

(B) excess funds that are allocated for the administration and management of Plumas National Forest, Lassen National Forest, and the Sierraville Ranger District of Tahoe National Forest.

(2) PROHIBITION ON USE OF CERTAIN FUNDS.—The Secretary may not conduct the pilot project using funds appropriated for any other unit of the National Forest System.

(3) FLEXIBILITY.—Subject to normal reprogramming guidelines, during the term of the pilot project, the forest supervisors of Plumas National Forest, Lassen National Forest, and Tahoe National Forest may allocate and use all accounts that contain excess funds and all available excess funds for the administration and management of Plumas National Forest, Lassen National Forest, and the Sierraville Ranger District of Tahoe National Forest to perform the resource management activities described in subsection (d).

(4) RESTRICTION.—The Secretary or the forest supervisors, as the case may be, shall not utilize authority provided under paragraphs (1)(B) and (3) if, in their judgment, doing so will limit other nontimber related multiple use activities for which such funds were available.

(5) OVERHEAD.—Of amounts available to carry out this section—

(A) not more than 12 percent may be used or allocated for general administration or other overhead; and

(B) at least 88 percent shall be used to implement and carry out activities required by this section.

(6) AUTHORIZED SUPPLEMENTAL FUNDS.—There are authorized to be appropriated to implement and carry out the pilot project such sums as are necessary.

(7) BASELINE FUNDS.—Amounts available for resource management activities authorized under subsection (d) shall at a minimum include existing baseline funding levels.

(g) TERM OF PILOT PROJECT.—The Secretary shall conduct the pilot project during the period beginning on the date of the enactment of this Act and ending on the later of the following:

(1) The date on which the Secretary completes amendment or revision of the land and resource management plans for Plumas National Forest, Lassen National Forest, and Tahoe National Forest pursuant to subsection (i).

(2) The date that is five years after the date of the commencement of the pilot project.

(h) CONSULTATION.—(1) Each statement required by subsection (b)(1) shall be prepared in consultation with the Quincy Library Group.

(2) CONTRACTING.—The Forest Service, subject to the availability of appropriations, may carry out any (or all) of the requirements of this section using private contracts.

(i) CORRESPONDING FOREST PLAN AMENDMENTS.—Within 180 days after the date of the enactment of this Act, the Regional Forester for Region 5 shall initiate the process to amend or revise the land and resource management plans for Plumas National Forest, Lassen National Forest, and Tahoe National Forest. The process shall include preparation of at least one alternative that—

(1) incorporates the pilot project and area designations made by subsection (b), the resource management activities described in

subsection (d), and other aspects of the Quincy Library Group Community Stability Proposal; and

(2) makes other changes warranted by the analyses conducted in compliance with section 102(2) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)), section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604), and other applicable laws.

(j) REPORTING REQUIREMENTS.—

(1) IN GENERAL.—Not later than February 28 of each year during the term of the pilot project, the Secretary after consultation with the Quincy Library Group, shall submit to Congress a report on the status of the pilot project. The report shall include at least the following:

(A) A complete accounting of the use of funds made available under subsection (f)(1)(A) until such funds are fully expended.

(B) A complete accounting of the use of funds and accounts made available under subsection (f)(1) for the previous fiscal year, including a schedule of the amounts drawn from each account used to perform resource management activities described in subsection (d).

(C) A description of total acres treated for each of the resources management activities required under subsection (d), forest health improvements, fire risk reductions, water yield increases, and other natural resources-related benefits achieved by the implementation of the resource management activities described in subsection (d).

(D) A description of the economic benefits to communities achieved by the implementation of the pilot project.

(E) A comparison of the revenues generated by, and costs incurred in, the implementation of the resource management activities described in subsection (d) of the Federal lands included in the pilot project area with the revenues and costs during each of the fiscal years 1992 through 1997 for timber management of such lands before their inclusion in the pilot project.

(F) A schedule for the resource management activities to be undertaken in the pilot project area during the calendar year.

(G) A description of any adverse environmental impacts.

(2) LIMITATION ON EXPENDITURES.—The amount of Federal funds expended on each annual report under this subsection shall not exceed $50,000.

(k) FINAL REPORT.—

(1) IN GENERAL.—Beginning after completion of 6 months of second year of the pilot project, the Secretary shall compile a science-based assessment of, and report on, the effectiveness of the pilot project in meeting the stated goals of this pilot project. Such assessment and report—

(A) shall include watershed monitoring of lands treated under this section, that should address the following issues on a priority basis: timing of water releases, water quality changes, and water yield changes over the short long term in the pilot project area;

(B) shall include an analysis of any adverse environmental impacts;

(C) shall be compiled in consultation with the Quincy Library Group; and

(D) shall be submitted to the Congress by July 1, 2002.

(2) LIMITATIONS ON EXPENDITURES.—The amount of Federal funds expended for the assessment and report under this subsection, other than for watershed monitoring under paragraph (1)(A), shall not exceed $150,000. The amount of Federal funds for watershed monitoring under paragraph (1)(A) shall not exceed $75,000 for each of fiscal years 2000, 2001, and 2002.

(l) RELATIONSHIP TO OTHER LAWS.—Nothing in this section exempts the pilot project from any Federal environmental law.

Mrs. BOXER. The Quincy Library Group Forest Recovery and Economic Stability Act is the result of many years of consensus building in an effort to unite unlikely partners in a mutually beneficial project.

President Clinton spurred this consensus approach in April 1993, at the Northwest Forest Summit, when he challenged Americans to stay in the conference room and out of the courtroom. One local group put this difficult challenge into action and began a series of meetings in the only place they knew they could ensure civility, and some degree of quiet—their local library. With that, the Quincy Library Group was created.

This group of local citizens surrounding Quincy, CA, including timber industry representatives, local environmental activists, and public officials, have been meeting periodically since 1992 to develop a timber management plan for the areas' surrounding national forests. They did not have an easy task before them—promoting the local economy, preserving jobs, and protecting the environment.

Several years ago I visited Quincy, CA, and had an opportunity to see first hand the problems in the forests and the community at work. Since that time, I have worked with the Quincy Library Group, U.S. Forest Service, Senator FEINSTEIN, Members of Congress, and the national environmental community in an effort to reach a consensus.

I believe that is what we have before us today. This legislation will implement the Quincy Library Group proposal for managing the Tahoe, Lassen, and Sierraville Range of the Tahoe National Forests through biological reserves, fire suppression, riparian restoration, watershed protection, and monitoring.

The House passed a companion bill earlier this week by a near unanimous vote. I believe the overwhelming success in the House was largely due to the inclusion of provisions which ensure compliance with all environmental laws, as well as interim and final California spotted owl guidelines.

This proposal has gone through years of collaboration from many dedicated people with many different interests. We now have legislation to implement this consensus—legislation which can be fined tuned as it moves through the legislative process.

The President's statement of administration policy on the House companion bill suggests further refining the bill so that the pilot project will end once the Forest Service completes the appropriate forest plan amendments. I would be supportive of such a change to the bill.

Some have suggested that the legislation increase the protection of all old growth forests in the area and ensure that logging and road building be prohibited in all roadless and sensitive areas. We should consider that change.

I hope that these concerns can be addressed as this bill moves through the legislative process. Nonetheless, many positive changes have been made to the legislation over the last few months, and although some outstanding concerns still remain, the legislation now provides many of the safeguards necessary to protect the natural environment while promoting the local economy.

I want to thank Senator FEINSTEIN, Congressmen FAZIO, MILLER, HERGER, YOUNG, and the Forest Service for their efforts on this legislation. It has truly been a cooperative effort and I hope we are able to pass this legislation quickly so that we will soon be able to see the proposal implemented on the ground.

By Mr. DEWINE (for himself and Mr. WELLSTONE):

S. 1029. A bill to provide loan forgiveness for individuals who earn a degree in early childhood education, and enter and remain employed in the early child care profession, to provide loan cancellation for certain child care providers, and for other purposes; to the Committee on Labor and Human Resources.

THE QUALITY CHILD CARE LOAN FORGIVENESS ACT

Mr. DEWINE. Mr. President, I send a bill to the desk now, a bill on behalf of myself and Senator WELLSTONE.

Mr. President, this bill is the Quality Child Care Loan Forgiveness Act and it is intended to, at least in part, deal with a very serious problem in this country. That problem simply is that more and more children, more and more of our children, are every day in child care. There is a real concern about the quality of child care. This bill does not solve every problem in regard to child care, but I think it is a start and I think it would make a significant impact.

Today, more than 70 percent of mothers are in the labor force. Almost 75 percent of married couples with children have both spouses working. All of these working parents, plus parents moving from welfare to work, have to find someone to care for their children if they are going to go out and support their families. Yet today, child care is often very hard to find and quality child care is even harder to find. In just 20 years, the last 20 years, the percentage of children enrolled in some form, in some manner, of child care has gone from 30 percent to 70 percent.

Quality child care is a concern to virtually every family in this country. More and more parents are working. More and more children are in child care. I think the very least we can do

is to try to assure those families that, while they are at work, their children will be taken care of by qualified and by competent individuals. This, unfortunately, is not always taking place today. There are many qualified people in child care. There are very many dedicated people in child care. But I think we can do better. This is what this bill intends to address.

Scientists tell us that the largest indicator of a child's intelligence is the mother's education level. While a mother is at work, then it becomes the education level of the child care provider that the child deals with for, sometimes, an extended period of time during the day. With all the new research that we see on the brain and early childhood development, I think we have to reemphasize this particular aspect of child care. We need well-educated, well-trained child care providers. One of the ways we can achieve this, one of the things that we can do to raise the quality of child care, is to say to individuals who are inclined to go into the child care profession that we will in fact help them if they want to make this a profession.

We have to let people know, if they are going to earn a degree to take care of our children, we will help them. Our bill, the bill introduced today by Senator WELLSTONE and myself, will do this. Our bill would help repay the student loans of an individual who earns an early childhood degree and would help repay the loan of that person who goes to work in a licensed child care facility. The Quality Child Care Loan Forgiveness Act would pay off a student loan at the rate of 15 percent a year for people who earn an early childhood degree and who work in a licensed child care facility.

This bill will help bring more qualified individuals to the child care profession. It would also help to decrease the high turnover levels caused, many times, by very low wages.

Let me conclude. The Quality Child Care Loan Forgiveness Act is an important way to improve the quality of child care. American parents need it for their peace of mind, and American children need it for their mind development.

I thank the Chair and ask unanimous consent at this time that the full text of the bill be printed in the RECORD.

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

S. 1029

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 "Quality Child Care Loan Forgiveness Act".

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) New scientific research shows that the electrical activity of brain cells actually changes the physical structure of the brain, and that without a stimulating environment, a baby's brain suffers.

(2) 12,000,000 children under age 6, and 17,000,000 school-aged children of working parents, need child care. Demand for child care is growing as more mothers enter the workforce.

(3) Good quality child care, in a safe environment, with trained, caring providers who offer stimulating activities appropriate to the child's age, help children grow and thrive. Recent research shows that most child care needs significant improvement.

(4) Good quality child care depends largely on the provider. Yet providers of child care earn on average only $6.70 per hour or $11,725 per year. Such earnings cause high turnover, which affects the overall quality of a child care program and causes anxiety for children.

(5) Children attending lower-quality child care facilities and child care facilities with high staff turnover are less competent in language and social development.

(6) Low-income and high-income children are more likely than middle-income children to attend child care facilities providing high quality child care.

(7) The quality of child care is primarily related to high staff-to-child ratios, staff education, and administrators' prior experience. In addition, certain characteristics distinguish poor, mediocre, and good-quality child care facilities, the most important of which are teacher wages, education, and specialized training.

SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to bring more highly trained individuals into the early child care profession; and

(2) to keep more highly trained child care providers in the early child care field for longer periods of time.

SEC. 4. LOAN FORGIVENESS FOR CHILD CARE PROVIDERS.

Part B of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.) is amended by inserting after section 428J of such Act (20 U.S.C. 1078–10) the following:

"SEC. 428I. LOAN FORGIVENESS FOR CHILD CARE PROVIDERS.

"(a) DEFINITIONS.—In this section:

"(1) CHILD CARE FACILITY.—The term 'child care facility' means a facility that—

"(A) provides child care services; and

"(B) meets applicable State or local government licensing, certification, approval, or registration requirements, if any.

"(2) CHILD CARE SERVICES.—The term 'child care services' means activities and services provided for the education and care of children from birth through age 5 by an individual who has a degree in early childhood education.

"(3) DEGREE.—The term 'degree' means an associate's or bachelor's degree awarded by an institution of higher education.

"(4) EARLY CHILDHOOD EDUCATION.—The term 'early childhood education' means education in the areas of early child education, child care, or any other educational area related to child care that the Secretary determines appropriate.

"(5) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the meaning given the term in section 1201.

"(b) DEMONSTRATION PROGRAM.—

"(1) IN GENERAL.—The Secretary may carry out a demonstration program of assuming the obligation to repay, pursuant to subsection (c), a loan made, insured or guaranteed under this part or part D (excluding loans made under sections 428B and 428C) for any new borrower after October 1, 1994, who completes a degree in early childhood education and obtains full-time employment in a child care facility.

"(2) AWARD BASIS; PRIORITY.—

"(A) AWARD BASIS.—Subject to subparagraph (B), loan repayment under this section shall be on a first-come, first-served basis and subject to the availability of appropriations.

"(B) PRIORITY.—The Secretary shall give priority in providing loan repayment under this section for a fiscal year to student borrowers who received loan repayment under this section for the preceding fiscal year.

"(3) REGULATIONS.—The Secretary is authorized to prescribe such regulations as may be necessary to carry out the provisions of this section.

"(c) LOAN REPAYMENT.—

"(1) IN GENERAL.—The Secretary shall assume the obligation to repay 15 percent of the total amount of all loans made after October 1, 1994, to a student under this part or part D for each complete year of employment described in subsection (b)(1).

"(2) CONSTRUCTION.—Nothing in this section shall be construed to authorize the refunding of any repayment of a loan made under this part or part D.

"(3) INTEREST.—If a portion of a loan is repaid by the Secretary under this section for any year, the proportionate amount of interest on such loan which accrues for such year shall be repaid by the Secretary.

"(4) SPECIAL RULE.—In the case where a student borrower who is not participating in loan repayment pursuant to this section returns to an institution of higher education after graduation from an institution of higher education for the purpose of obtaining a degree in early childhood education, the Secretary is authorized to assume the obligation to repay the total amount of loans made under this part or part D incurred for a maximum of two academic years in returning to an institution of higher education for the purpose of obtaining a degree in early childhood education. Such loans shall only be repaid for borrowers who qualify for loan repayment pursuant to the provisions of this section, and shall be repaid in accordance with the provisions of paragraph (1).

"(5) INELIGIBILITY OF NATIONAL SERVICE AWARD RECIPIENTS.—No student borrower may, for the same volunteer service, receive a benefit under both this section and subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12601 et seq.).

"(d) REPAYMENT TO ELIGIBLE LENDERS.—The Secretary shall pay to each eligible lender or holder for each fiscal year an amount equal to the aggregate amount of loans which are subject to the repayment pursuant to this section for such year.

"(e) APPLICATION FOR REPAYMENT.—

"(1) IN GENERAL.—Each eligible individual desiring loan repayment under this section shall submit a complete and accurate application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

"(2) CONDITIONS.—An eligible individual may apply for loan repayment under this section after completing each year of qualifying employment. The borrower shall receive forbearance while engaged in qualifying employment unless the borrower is in deferment while so engaged.

"(f) EVALUATION.—

"(1) IN GENERAL.—The Secretary shall conduct, by grant or contract, an independent national evaluation of the impact of the

demonstration program assisted under this section on the field of early childhood education.

"(2) COMPETITIVE BASIS.—The grant or contract described in subsection (a) shall be awarded on a competitive basis.

"(3) CONTENTS.—The evaluation described in this subsection shall—

"(A) determine the number of individuals who were encouraged by the demonstration program assisted under this section to pursue early childhood education;

"(B) determine the number of individuals who remain employed in a child care facility as a result of participation in the program;

"(C) identify the barriers to the effectiveness of the program;

"(D) assess the cost-effectiveness of the program in improving the quality of—

"(i) early childhood education; and

"(ii) child care services;

"(E) identify the reasons why participants in the program have chosen to take part in the program;

"(F) identify the number of individuals participating in the program who received an associate's degree and the number of such individuals who received a bachelor's degree; and

"(G) identify the number of years each individual participates in the program.

"(4) INTERIM AND FINAL EVALUATION REPORTS.—The Secretary shall prepare and submit to the President and the Congress such interim reports regarding the evaluation described in this subsection as the Secretary deems appropriate, and shall prepare and so submit a final report regarding the evaluation by January 1, 2002.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $10,000,000 for fiscal year 1998, and such sums as may be necessary for each of the 4 succeeding fiscal years.".

SEC. 5. LOAN CANCELLATION.

Section 465(a) of the Higher Education Act of 1965 (20 U.S.C. 1087ee(a)) is amended—

(1) in paragraph (2)—

(A) by redesignating subparagraphs (G), (H), and (I) as subparagraphs (H), (I), and (J), respectively; and

(B) by inserting after subparagraph (F), the following:

"(G) as a full-time child care provider or educator—

"(i) in a child care facility operated by an entity that meets the applicable State or local government licensing, certification, approval, or registration requirements, if any; and

"(ii) who has a degree in early childhood education;"; and

(2) in paragraph (3)(A)—

(A) in clause (i), by striking "(G), (H), or (I)" and inserting "(H), (I), or (J)"; and

(B) in clause (ii), by inserting "or (G)" after "subparagraph (B)".

Mr. WELLSTONE. Mr. President, I rise today with my colleague from Ohio to introduce a bill that is an important step toward protecting the lives and the future of this Nation's children. Today in the Labor Committee, we will hear from the parents of a 3-month-old baby who lost his life after only 2 hours in daycare. We as a society must share some of the responsibility for this tragedy with the daycare center that neglected Jeremy Fiedelholtz. We as a society have allowed daycares to be under funded and understaffed, because we have not valued the position of daycare provider. We have not treated that job as a profession, we have not respected their responsibilities and considered such individuals to have a career worthy of compensation, attention, and respect.

The bill that my colleague and I introduce today would provide loan forgiveness for individuals who earn a degree in early childhood education, and enter and remain employed in the early child care profession. It would also provide forgiveness for some existing child care providers who remain in the profession.

The bill seeks to make child care more affordable and to increase the quality of child care by making a career in child care more profitable. It would help make the career of caregiver more affordable and more feasible for those interested in helping children grow. Nationally, child care workers have the following statistics: 97 percent are female; 33 percent are women of color; 41 percent have children; 10 percent are single parents; only 18 percent of child care centers offer their workers health coverage.

In Minnesota child care centers, the average hourly wage for a child care provider is $8.72; for an assistant teacher is $6.66; and for an aide is $5.69. Minnesota family child care providers, who are never covered by the Fair Labor Standards Act, have an average hourly wage of $2.79, and make $7,800 a year for a 60-hour work week. With changes created by the welfare bill in the Federal child care food program, many family child care providers will become ineligible for this program; those who don't pass the costs of care on to the parents will have negative earnings—they will actually lose $71 a week.

Nationally, child care teaching staff earn $6.89 an hour and $12,000 a year. Family child care providers earn $9,500, and unregulated providers, $5,100. Although they are better educated than the average worker, child care workers earn one-third of the average male salary and one-half of the average female salary. It is no surprise that one-third of them leave their centers every year.

In the meantime, in Minnesota, there are 8,960 children on the waiting list for child care. There are probably another 13,440 children who would apply if the waiting list wasn't so long. Mr. President, add all this up and you have a recipe for disaster. Child care is without question among the most important issues facing the workforce today. Parents who can't care for their children, can't work. Child care is without question among the most important issues facing the field of education today. Children who are not stimulated and cared for during the earliest years will never be able to reach his or her full potential when they grow up.

If we don't take the profession seriously and encourage people of caliber to enter the profession of caregiving, and reward those who remain in the profession, then we are risking our economic future and putting at risk millions of children like Jeremy Fiedelholtz. I urge my colleagues to join us in this bipartisan effort to invest money where it is most needed.

Let me just say I am very honored to introduce this legislation with Senator DEWINE. I thoroughly enjoy working with him, and I think we are both very committed to this piece of legislation.

Mr. President, in the Labor Committee today, we are going to hear from the parents of a 3-month-old baby who lost his life after only 2 hours in child care. If you look at the reports, the conditions around our country are not what they should be for children, and if you just think about the pay scale of women and men—they are mainly women—who are child care providers, we have devalued the work of adults who work with children. What this piece of legislation does is it provides loan forgiveness for individuals who earn a degree in early childhood development and then remain employed in this early childhood profession. It also would have some forgiveness for existing child care providers who remain in the profession.

What we are simply trying to say here, I say to my colleagues, is that the neuroscience evidence is compelling, these early years are critical years, we have to get it right, there has to be a nurturing care and the intellectual stimulation and, yet, if you look around the country, nationally child care teaching staff earn an average of $6.89 an hour, or about $12,000 a year.

Actually, in many of our States, people who work in zoos, and by the way I love visiting zoos—it is not my point to put down that work—earn twice as much as women and men who work in child care centers. If we really value children and we really understand that pre-K is so important, and if we really understand—and we should and we must—that we have to make sure that by age 3, children have gotten the nurturing care in order for them to be able to go on and do well in school and do well in life, then it is terribly important that we attach more value to the work that is being done.

That is what this piece of legislation does, which provides the loan forgiveness for women and men I hope will go into this profession. It is a small step forward, but it is an extremely important step.

I am very pleased to introduce this legislation today with my colleague, Senator DEWINE.

By Mr. FRIST (for himself and Mr. WELLSTONE):

S. 1030. A bill to amend title IV of the Public Health Service Act to establish a National Center for Bioengineering Research; to the Committee on Labor and Human Resources.

THE NATIONAL CENTER FOR BIOENGINEERING RESEARCH ACT OF 1997

Mr. FRIST. Mr. President, I rise today to introduce the National Center for Bioengineering Research Act of 1997. Bioengineering is where medical need and technical capability meet to increase our capacity to diagnose and treat disease; to enhance the quality of life of millions of people with chronic conditions; to save millions of dollars in health care costs; and to generate billions of dollars for our economy. Medical devices alone is a $40 billion-a-year industry.

Bioengineering is an interdisciplinary field that applies physical, chemical, and mathematical sciences and engineering principles to the study of biology, medicine, behavior, and health. It advances knowledge from the molecular to the organ systems level, and develops new and novel biologics, materials, processes, implant, devices, and informatics approaches for the prevention, diagnosis, and treatment of disease, for patient rehabilitation, and for improving health.

Although the term "bioengineering" may not be commonplace, many of the major medical advances from bioengineering are very familiar, including the heart-lung machine, kidney dialysis, total hip joint replacements, heart pacemakers, artificial hearts, prosthetics, and diagnostic medical imaging. Other advances are right around the corner, including implantable insulin pumps with biosensors that detect exactly when and how much insulin is needed; and regeneration of tissue, cartilage, and even organs, instead of transplantation—which brings with it the risk of rejection, major trauma to the patient, and one of the highest costs in our entire health care system. As a heart-lung transplant surgeon, I know first hand about the life-saving contributions made by all of these bioengineering developments. We need as many new achievements like this as we can produce.

In spite of such spectacular achievements, however, the field of bioengineering suffers from fragmentation and a lack of coordination that could impede and delay future advances in the field. This fragmentation was recognized as early as 1967, when an international conference called for better coordination in bioengineering research.

In 1995, at the request of the Senate Committee on Labor and Human Resources, the NIH submitted a report, "Support for Bioengineering Research." This report was remarkably consistent with a number of previous studies over the last 30 years that stressed the need for: a centralized focus for extramural bioengineering research at NIH; a strong intramural bioengineering program at NIH; and increased coordination of bioengineering activities within NIH and among other Federal agencies.

This legislation seeks to implement those recommendations and is designed to enhance the state of and improve the coordination of bioengineering research conducted within NIH and throughout the Federal Government. This bill calls for the establishment of a National Center for Bioengineering Research within the National Heart, Lung and Blood Institute at NIH. The mission of the Center is to:

First, enhance the state of bioengineering research within NIH;

Second, promote collaborative research projects among NIH institutes and across Federal agencies;

Third, enhance communication among bioengineering investigators within Federal agencies and with private sector entities; and

Fourth, educate the Congress and the public on the critical importance of bioengineering to both the health and the economy of the Nation.

This legislation does not create a new institute within NIH. The Center would have no grantmaking authority. New funding would be allocated to institutes to support basic research projects in bioengineering through the standard peer review process.

This legislation is introduced today as a stand-alone bill. But I expect it to be included in the reauthorization bill for the National Institutes of Health which, as Chair of the Public Health and Safety Subcommittee of the Committee on Labor and Human Resources, I intend to move forward during the first session of the 105th Congress.

Mr. President, I ask unanimous consent that the bill and summary be printed in the RECORD.

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

S. 1030

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 Center for Bioengineering Research Act".

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Bioengineering is an interdisciplinary field that applies physical, chemical, and mathematical sciences and engineering principles to the study of biology, medicine, behavior, and health. It advances knowledge from the molecular to the organ systems level, and develops new and novel biologics, materials, processes, implants, devices, and informatics approaches for the prevention, diagnosis, and treatment of disease, for patient rehabilitation, and for improving health.

(2) Efforts to reduce Federal budget deficits require that resources be managed in ways to maximize productivity.

(3) As part of the NIH Revitalization Act of 1993, Congress asked for a report on the state of bioengineering research at the National Institutes of Health.

(4) In 1994, as requested by the Congress, an External Consultants Committee submitted a report to the Director of the National Institutes of Health on support for bioengineering research.

(5) In 1995, the Director of the National Institutes of Health submitted a report to Congress on Support for Bioengineering Research, that included recommendations for greater coordination of bioengineering research.

(6) In 1996, an amendment to the National Institutes of Health Revitalization Act of 1996 directed the Secretary of Health and Human Services, acting through the Director of the National Institutes of Health, to "prepare and submit to the Committee on Labor and Human Resources of the Senate and the Committee on Commerce of the House of Representatives, a report containing specific plans and timeframes on how the Director will implement the findings and recommendations of the Report to Congress entitled Support for Bioengineering Research submitted to Congress in August 1995 in compliance with Public Law 103-43, the National Institutes of Health (NIH) Revitalization Act of 1993, Section 1912". This legislation passed the Senate but was not acted upon by the House.

(7) In the spring of 1997, the National Institutes of Health established the Bioengineering Consortium, with representation from each of the institutes, to advance bioengineering and its mission within the National Institutes of Health.

(8) Legislation is needed to support and further the efforts already begun by the National Institutes of Health in order to maximize the health benefits for the American people.

SEC. 3. ESTABLISHMENT OF NATIONAL CENTER FOR BIOENGINEERING RESEARCH.

(a) IN GENERAL.—Subpart 2 of part C of title IV of the Public Health Service Act (42 U.S.C. 285 et seq.) is amended by adding at the end the following:

"SEC. 425A. NATIONAL CENTER FOR BIOENGINEERING RESEARCH.

"(a) ESTABLISHMENT.—The Director of the National Heart, Lung, and Blood Institute shall establish, within the National Heart, Lung, and Blood Institute, a National Center for Bioengineering Research (in this section referred to as the 'Center'). The Center shall be headed by a director, who shall be appointed by the Director of the National Heart, Lung, and Blood Institute.

"(b) PURPOSE.—The purpose of the Center is to—

"(1) promote basic research in bioengineering; and

"(2) establish an office to enhance the state of and improve coordination of bioengineering research conducted within the National Institutes of Health and throughout the Federal Government.

"(c) DUTIES.—The Center shall—

"(1) enhance bioengineering research at the National Institutes of Health by—

"(A) increasing the proportion of National Institutes of Health funds that are devoted to basic rather than applied bioengineering research;

"(B) improving the review of bioengineering grant applications; and

"(C) increasing intramural research in bioengineering;

"(2) convene a conference of bioengineering experts representing relevant Federal agencies, academia, and private sector entities to make recommendations to the Director of the Center regarding—

"(A) setting the agenda of the Center; and

"(B) identifying promising research directions and emerging needs and opportunities in bioengineering research;

"(3) promote joint funding of collaborative bioengineering research projects conducted

by the national research institutes and other agencies of the National Institutes of Health or conducted by any such institute and another Federal entity;

"(4) enhance communication among bioengineering investigators within Federal agencies and with private sector entities;

"(5) educate members of Congress and the public on the critical importance of bioengineering in enhancing the diagnosis and treatment of disease and strengthening the economy;

"(6) annually convene a group of bioengineering experts from Federal agencies and private sector entities to advise the Director of the Center; and

"(7) prepare and submit to Congress, through the Director of the National Institutes of Health, an annual report.

"(d) LIMITATION.—The Center may not use amounts provided under this section to award grants.

"(e) AUTHORIZATION OF APPROPRIATIONS.—

"(1) FOR THE CENTER.—There is authorized to be appropriated $750,000 for each fiscal year for the general operation of the Center.

"(2) FOR GENERAL BIOENGINEERING ACTIVITIES.—There is authorized to be appropriated $20,000,000 for each of the fiscal years 1998 through 2007, to be allocated at the discretion of the Director of NIH among the bioengineering activities being carried out by the national research institutes and other agencies of the National Institutes of Health.".

(b) CONFORMING AMENDMENT.—Section 401(b)(2) of the Public Health Service Act (42 U.S.C. 281(b)(2)) is amended by adding at the end the following:

"(F) The National Center for Bioengineering Research.".

NATIONAL CENTER FOR BIOENGINEERING RESEARCH ACT OF 1997

DEFINITION

Bioengineering is an interdisciplinary field that applies physical, chemical, and mathematical sciences and engineering principles to the study of biology, medicine, behavior, and health. It advances knowledge from the molecular to the organ systems level, and develops new and novel biologics, materials, processes, implants, devices, and informatics approaches for the prevention, diagnosis, and treatment of disease, for patient rehabilitation, and for improving health.

BACKGROUND

As part of the 1993 reauthorization of NIH, Congress asked for a report on the state of bioengineering research at NIH. In 1994, an interim report from an External Consultants Committee was submitted to the Director of NIH, who submitted a report to Congress in August, 1995 that included recommendations for greater coordination of bioengineering research. In spring 1997 NIH established a Bioengineering Consortium, with representation from each of the institutes, to advance bioengineering and its mission within NIH. This legislation seeks to support and further the efforts already begun by NIH in order to maximize the health benefits for the American people.

IMPACT OF BILL

Bill would create National Center for Bioengineering Research, located within the National Heart, Lung and Blood Institute. Mission of the Center is to enhance bioengineering research within NIH; improve coordination and communication across all Federal agencies; educate members of Congress and the public on importance of bioengineering in enhancing diagnosis and treatment of disease and strengthening the economy; annually convene bioengineering experts to advise Director of the Center; and submit an annual report to Congress.

Center would have no grant-making authority. New funding would be allocated to institutes to support basic research in bioengineering.

By Mr. GRASSLEY (for himself and Mr. D'AMATO):

S. 1031. A bill to protect Federal law enforcement officers who intervene in certain situations to protect life or prevent bodily injury; to the Committee on the Judiciary.

THE FEDERAL LAW ENFORCEMENT OFFICERS' GOOD SAMARITAN ACT OF 1997

Mr. GRASSLEY. Mr. President, today I am introducing the Federal Law Enforcement Officers' Good Samaritan Act of 1997. This bill will help Federal officers do what they do best: protect lives. Under this bill, any Federal law enforcement officer who, while off duty, should unexpectedly arrive at or is present at a crime will be able to take appropriate action.

Mr. President, perhaps a hypothetical example would best explain the intent of this legislation. Lets say a law enforcement officer stops at a convenience store on his way home from work one evening. While picking up a gallon of milk and a loaf of bread, a criminal attempts to rob this particular store. Now most law enforcement folks will tell you that, in this situation, they would feel compelled to take some kind of appropriate action. But in many jurisdictions, if they do take action and are hurt, or are forced to hurt the criminal, they may not be eligible for their health benefits, and may be open to be sued by the criminal for their actions. The law enforcement officer, acting on his training, and intervening in a situation that he had the training and ability to deal with, would have to cover these expenses from his own pocket. Mr. President, this does not sound fair to me. It can create a situation where the officer may feel unable to act in response to his sense of duty because of concerns that he will be penalized for acting. This legislation would eliminate these legitimate worries.

Let me make it clear that this bill does not expand Federal law enforcement authority. A Federal officer could only make a citizen's arrest, if necessary, and local law enforcement officials would still have jurisdiction in the case. My office has spoken with the National Association of Attorneys General, and they are supportive of this legislation.

I hope that my colleagues will take the time to look at this legislation, and join Senator ALFONSE D'AMATO and me in sponsoring this bill. Our Government has invested a lot of time, energy, and trust in the training and support of our Federal law enforcement officers. We need to be sure that they are able to perform their duties—and to act as we would hope and expect them to act.

Mr. D'AMATO. Mr. President, I rise today to join with Senator GRASSLEY in the introduction of the Federal Law Enforcement Officers' Good Samaritan Act. This bill is essential to protect trained federal law enforcement officers who want to offer assistance when they witness a crime but are afraid of the repercussions afterwards if it is not a crime defined under their agency's authorizing statute.

Agents in the federal law enforcement community are charged with the investigation of criminal activities defined in their authorizing statute. For example, DEA agents investigate drug crimes and a Secret Service agent's role is limited to financial crimes. If acting "within the scope of their employment", meaning they deal with only those crimes listed in their agency's authorizing statute, the actions of the Special Agent will not result in personal liability. In addition, the employing agency may assign counsel or provide worker's compensation if the Special Agent was injured in the line of duty.

However, when an off-duty Federal Agent witnesses the commission of a violent crime, such as a DEA agent witnessing a robbery, the intervention is deemed to be outside the scope of his or her employment. Unfortunately, that special agent's intervention may subject the off-duty Federal Law Enforcement Agent to personal liability—without the protections afforded them if they were on duty.

There are few cases nation-wide but it has affected the intervention of our Federal Law Enforcement Officers. In one instance, two DEA agents on a surveillance saw a parked car occupied by a man and a young woman. The car was not part of the surveillance. This did not stop the agents from intervening when they saw the young woman struggling with the man and screaming for help. Their assistance was not "within the scope of their employment" but these trained agents wanted to help, using their expertise in crisis situations. The DEA agents certainly were not thinking a lawsuit when they intervened but because their actions were outside the scope, they were acting as private citizens—subjecting their personal assets to a lawsuit.

Federal agents who unexpectedly encounter violence in our communities face an unconscionable choice: 1.) stand by and allow the violence to occur; 2.) refuse help to the victim and allow the perpetrator to escape; or 3.) intervene as a private citizen and risk bankruptcy by a potential lawsuit.

Currently, there exists no federal statute authorizing Federal Special Agents to intervene during the commission of certain violent crimes outside the scope of their statutory authority, and protecting their personal

assets when they assist someone in need. I urge my colleagues to review the merits of this bill and join in this effort to relieve the fear of our specially trained law enforcement agent and possibly encouraging their intervention when citizens need it the most.

This bill explicitly defines when a specially trained agent may be protected if he or she offers assistance "outside the scope of their employment". These instances are limited to:

(A) the protection of any person in his presence from the imminent infliction of bodily harm;

(B) offering immediate help to any victim who suffers bodily harm in his presence; and

(C) preventing the escape of any person he reasonably believes to be responsible for inflicting, attempting or threatening to inflict, bodily harm to another in his presence.

It will provide the Agent with the same qualified immunity that he has if the act was within the "scope of his employment": counsel will be provided to the agent, the Federal Government will indemnify for the damages caused, worker's compensation will be available.

This bill will not curtail the rights of an injured party. It does not prevent an injured party from suing for damages incurred during the intervention by the Agent nor will it restrict the amount of damages that an injured party may receive if the court finds that the Agent acted unreasonably.

This bill will not expand the powers or authorities of Federal law enforcement agencies or give Federal law enforcement agents authority to investigate or to direct any state or local law enforcement body, usurping the powers of the state or local law enforcement agencies, outside of their jurisdiction. Finally, this bill will not restrict the filing of criminal charges if the action of the Agent fits the current statutory definition.

Federal law enforcement agents need this protection and I urge its passage.

By Mr. ALLARD (for himself and Mr. CAMPBELL):

S. 1036. A bill to amend section 435(d)(1)(A)(ii) of the Higher Education Act of 1965 with respect to the definition of an eligible lender; to the Committee on Labor and Human Resources.

KID'S BANK ACT

Mr. ALLARD. Mr. President, I am pleased to introduce legislation amending the Higher Education Act to revise the proportion of student loans that a bank can maintain in relation to their total consumer portfolio. This bill will allow the Young Americans Bank to continue providing a unique opportunity for young people to learn to control a checking account, save for the future, and manage credit obligations. The bank has had resounding success in teaching young clients how to responsibly handle their finances.

The Young Americans Bank has been operating for ten years as the only bank in the nation that exclusively serves young people under the age of 22. It is a full service, State chartered, federally insured bank with almost 17,000 customers from all 50 States and 11 foreign countries. Another exceptional element of the bank is that its holding company, the Young American Education Foundation, is the only nonprofit holding company in the country.

While educating our youth on how to make responsible financial decisions, the Young Americans Bank also has a natural demand for student loans. Section 435 of the Higher Education Act prohibits banks from having student loans comprise more than 50 percent of total loans. Clearly this prohibits the Young Americans Bank from accommodating the large percentage of student loans that they would like to provide for their young clients. It is also important to note that allowing the bank to carry a larger student loan portfolio would improve the bank's financial performance, which in turn would provide more funds for educational programming.

My legislation would allow very small, nonprofit banks to exceed the 50-percent student loan ratio. The exception would apply only to institutions with a total outstanding student loan volume of $10 million or less, and all loans would have to be made to those age 22 and under.

The Young Americans Bank enjoys broad support, and I have received letters endorsing this legislation from Denver's Mayor Wellington Webb, the Colorado Bankers Association, the Colorado Governor's office and numerous financial institutions and universities.

The operation and objectives of the Young Americans Bank should not be limited. This bank does an outstanding job of providing financial and educational opportunities to young people, and I encourage my colleagues to support their mission and encourage the expansion of such a successful institution.

By Mr. JEFFORDS (for himself, Mr. DODD, and Mr. ENZI):

S. 1037. A bill to amend the Internal Revenue Code of 1986 to establish incentives to increase the demand for and supply of quality child care, to provide incentives to States that improve the quality of child care, to expand clearing-house and electronic networks for the distribution of child care information, to improve the quality of child care provided through Federal facilities and programs, and for other purposes; to the Committee on Finance.

THE CREATING IMPROVED DELIVERY OF CHILD CARE: AFFORDABLE, RELIABLE, AND EDUCATIONAL ACT OF 1997

Mr. JEFFORDS. Mr. President, today, there are more than 12 million children under the age of five—including half of all infants under one year of age—who spend at least part of their day being cared for by someone other than their parents. There are millions more school-aged children under the age of twelve who are in some form of child care at the beginning and end of the school day as well as during school holidays and vacations. And more six to twelve year olds who are latchkey kids—returning home from school to no supervision because parents are working and there are few, if any, alternatives.

The past two decades have seen a dramatic rise in the number of women in the paid labor force. Women now constitute 46% of our nation's labor force. Most women are working to meet their family's basic needs. More than 60% of women with pre-school aged children are employed full- or part-time. Their employment is not a choice, but an essential part of their family's economic survival. And for most of these families, child care is not an option, but a requirement.

Many of the traditional sources of child care are no longer available—as many of the friends, neighbors, grandparents, and other relatives who used to be available to provide child care are also working. Research has repeatedly demonstrated that for parents who must work, child care services that are dependable and of high quality make it easier to find and keep a job. Good child care helps parents reach and maintain economic self-sufficiency. Congress acknowledged this when it passed welfare reform last year, which dramatically increased the amount of entitlement money available for child care.

Steady increases in the number of employed women with young children, combined with last year's welfare reforms, have placed tremendous pressures on communities to dramatically expand the amount of available child care. While the supply of child care has increased over the past 10 years, there are still significant shortages for parents in rural areas, those with school-aged children or infants, and for lower-income families.

I think that few of us know how much child care costs. The Senate Employee's Child Care Center costs between $150 and $175 a week—$7,800 to $9,100 a year. That places it in the high-middle range in terms of costs for the Washington, D.C. area. The younger the child, the higher the costs—and Senate Employee's Child Care Center does not accept children under 18 months old, the most expensive type of child care.

The costs of child care are almost wholly dependent upon the geographic area, the type of child care, and the age of the child. For example, a family purchasing full-time child care services for a four-year-old in rural New York

using a family child care home may pay as little as $60 a week. In contrast, a family with an infant using a child care center in New York City may pay more than $250 a week.

For a 3- to 4-year-old child, the least expensive age group, the national average for center-based child care is $4,600 a year. The average cost for high quality care, such as that provided by the Senate Employee's Child Care Center, is between $8,500 and $9,100 a year. The cost of family-based child care is generally less expensive, while in-home care with a nanny or au pair is generally more expensive.

A family normally spends about twenty-percent of its income on housing and ten-percent on food. The costs of child care for a low-or middle-income family can rival the cost of housing and be double the cost of food. Even though most of us recognize the critical part that child care plays in the economic survival of families, we often fail to recognize it as a basic cost which consumes a significant portion of a family's income.

Parents can only purchase child care they can afford. Those who do find care that is affordable and convenient are often unsatisfied with the quality of the care their child receives. In fact, one quarter of all parents would change their child care arrangement if they could find and afford something better.

Since 1990, the costs of child care have risen about six-percent annually. This is almost triple the annual increase in the cost of living. At the same time, there are strong indicators that the quality of child care has significantly decreased during that same period of time. Parents are paying more but getting less.

The quality of child care in America is very troubling. A recent nationwide study found that forty-percent of the child care provided to infants in child care centers was potentially injurious. Fifteen-percent of center-based child care providers for all pre-schoolers are so bad that a child's health and safety are threatened; seventy-percent are mediocre—not hurting or helping children; and fifteen-percent actively promote a child's development. Center-based child care, the object of this study, is the most heavily regulated and frequently monitored type of child care. There are strong indications that care for children in less regulated settings, such as family-based child care and in-home care, is far worse.

Combining the research on the quality of child care with the breakthroughs on the development of the human brain produces a very disturbing situation. Many children enter child care by eleven weeks of age, are in care for close to 30 hours a week, and often stay in some form of child care until they enter school. During that same period of life, a child's brain is undergoing a series of extraordinary changes.

In the first three years of life, the brain either makes the connections it needs for learning or it atrophies, making later efforts at remediation in learning, behavior, and thinking difficult, at best. The experiences and stimulation that a caretaker provide to a child are the foundations upon which all future learning is built. The brain's greatest and most critical growth spurt is between birth and ten years of age—precisely the time when non-parental child care is most frequently utilized. A Time magazine special report on "How a Child's Brain Develops" (February 3, 1997) said it best, ". . . Good, affordable day care is not a luxury or a fringe benefit for welfare mothers and working parents but essential brain food for the next generation." While bad child care can seriously impair a child's development, high-quality child care significantly increases the chances of good developmental outcomes for children.

Think about it. At the most important time in the development of a child's brain, more than twelve million children are being cared for by people who are paid less than the person who picks up your garbage each week, and are required to have less training than the person who cuts your hair, and less skill-based testing than the person delivering packages to your house. Child care providers play an important role in a child's development, for they help fine-tune the child's capacity to think and process information, social skills, emotional health, and acquisition of language.

Last year, our goal in child care was to streamline federal assistance by creating a cohesive structure for federal assistance and to provide sufficient government funds to subsidize child care for welfare recipients who were transitioning into work. This year our goal must be to promote the healthy development of children in child care. I am worried that the pressure of the need to accommodate the increasing demand for child care will force many into forgoing quality just to increase the number of child care slots available.

I rise today to introduce legislation entitled "Creating Improved Delivery of Child Care: Affordable, Reliable, and Educational Act of 1997," the CIDCARE Act. It incorporates modifications to the tax code, an incentive grant program for states (including wage subsidies for child care providers who get additional training and education and a grant program to encourage small business partnerships to provide child care for employees), a technology-based infrastructure for the professional development of child care providers, educational loan forgiveness for child care providers, requirements that states include the cost of child care in the calculation of child support orders, expansion of the federal government's technical assistance and information dissemination role, and requirements that child care centers located in federal facilities to meet high quality standards of care.

There is no one thing—no magic bullet—that will ensure higher quality child care. Each of these provisions has been included to solve a specific problem or break through a barrier that has hampered efforts to improve the quality of child care. Taken as a whole, these provisions represent a comprehensive effort to increase the supply while simultaneously creating a demand for high-quality child care, and make it affordable for low- and middle-income families.

To offset the cost of these changes, the bill reduces, but does not eliminate, the dependent care tax credit for upper income taxpayers. Over a 5-year period, it gradually decreases the amount that an employee can place in a dependent care assistance plan used to reimburse nonaccredited or non-credential child care. In addition, the legislation expands the coordinated enforcement efforts of the Internal Revenue Service and the HHS Office of Child Support Enforcement, which will significantly reduce the amount of fraud related to illegal tax deduction and credit claims by noncustodial, non-contributing parents.

The first provision in CIDCARE makes several changes in the Child and Dependent Care Tax Credit [CDCTC]. This tax credit is the largest tax-based subsidy for child care. The bill raises the income level for the receipt of the highest percentage of employment-related child care costs from $10,000 to $20,000. The percentage is decreased at a rate of 1 percent for each additional $2,500 in adjusted gross income and sets a minimum percentage of 10 percent for incomes of $70,000 and above.

This change represents a more equitable distribution of limited resources based on the percentage of income a family must use to meet child care expenses. For families qualifying for the EITC, the legislation makes the child care tax credit refundable, on a quarterly basis. This will enable many low-income working families to move from part-time to full-time employment, by easing the burden of child care costs and having the money available at regular intervals throughout the year.

Another revision to the Child Care Tax Credit establishes, over a 5-year period, different rates for the tax credit, dependent on whether the child care is provided in an accredited child care facility or by a credentialed professional. This will reward parents who choose high-quality child care and help defray the additional costs of that care.

I am sensitive to the concerns of colleagues who object to reducing the child care tax credit. But before you judge this reduction too harshly, let's

put it into perspective. The tax credit remains at or above the current rate of 20 percent for parents with adjusted gross incomes of $45,000 or less, regardless of the type of child care. The median income of families with children nationally is $37,000. While there are wide differences in between States, there are only four States where the median exceeds $45,000 AGI, triggering a reduction in the current rate of 20 percent. The median income in most States is significantly below this trigger.

At the end of the 5-year phase in period, the tax credit remains at or above the current 20 percent rate for families with an AGI of $55,000—if they choose high-quality child care. No States have median incomes of families with children which exceed this which triggers a reduction below current child care tax rate. Families with incomes at or above $70,000 will still receive a tax credit of ten percent, increased to 12.5% if high quality care is used.

In terms of money, a one percent decrease in the child care tax credit equals $24 when care for one child is claimed, and $48 for two or more children. Families making $70,000 or more are the hardest hit by my legislation. Yet their maximum financial cost is $240 a year for one child,or $480 a year for two or more children—about half of one percent of their adjusted gross income.

The second area of changes occurs in the Dependent Care Assistance Plan (DCAP). The CIDCARE Act increases the amount that an employee can contribute to a DCAP account, if the funds are used to pay for the care of two or more eligible persons. In addition, the amount of DCAP contributions is increased for high-quality care and decreased for care that is provided by an unaccredited child care facility or a person who has not received a professional credential. At the end of the five year phase in, the maximum decrease in the DCAP amount for unaccredited care is 20% lower than the current ceiling on contributions. These differential rates are phased in over a five year period in order for child care providers to achieve accreditation or become credentialed in child care.

Current law prohibits DCAP from being used to pay relatives for care. While I support needed controls on the use of DCAP accounts in most cases, my legislation would make a very limited exception to this prohibition. DCAP payments could be made to pay a parent or grandparent to care for a newborn child. The DCAP account could be joined at anytime during a pregnancy. The funds would be available for up to 12 months from the date of deposit into the employee's DCAP account—because babies have a timetable all their own when it comes to being born.

The last change CIDCARE makes in the Dependent Care Assistance Plan is a requirement that federal employees have the opportunity to contribute to DCAP. Private employees, as well as many state and local governments, have had DCAP available for their employees since 1981. Consistent with the intent of the Congressional Accountability Act, I want to make this child care subsidy available to federal workers, including legislative branch employees.

Child care is a growing concern to businesses, big and small. Employers are coming to the realization that affordable, convenient high-quality child care is a critical element in hiring and retaining skilled employees. Many companies, such as Johnson & Johnson, IBM, and others have been very innovative in providing child care assistance for their employees. Small businesses in particular are finding it difficult to meet the child care needs of their employees, but recognize the importance of that help.

The CIDCARE Act creates a tax credit for employers providing or otherwise supporting high-quality child care arrangements for their employees. On the Budget Reconciliation bill passed by the Senate, Senator KOHL introduced an amendment to provide a time-limited tax credit for employers who provide child care for their employees. To reinforce the importance of the Kohl amendment, I have included it in CIDCARE. Fifty percent of the expenses incurred by a business to meet the child care needs of employees will be credited toward the business' Federal tax liability. Eligible expenses are capped at $150,000 per year, and the tax credit sunsets after three years.

Costs allowed to businesses under this provision include startup costs, renovations to meet accreditation standards, professional development for child care providers, general operating expenses, subsidized child care for lower paid employees, support for child care resource and referral services and other child care activities. These provisions encourage business involvement and innovation in meeting the child care needs of employees and increasing the demand for higher quality child care.

Current law prohibits businesses from receiving a charitable deduction for donations made to public entities, such as schools and child care services. CIDCARE will extend eligibility for a business charitable deduction to the donation of educational equipment and supplies donated to public schools, public child care providers, and public child care support entities, such as resource and referral services. If child care is to improve and meet the developmental needs of our Nation's children, every available resource must be made available. Computers which are discarded because they are too slow or have insufficient hard drive capacity, can be the first step into the computer-age for a small child or the link to professional training for a child care provider.

A critical part of improving the quality of child care is professional development for child care providers. Since the 1970's there has been a decline in child care teacher salaries. In 1990, teachers in child care centers earned an average of $11,500 a year. Assistant teachers, the largest growing segment of child care professionals, were paid 10- to 20-percent less than child care teachers. The 1990 annual income of regulated family child care providers was $10,944 which translates to about $4 an hour. Nonregulated family child care, generally comprised of providers taking care of a smaller number of children, earned an average of $4,275 a year—substantially less than minimum wage.

With these wages, it is easy to understand why more child care providers do not participate in professional training or attend college classes to improve their skills. The costs of applying for and receiving certification as a qualified child care professional are minimal, but understandably out of reach for many child care providers.

This legislation will exempt expenses directly related to child care accreditation or becoming credentialed from the 2 percent floor that is applied to miscellaneous itemized deductions. This will at least permit child care providers to receive a full deduction for the expenses associated with improving the child care services which they provide. This incentive for professional growth and the development of new skills is a small but critical part of my overall effort to support high-quality child care.

The last tax modification in CIDCARE creates a very limited exception to the executive use rule governing the tax deduction for home office expenses. The legislation will permit the mixed use of home office space for business and personal purposes to allow a person to care for his or her child. In some ways, the need for this exception comes down to fundamental fairness. How many school holidays, snow days and other times do children accompany their parents into work?

I can always tell when the schools are unexpectedly closed, by the increased number of little people I see in Senate offices and eateries. I have been in Senate offices and other workplaces where a crib or playpen is clearly in evidence. Yet, none of us question whether our offices are exclusively for business use. One of the big incentives for telecommuting and home-based business is to allow parents to have more time with their families, yet existing law would keep a new mother from legitimately claiming a home office deduction if she has her child sleeping in a crib in a corner of the room where she is working.

The non-tax related provisions of the legislation are designed to complement and work with the tax provisions. In order for families to be able to take advantage of the increased tax credits for child care in an accredited center or with a provider who has received a child care credential, there need to be more of these high quality centers and better trained providers. Child care providers must have easy, affordable access to training and other activities which will lead to accreditation and credentialing. This effort will require that the federal government join forces with states and the business community. Parents must be made aware of how to identify quality child care and its importance in their children's lives. And the federal government should set an example by requiring that child care centers located in federal facilities meet higher standards of care. It will take all of these provisions, working together, to improve the quality of child care for our children.

The CIDCARE Act will require that states include the cost of child care in the calculation of child support obligations. When a custodial parent is employed or actively seeking employment, the state procedures for the determination of the amount of child support need to include an amount equal to or more than the child care rates used by the state to administer the Child Care and Development Block Grant Act. When child care is being provided in an accredited child care center or by a credentialed child care that rate will be increased by fifty-percent.

Since the passage of the Child Care and Development Act in 1990, states have been setting "market" or "comparable" rates for child care. CIDCARE uses those rates as a baseline for adding the cost of child care to the amount of child support which a non-custodial parent will be required to pay. Current child support calculations include estimates of the other basic expenses necessary to provide financially for a child. In many instances, the expense of child care is the direct result of the divorce or lack of financial support from the non-custodial parent. It is only fair that child care expenses be included in those calculations. If the custodial parent secures higher quality child care, the non-custodial parent will share in the additional costs of that care. Children should not be forced into poor quality child care because a non-custodial parent refused to share in the additional expense of higher quality care.

The CIDCARE bill establishes a $260 million competitive grant program to assist states in improving the quality of child care. To be eligible, a state must not have reduced the scope or otherwise decreased the state's licensing requirements since 1995, must be in compliance with the requirements of the Child Care and Development Block Grant, must have drawn down at least 80% of the amount awarded to the state in federal entitlement child care funds requiring a state match, and must conduct annual on-site monitoring of state licensed or otherwise regulated child care facilities, with at least one unannounced visit every 3 years. The legislation requires that a Priority be given to states that raise at least a 10% match for the federal funds from business or other private sources.

States must use at least 20% of the grant funds awarded to establish a subsidy program to provide salary increases to child care providers who are credentialed in the state. The low level of child care wages is the most often cited reason for the tremendous staff turnover in the child care profession. In areas where child care subsidies as low as fifty cents an hour are put in place, the staff turnover rate drops dramatically. The wage subsidy also will encourage more child care providers to get additional training or advance their education.

In addition, states will need to use at least twenty-percent of the funds awarded for a grant program to provide start-up funds for partnerships of small businesses to develop and operate child care cooperative services for their employees. While large employers have both the number of employees to justify an on- or near-site child care center and the additional financial resources for start-up costs, small businesses have been struggling with ways to help their employees meet their child care needs. This grant program will provide time-limited help for partnerships of small businesses who work together to develop child care resources for their employees.

States can use the remainder of grant funds awarded for any of the following activities: developing standards for of entities applying for state recognition for the accreditation and credentialing of child care providers; establishing a scholarship program to help child care providers meet the costs of education and training; expanding state-based child care training and technical assistance activities; improve consumer education efforts including the expansion of resource and referral services and child care complaint systems; providing increased rates of reimbursement provided under federal or state child care assistance for children with special needs; purchasing special supplies, equipment, or meeting other extraordinary expenses necessary for the care of special needs children for distribution to child care providers serving special needs children, or providing increased rates of reimbursement provided under federal or state child care assistance for accredited and credentialed care. Each of these activities has been demonstrated to be a contributing factor in improving the quality of child care.

Parents, child care providers, employers, and others need a constantly updated source of information about improving the quality of child care. States need a central depository where they can learn what other states are doing as well as a place where they can contribute their own ideas and activities from which others can learn. The collection and dissemination of information, demonstrations, and technology is one of the most important roles of the federal government.

Under provisions in the CIDCARE Act, the Department of Health and Human Services (HHS) will collect information about the importance of high quality child care (including what it is, how to identify it, why it is important for children), and in partnership with the ADCouncil or similar professional advertising entity, distribute that information through a national public awareness campaign and other mechanisms. To increase the capacity of child care credentialing and accreditation entities, HHS will award competitive grants to child care credentialing and accreditation entities that have not been in existence more than 10 years for the purpose of refining and evaluating their procedures for and methods of granting child care accreditation and/or credentialing. The legislation authorizes $10 million annually, to conduct these information and technology transfer activities.

The CIDCARE Act authorizes $50 million a year to create and operate a technology-based training infrastructure to enable child care providers nationwide to receive the training, education, and support they need to improve the quality of child care. The bill builds upon existing distance learning, Internet, and satellite resources, with sufficient funding to expand access to affordable child care training and information. The primary focus of the infrastructure will be to disseminate the training necessary to become an accredited child care center or a credentialed child care professional. Training and education, delivered at a minimal cost and accessible to individuals within 25 miles of their homes, will remove one of the most substantial barriers to child care credentialing and accreditation.

Essentially, the legislation establishes a child care training and education interactive "network", which will be used by child care credentialing and accreditation entities for training, skills testing, and other activities needed to achieve and maintain child care credentialing and accreditation. Entities recognized by 2 or more states as providing accepted child care credentialing or accreditation services will be active participants in decisions governing the use of the child care "training network." Time lines for the

creation and implementation of the infrastructure and caps on administrative costs are included in the bill provide both financial and programmatic accountability.

Through the child care training infrastructure, a no interest revolving loan fund is established to enable child care providers and child care support entities to purchase computers, satellite dishes, and other technological equipment which enable them to participate in the child care training provided on the national infrastructure. For the first five years of the legislation, at least ten-percent of the funds appropriated for the child care training infrastructure will be placed into the revolving loan fund. This part of CIDCARE, like similar federal loan programs, establishes that the funds be kept in a separate interest bearing account, establishes application procedures, terms and conditions for the approval of such loans, and procedures for handling loan defaults.

At the current time, child care centers located in federal facilities are not required to meet even basic safety and health requirements. They are not subject to state or local laws or regulations governing the operation of a child care center. The CIDCARE Act will require federal child care centers (those in buildings leased or owned by the federal government—legislative, executive, judicial branches) to meet all state and local licensing and other regulatory requirements related to the provision of child care, within six months of the passage of this legislation—or make substantial progress towards meeting those requirements. The appropriate Administrator of each branch of government shall issue regulations specifying center-based child care accreditation standards and require all child care facilities in federal buildings under their control achieve accreditation within 3 years of the passage of this legislation.

If the child care program located in a federal facility fails to be in compliance, or show substantial compliance with state and local licensing requirements within six months or with the identified accreditation standards within three years, the agency must cease providing child care in that child care center. On-site monitoring to ensure compliance with these regulations and standards must be performed by an outside entity. The legislation authorizes $900 thousand to the General Services Administration (GSA) to implement this provision.

CIDCARE will require that federal child care programs provided by the Corporation for National and Community Service, the Departments of Defense, Education, Housing and Urban Affairs, Justice, and Labor, will ensure, to the maximum extent possible, that by October 1, 2001, any child care made available through programs funded or operated by those Departments and the Corporation, be provided by an accredited child care facility or a credentialed child care professional. The federal government needs to demonstrate a commitment to quality child care, by raising the standards it applies to its own programs.

The CIDCARE Act will expand the Community Development Block Grant to include the renovation or upgrading of child care facilities to meet accreditation standards as an allowable use of the grant funds. It also will extend existing Perkins and Stafford Loan forgiveness programs to include persons who work as credentialed professionals in a child care setting. Just as these loan forgiveness programs helped encourage more people to become teachers, I hope that this extension of these two educational loan programs to child care providers will result in more and better qualified child care providers. To be eligible for loan forgiveness, the person must be employed full time providing child care services and have a degree in early childhood education or development or receive professional child care credentials.

The need for high-quality child care is compelling. Having affordable, convenient child care is tied directly to a family's ability to produce income. Good child care can be an effective way to support the healthy development of children, particularly in the acquisition of social and language skills. For the millions of children who spend much of their preschool lives and many of their nonschool hours being cared for by someone other than their parents, child care provides the foundation upon which all future education will be built—and determines to a large extent whether that foundation will be strong or weak.

As we all know, quality child care costs money. It costs money to parents who bear the biggest burden for the cost of child care. It costs businesses both through the direct assistance that they provide to employees to help with the costs of child care, and through their ability to hire and retain a skilled work force. It costs Government through existing tax provisions, direct spending, and discretionary spending targeted at child care. But the costs of not making this investment are even higher. Those costs can be measured in the expense of remedial education, the expansion of an unskilled labor force, the increase in prison populations, and most importantly, the blunted potential of millions of children.

I urge my colleagues to join Senator DODD, Senator ROBERTS and me in support of the CIDCARE bill.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1037

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 "Creating Improved Delivery of Child Care: Affordable, Reliable, and Educational Act" or as the "CIDCARE Act".

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

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.

TITLE I—DEMAND FOR QUALITY CHILD CARE

Sec. 101. Expansion of dependent care tax credit.
Sec. 102. Expansion of dependent care assistance program.
Sec. 103. Inclusion of child care costs in child support orders.

TITLE II—SUPPLY OF QUALITY CHILD CARE

Subtitle A—Tax Benefits for Quality Child Care

Sec. 201. Allowance of credit for employer expenses for child care assistance.
Sec. 202. Charitable contributions of scientific equipment to accredited and credentialed child care providers and to elementary and secondary schools.
Sec. 203. 2-percent floor on miscellaneous itemized deductions not applicable to accreditation and credentialing expenses of child care providers.
Sec. 204. Expansion of home office deduction to include use of office for dependent care.

Subtitle B—Child Care Quality Improvement Incentive Program

Sec. 211. Definitions.
Sec. 212. Establishment of State program.
Sec. 213. State eligibility and application requirements.
Sec. 214. Use of funds by States.
Sec. 215. Authorization of appropriations.

Subtitle C—Distribution of Information About Quality Child Care

Sec. 221. Expansion of role of the Department of Health and Human Services in the collection and dissemination of information and technology.
Sec. 222. Child care training infrastructure.
Sec. 223. Child care training revolving fund.

Subtitle D—Quality Child Care Through Federal Facilities and Programs

Sec. 231. Providing quality child care in Federal facilities.
Sec. 232. Providing quality child care through Federal programs.
Sec. 233. Use of community development block grants to establish accredited child care centers.

Subtitle E—Miscellaneous Provisions

Sec. 241. Student loan repayment and cancellation for child care workers.
Sec. 242. Expansion of coordinated enforcement efforts of Internal Revenue Service and HHS Office of Child Support Enforcement.

SEC. 2. DEFINITIONS.

In this Act:

(1) ACCREDITED CHILD CARE CENTER.—The term "accredited child care center" means—

(A) a center that is accredited, by a child care credentialing or accreditation entity

recognized by a State, to provide child care to children in the State (except children who a tribal organization elects to serve through a center described in subparagraph (B));

(B) a center that is accredited, by a child care credentialing or accreditation entity recognized by a tribal organization, to provide child care for children served by the tribal organization;

(C) a center that is used as a Head Start center under the Head Start Act (42 U.S.C. 9831 et seq.) and is in compliance with any applicable performance standards established by regulation under such Act for Head Start programs; or

(D) a military child development center (as defined in section 1798(1) of title 10, United States Code).

(2) CHILD CARE CREDENTIALING OR ACCREDITATION ENTITY.—The term "child care credentialing or accreditation entity" means a nonprofit private organization or public agency that—

(A) is recognized by a State agency or tribal organization; and

(B) accredits a center or credentials an individual to provide child care on the basis of—

(i) an accreditation or credentialing instrument based on peer-validated research;

(ii) compliance with applicable State and local licensing requirements, or standards described in section 658E(c)(2)(E)(ii) of the Child Care and Development Block Grant Act (42 U.S.C. 9858c(c)(2)(E)(ii)), as appropriate, for the center or individual;

(iii) outside monitoring of the center or individual; and

(iv) criteria that provide assurances of—

(I) compliance with age-appropriate health and safety standards at the center or by the individual;

(II) use of age-appropriate developmental and educational activities, as an integral part of the child care program carried out at the center or by the individual; and

(III) use of ongoing staff development or training activities for the staff of the center or the individual, including related skills-based testing.

(3) CREDENTIALED CHILD CARE PROFESSIONAL.—The term "credentialed child care professional" means—

(A) an individual who is credentialed, by a child care credentialing or accreditation entity recognized by a State, to provide child care to children in the State (except children who a tribal organization elects to serve through an individual described in subparagraph (B)); or

(B) an individual who is credentialed, by a child care credentialing or accreditation entity recognized by a tribal organization, to provide child care for children served by the tribal organization.

(4) STATE; TRIBAL ORGANIZATION.—The terms "State" and "tribal organization" have the meaning given the term in section 658P of the Child Care and Development Block Grant Act (42 U.S.C. 9858n).

TITLE I—DEMAND FOR QUALITY CHILD CARE

SEC. 101. EXPANSION OF DEPENDENT CARE TAX CREDIT.

(a) PERCENTAGE OF EMPLOYMENT-RELATED EXPENSES DETERMINED BY STATUS OF CARE GIVER.—Section 21(a)(2) of the Internal Revenue Code of 1986 (defining applicable percentage) is amended to read as follows:

"(2) APPLICABLE PERCENTAGE DEFINED.—

"(A) IN GENERAL.—For purposes of paragraph (1), the term 'applicable percentage' means—

"(i) in the case of employment-related expenses described in subsection (b)(2)(A)(ii) incurred for the care of a qualifying individual described in subsection (b)(1)(A) by an accredited child care center or a credentialed child care professional, the initial percentage reduced (but not below 12.5 percent) ratably for each $2,500 (or fraction thereof) by which the taxpayers's adjusted gross income for the taxable year exceeds $20,000, and

"(ii) in any other case, 30 percent reduced (but not below 10 percent) ratably for each $2,500 (or fraction thereof) by which the taxpayers's adjusted gross income for the taxable year exceeds $20,000 but does not exceed $70,000.

"(B) INITIAL PERCENTAGE FOR EXPENSES INCURRED FOR ACCREDITED OR CREDENTIALED PROVIDERS.—For purposes of subparagraph (A)(i), the initial percentage shall be determined in accordance with the following table:

"In the case of any taxable year beginning in—	The initial percentage is—
1998	31.5
1999	33
2000	34.5
2001	36
2002 and thereafter	37.5."

(b) DEFINITIONS.—Section 21(b)(2) of the Internal Revenue Code of 1986 (relating to definitions of qualifying individual and employment-related expenses) is amended by adding at the end the following:

"(E) ACCREDITED CHILD CARE CENTER.—The term 'accredited child care center' means—

"(i) a center that is accredited, by a child care credentialing or accreditation entity recognized by a State, to provide child care to children in the State (except children who a tribal organization elects to serve through a center described in clause (ii));

"(ii) a center that is accredited, by a child care credentialing or accreditation entity recognized by a tribal organization, to provide child care for children served by the tribal organization;

"(iii) a center that is used as a Head Start center under the Head Start Act (42 U.S.C. 9831 et seq.) and is in compliance with any applicable performance standards established by regulation under such Act for Head Start programs; or

"(iv) a military child development center (as defined in section 1798(1) of title 10, United States Code).

"(F) CHILD CARE CREDENTIALING OR ACCREDITATION ENTITY.—The term 'child care credentialing or accreditation entity' means a nonprofit private organization or public agency that—

"(i) is recognized by a State agency or tribal organization; and

"(ii) accredits a center or credentials an individual to provide child care on the basis of—

"(I) an accreditation or credentialing instrument based on peer-validated research;

"(II) compliance with applicable State and local licensing requirements, or standards described in section 658E(c)(2)(E)(ii) of the Child Care and Development Block Grant Act (42 U.S.C. 9858c(c)(2)(E)(ii)), as appropriate, for the center or individual;

"(III) outside monitoring of the center or individual; and

"(IV) criteria that provide assurances of—

"(aa) compliance with age-appropriate health and safety standards at the center or by the individual;

"(bb) use of age-appropriate developmental and educational activities, as an integral part of the child care program carried out at the center or by the individual; and

"(cc) use of ongoing staff development or training activities for the staff of the center or the individual, including related skills-based testing.

"(G) CREDENTIALED CHILD CARE PROFESSIONAL.—The term 'credentialed child care professional' means—

"(i) an individual who is credentialed, by a child care credentialing or accreditation entity recognized by a State, to provide child care to children in the State (except children who a tribal organization elects to serve through an individual described in clause (i)); or

"(ii) an individual who is credentialed, by a child care credentialing or accreditation entity recognized by a tribal organization, to provide child care for children served by the tribal organization.

"(H) TRIBAL ORGANIZATION.—The term 'tribal organization' has the meaning given the term in section 658P of the Child Care and Development Block Grant Act (42 U.S.C. 9858n)."

(c) CREDIT MADE REFUNDABLE FOR LOW INCOME TAXPAYERS.—

(1) IN GENERAL.—Section 21 of the Internal Revenue Code of 1986 (relating to credit for household and dependent care services) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following:

"(f) CREDIT MADE REFUNDABLE FOR LOW INCOME TAXPAYERS.—

"(1) IN GENERAL.—For purposes of this subtitle, in the case of an applicable taxpayer individual, the credit allowable under subsection (a) for any taxable year shall be treated as a credit allowable under subpart C of this part.

"(2) APPLICABLE TAXPAYER.—For purposes of this subsection, the term 'applicable taxpayer' means a taxpayer with respect to whom the credit under section 32 is allowable for the taxable year.

"(3) COORDINATION WITH ADVANCE PAYMENTS AND MINIMUM TAX.—Rules similar to the rules of subsections (g) and (h) of section 32 shall apply with respect to the portion of any credit to which this subsection applies.".

(2) ADVANCE PAYMENT OF CREDIT.—

(A) IN GENERAL.—Chapter 25 of such Code (relating to general provisions relating to employment taxes) is amended by inserting after section 3507 the following:

"SEC. 3507A. ADVANCE PAYMENT OF DEPENDENT CARE CREDIT.

"(a) GENERAL RULE.—Except as otherwise provided in this section, every employer making payment of wages with respect to whom a dependent care eligibility certificate is in effect shall, at the time of paying such wages, make an additional payment equal to such employee's dependent care advance amount.

"(b) DEPENDENT CARE ELIGIBILITY CERTIFICATE.—For purposes of this title, a dependent care eligibility certificate is a statement furnished by an employee to the employer which—

"(1) certifies that the employee will be eligible to receive the credit provided by section 21 for the taxable year,

"(2) certifies that the employee reasonably expects to be an applicable taxpayer for the taxable year,

"(3) certifies that the employee does not have a dependent care eligibility certificate in effect for the calendar year with respect to the payment of wages by another employer,

"(4) states whether or not the employee's spouse has a dependent care eligibility certificate in effect,

"(5) states the number of qualifying individuals in the household maintained by the employee,

"(6) states whether a qualifying individual will be cared for by an accredited child care center or a credentialed child care professional, and

"(7) estimates the amount of employment-related expenses for the calendar year.

"(c) DEPENDENT CARE ADVANCE AMOUNT.—

"(1) IN GENERAL.—For purposes of this title, the term 'dependent care advance amount' means, with respect to any payroll period, the amount determined—

"(A) on the basis of the employee's wages from the employer for such period,

"(B) on the basis of the employee's estimated employment-related expenses included in the dependent care eligibility certificate, and

"(C) in accordance with tables provided by the Secretary.

"(2) ADVANCE AMOUNT TABLES.—The tables referred to in paragraph (1)(C) shall be similar in form to the tables prescribed under section 3402 and, to the maximum extent feasible, shall be coordinated with such tables and the tables prescribed under section 3507(c).

"(d) OTHER RULES.—For purposes of this section, rules similar to the rules of subsections (d) and (e) of section 3507 shall apply.

"(e) DEFINITIONS.—For purposes of this section, terms used in this section which are defined in section 21 shall have the respective meanings given such terms by section 21.".

(B) CONFORMING AMENDMENT.—The table of sections for chapter 25 of such Code is amended by adding after the item relating to section 3507 the following:

"Sec. 3507A. Advance payment of dependent care credit.".

(d) EFFECTIVE DATES.—

(1) APPLICABLE PERCENTAGE.—The amendments made by subsection (a) and (b) shall apply to taxable years beginning after December 31, 1997.

(2) CREDIT MADE REFUNDABLE.—The amendments made by subsection (c) shall apply to taxable years beginning after December 31, 2000.

SEC. 102. EXPANSION OF DEPENDENT CARE ASSISTANCE PROGRAM.

(a) IN GENERAL.—Section 129(a)(2)(A) of the Internal Revenue Code of 1986 (relating to limitation of exclusion) is amended to read as follows:

"(A) DOLLAR LIMITATION.—

"(i) IN GENERAL.—The amount which may be excluded under paragraph (1) for dependent care assistance with respect to dependent care services provided during a taxable year shall not exceed—

"(I) in the case of dependent care services provided by an accredited child care center or a credentialed child care professional for a qualifying individual described in section 21(b)(1)(A), an amount determined in accordance with the following table:

"In the case of taxable years beginning in:	For 1 qualifying individual, the amount is:	For 2 or more qualifying individuals, the amount is:
1998	$5,200	$6,700
1999	$5,400	$6,900
2000	$5,600	$7,100
2001	$5,800	$7,300
2002 and thereafter	$6,000	$7,500,

"(II) in the case of other dependent care services for a qualifying individual described in section 21(b)(1)(A) or payments described in subsection (e)(1)(B), an amount determined in accordance with the following table:

"In the case of taxable years beginning in:	For 1 qualifying individual, the amount is:	For 2 or more qualifying individuals, the amount is:
1998	$4,800	$6,300
1999	$4,600	$6,100
2000	$4,400	$5,900
2001	$4,200	$5,700
2002 and thereafter	$4,000	$5,500,

and

"(III) in the case of other dependent care services for a qualifying individual described in subparagraph (B) or (C) of section 21(b)(1), $5,000.

"(ii) AMOUNTS FOR MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—In the case of a separate return by a married individual, clause (i) shall be applied by using one-half of any amount specified in such clause.

"(iii) PROVIDERS.—For purposes of clause (i)(I), the terms 'accredited child care center' and 'credentialed child care professional' have the meaning given such terms by subparagraphs (E) and (G) of section 21(c)(2), respectively.

(b) PAYMENTS FOR STAY-AT-HOME CARE ALLOWED.—

(1) IN GENERAL.—Section 129(e)(1) of the Internal Revenue Code of 1986 (relating to definitions and special rules) is amended to read as follows:

"(1) DEPENDENT CARE ASSISTANCE.—The term 'dependent care assistance' means—

"(A) the payment of, or provision of, those services which if paid for by the employee would be considered employment-related expenses under section 21(b)(2) (relating to expenses for household and dependent care services necessary for gainful employment), and

"(B) any payment to the employee from amounts contributed to the employee's account during the pregnancy of the employee paid within 1 year after such contribution and during the period in which—

"(i) the employee,

"(ii) the employee's spouse, or

"(iii) a parent of the employee or the employee's spouse,

stays at home to care for a qualifying individual described in section 21(b)(1)(A).".

(2) CONFORMING AMENDMENTS.—

(A) Section 129(c) of such Code (relating to payments to related individuals) is amended by striking "No amount" and inserting "Except in the case of payments described in subsection (e)(1)(B), no amount.".

(B) Section 129(e)(9) of such Code (relating to identifying information required with respect to service provider) is amended by striking "No amount" and inserting "Except in the case of payments described in paragraph (1)(B)(i), no amount.".

(c) DEPENDENT CARE ASSISTANCE PROGRAM FOR FEDERAL EMPLOYEES.—Subpart G of part III of title 5, United States Code, is amended by inserting after chapter 87 the following:

"CHAPTER 88—DEPENDENT CARE ASSISTANCE PROGRAM

"§ 8801. Definitions

"(a) For the purpose of this chapter, 'employee' means—

"(1) an employee as defined by section 2105 of this title;

"(2) a Member of Congress as defined by section 2106 of this title;

"(3) a Congressional employee as defined by section 2107 of this title;

"(4) the President;

"(5) a justice or judge of the United States appointed to hold office during good behavior (i) who is in regular active judicial service, or (ii) who is retired from regular active service under section 371(b) or 372(a) of title 28, United States Code, or (iii) who has resigned the judicial office under section 371(a) of title 28 with the continued right during the remainder of his lifetime to receive the salary of the office at the time of his resignation;

"(6) an individual first employed by the government of the District of Columbia before October 1, 1987;

"(7) an individual employed by Gallaudet College;

"(8) an individual employed by a county committee established under section 590h(b) of title 16;

"(9) an individual appointed to a position on the office staff of a former President under section 1(b) of the Act of August 25, 1958 (72 Stat. 838); and

"(10) an individual appointed to a position on the office staff of a former President, or a former Vice President under section 4 of the Presidential Transition Act of 1963, as amended (78 Stat. 153), who immediately before the date of such appointment was an employee as defined under any other paragraph of this subsection;

but does not include—

"(A) an employee of a corporation supervised by the Farm Credit Administration if private interests elect or appoint a member of the board of directors;

"(B) an individual who is not a citizen or national of the United States and whose permanent duty station is outside the United States, unless the individual was an employee for the purpose of this chapter on September 30, 1979, by reason of service in an Executive agency, the United States Postal Service, or the Smithsonian Institution in the area which was then known as the Canal Zone; or

"(C) an employee excluded by regulation of the Office of Personnel Management under section 8716(b) of this title.

"(b) For the purpose of this chapter, 'dependent care assistance program' has the meaning given such term by section 129(d) of the Internal Revenue Code of 1986.

"§ 8802. Dependent care assistance program

"The Office of Personnel Management shall establish and maintain a dependent care assistance program for the benefit of employees.".

(d) EFFECTIVE DATE.—The amendments made by this section apply to taxable years beginning after December 31, 1997.

SEC. 103. INCLUSION OF CHILD CARE COSTS IN CHILD SUPPORT ORDERS.

(a) IN GENERAL.—Section 466(a) of the Social Security Act (42 U.S.C. 666(a)) is amended by inserting after paragraph (19) the following:

"(20) CHILD CARE COSTS.—

"(A) IN GENERAL.—Procedures under which all child support orders enforced under this part shall include in the case of a custodial parent who is employed or is actively seeking employment an amount equal to or more than the applicable payment rate for the type of child care services provided to that parent's child or children that is established in accordance with section 658E(c)(4) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)(4)), increased by 50 percent of such rate if such services are provided by an accredited child care center or a credentialed child care professional.

"(B) DEFINITIONS.—In this paragraph, the terms 'accredited child care center' and 'credentialed child care professional' have the meaning given those terms in section 2 of the CIDCARE Act.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to child support orders enforced or otherwise modified by a court on and after the date of enactment of this Act.

TITLE II—SUPPLY OF QUALITY CHILD CARE

Subtitle A—Tax Benefits for Quality Child Care

SEC. 201. ALLOWANCE OF CREDIT FOR EMPLOYER EXPENSES FOR CHILD CARE ASSISTANCE.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to business related credits) is amended by adding at the end the following new section:

"SEC. 45D. EMPLOYER-PROVIDED CHILD CARE CREDIT.

"(a) ALLOWANCE OF CREDIT.—For purposes of section 38, the employer-provided child care credit determined under this section for the taxable year is an amount equal to 50 percent of the qualified child care expenditures of the taxpayer for such taxable year.

"(b) DOLLAR LIMITATION.—The credit allowable under subsection (a) for any taxable year shall not exceed $150,000.

"(c) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED CHILD CARE EXPENDITURE.—The term 'qualified child care expenditure' means any amount paid or incurred—

"(A) to acquire, construct, rehabilitate, or expand property—

"(i) which is to be used as part of a qualified child care facility of the taxpayer,

"(ii) with respect to which a deduction for depreciation (or amortization in lieu of depreciation) is allowable, and

"(iii) which does not constitute part of the principal residence (within the meaning of section 1034) of the taxpayer or any employee of the taxpayer,

"(B) for the operating costs of a qualified child care facility of the taxpayer, including costs related to the training of employees, to scholarship programs, and to the providing of increased compensation to employees with higher levels of child care training,

"(C) under a contract with a qualified child care facility to provide child care services to employees of the taxpayer,

"(D) under a contract to provide child care resource and referral services to employees of the taxpayer, or

"(E) for the costs of seeking accreditation from a child care credentialing or accreditation entity (as defined in section 21(b)(2)(F) with respect to a qualified child care facility.

"(2) QUALIFIED CHILD CARE FACILITY.—

"(A) IN GENERAL.—The term 'qualified child care facility' means a facility—

"(i) the principal use of which is to provide child care assistance, and

"(ii) which meets the requirements of all applicable laws and regulations of the State or local government in which it is located, including, but not limited to, the licensing of the facility as a child care facility.

Clause (i) shall not apply to a facility which is the principal residence (within the meaning of section 1034) of the operator of the facility.

"(B) SPECIAL RULES WITH RESPECT TO A TAXPAYER.—A facility shall not be treated as a qualified child care facility with respect to a taxpayer unless—

"(i) enrollment in the facility is open to employees of the taxpayer during the taxable year,

"(ii) the facility is not the principal trade or business of the taxpayer unless at least 30 percent of the enrollees of such facility are dependents of employees of the taxpayer, and

"(iii) the use of such facility (or the eligibility to use such facility) does not discriminate in favor of employees of the taxpayer who are highly compensated employees (within the meaning of section 414(q)).

"(d) RECAPTURE OF ACQUISITION AND CONSTRUCTION CREDIT.—

"(1) IN GENERAL.—If, as of the close of any taxable year, there is a recapture event with respect to any qualified child care facility of the taxpayer, then the tax of the taxpayer under this chapter for such taxable year shall be increased by an amount equal to the product of—

"(A) the applicable recapture percentage, and

"(B) the aggregate decrease in the credits allowed under section 38 for all prior taxable years which would have resulted if the qualified child care expenditures of the taxpayer described in subsection (c)(1)(A) with respect to such facility had been zero.

"(2) APPLICABLE RECAPTURE PERCENTAGE.—

"(A) IN GENERAL.—For purposes of this subsection, the applicable recapture percentage shall be determined from the following table:

"If the recapture event occurs in:	The applicable recapture percentage is:
Years 1–3	100
Year 4	85
Year 5	70
Year 6	55
Year 7	40
Year 8	25
Years 9 and 10	10
Years 11 and thereafter	0.

"(B) YEARS.—For purposes of subparagraph (A), year 1 shall begin on the first day of the taxable year in which the qualified child care facility is placed in service by the taxpayer.

"(3) RECAPTURE EVENT DEFINED.—For purposes of this subsection, the term 'recapture event' means—

"(A) CESSATION OF OPERATION.—The cessation of the operation of the facility as a qualified child care facility.

"(B) CHANGE IN OWNERSHIP.—

"(i) IN GENERAL.—Except as provided in clause (ii), the disposition of a taxpayer's interest in a qualified child care facility with respect to which the credit described in subsection (a) was allowable.

"(ii) AGREEMENT TO ASSUME RECAPTURE LIABILITY.—Clause (i) shall not apply if the person acquiring such interest in the facility agrees in writing to assume the recapture liability of the person disposing of such interest in effect immediately before such disposition. In the event of such an assumption, the person acquiring the interest in the facility shall be treated as the taxpayer for purposes of assessing any recapture liability (computed as if there had been no change in ownership).

"(4) SPECIAL RULES.—

"(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (1) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

"(B) NO CREDITS AGAINST TAX.—Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any credit under subpart A, B, or D of this part.

"(C) NO RECAPTURE BY REASON OF CASUALTY LOSS.—The increase in tax under this subsection shall not apply to a cessation of operation of the facility as a qualified child care facility by reason of a casualty loss to the extent such loss is restored by reconstruction or replacement within a reasonable period established by the Secretary.

"(e) SPECIAL RULES.—For purposes of this section—

"(1) AGGREGATION RULES.—All persons which are treated as a single employer under subsections (a) and (b) of section 52 shall be treated as a single taxpayer.

"(2) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—Under regulations prescribed by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

"(3) ALLOCATION IN THE CASE OF PARTNERSHIPS.—In the case of partnerships, the credit shall be allocated among partners under regulations prescribed by the Secretary.

"(f) NO DOUBLE BENEFIT.—

"(1) REDUCTION IN BASIS.—For purposes of this subtitle—

"(A) IN GENERAL.—If a credit is determined under this section with respect to any property by reason of expenditures described in subsection (c)(1)(A), the basis of such property shall be reduced by the amount of the credit so determined.

"(B) CERTAIN DISPOSITIONS.—If during any taxable year there is a recapture amount determined with respect to any property the basis of which was reduced under subparagraph (A), the basis of such property (immediately before the event resulting in such recapture) shall be increased by an amount equal to such recapture amount. For purposes of the preceding sentence, the term 'recapture amount' means any increase in tax (or adjustment in carrybacks or carryovers) determined under subsection (d).

"(2) OTHER DEDUCTIONS AND CREDITS.—No deduction or credit shall be allowed under any other provision of this chapter with respect to the amount of the credit determined under this section.

"(g) TERMINATION.—This section shall not apply to taxable years beginning after December 31, 1999."

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b) of the Internal Revenue Code of 1986 is amended—

(A) by striking out "plus" at the end of paragraph (11),

(B) by striking out the period at the end of paragraph (12), and inserting a comma and "plus", and

(C) by adding at the end the following new paragraph:

"(13) the employer-provided child care credit determined under section 45D."

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1 of such Code is amended by adding at the end the following new item:

"Sec. 45D. Employer-provided child care credit."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1997.

SEC. 202. CHARITABLE CONTRIBUTIONS OF SCIENTIFIC EQUIPMENT TO ACCREDITED AND CREDENTIALED CHILD CARE PROVIDERS AND TO ELEMENTARY AND SECONDARY SCHOOLS.

(a) IN GENERAL.—Subparagraph (B) of section 170(e)(4) of the Internal Revenue Code of

1986 (relating to special rule for contributions of scientific property used for research) is amended to read as follows:

"(B) QUALIFIED RESEARCH, CHILD CARE, OR EDUCATION CONTRIBUTION.—For purposes of this paragraph, the term 'qualified research, child care, or education contribution' means a charitable contribution by a corporation of tangible personal property (including computer software), but only if—

"(i) the contribution is to—

"(I) an organization described in section 501(c)(3) and exempt from taxation under section 501(a) which is an accredited child care center (as defined in section 21(c)(2)(E)) or a child care center actively seeking accreditation or certification of its employees by a child care credentialing or accreditation entity (as defined in section 21(c)(2)(F)) on the date of such contribution,

"(II) an organization described in section 501(c)(3) and exempt from taxation under section 501(a) which is a professional or educational support entity for accredited child care centers or credentialed child care professionals (as defined in subparagraphs (E) and (G) of section 21(c)(2), respectively),

"(III) an educational organization described in subsection (b)(1)(A)(ii),

"(IV) a governmental unit described in subsection (c)(1), or

"(V) an organization described in section 41(e)(6)(B),

"(ii) the contribution is made not later than 3 years after the date the taxpayer acquired the property (or in the case of property constructed by the taxpayer, the date the construction of the property is substantially completed),

"(iii) the property is scientific equipment or apparatus substantially all of the use of which by the donee is for—

"(I) research or experimentation (within the meaning of section 174), or for research training, in the United States in physical or biological sciences, or

"(II) in the case of an organization described in subclause (I), (II), (III), or (IV) of clause (i), use within the United States for educational purposes or support activities related to the purpose or function of the organization,

"(iv) the original use of the property began with the taxpayer (or in the case of property constructed by the taxpayer, with the donee),

"(v) the property is not transferred by the donee in exchange for money, other property, or services, and

"(vi) the taxpayer receives from the donee a written statement representing that its use and disposition of the property will be in accordance with the provisions of clauses (iv) and (v).".

(b) DONATIONS TO CHARITY FOR REFURBISHING.—Section 170(e)(4) of the Internal Revenue Code of 1986 is amended by adding at the end the following:

"(D) DONATIONS TO CHARITY FOR REFURBISHING.—For purposes of this paragraph, a charitable contribution by a corporation shall be treated as a qualified research, child care, or education contribution if—

"(i) such contribution is a contribution of property described in subparagraph (B)(iii) to an organization described in section 501(c)(3) and exempt from taxation under section 501(a),

"(ii) such organization repairs and refurbishes the property and donates the property to an organization described in subparagraph (B)(i), and

"(iii) the taxpayer receives from the organization to whom the taxpayer contributed the property a written statement representing that its use of the property (and any use by the organization to which it donates the property) meets the requirements of this paragraph.".

(c) CONFORMING AMENDMENTS.—

(1) Paragraph (4)(A) of section 170(e) of the Internal Revenue Code of 1986 is amended by striking "qualified research contribution" each place it appears and inserting "qualified research, child care, or education contribution".

(2) The heading for section 170(e)(4) of such Code is amended by inserting ", CHILD CARE, OR EDUCATION" after "RESEARCH".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1997.

SEC. 203. 2-PERCENT FLOOR ON MISCELLANEOUS ITEMIZED DEDUCTIONS NOT APPLICABLE TO ACCREDITATION AND CREDENTIALING EXPENSES OF CHILD CARE PROVIDERS.

(a) IN GENERAL.—Section 67(b) of the Internal Revenue Code of 1986 (relating to miscellaneous itemized deductions) is amended by striking "and" at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting ", and", and by adding at the end the following:

"(13) the deduction allowable for accreditation and credentialing expenses of child care providers.".

(b) DEFINITION.—Section 67 of the Internal Revenue Code of 1986 (relating to 2-percent floor on miscellaneous itemized deductions) is amended by redesignating subsections (e) and (f) as subsections (f) and (g), respectively, and by inserting after subsection (d) the following:

"(e) ACCREDITATION AND CREDENTIALING EXPENSES OF CHILD CARE PROVIDERS.—For purposes of this section—

"(1) IN GENERAL.—The term 'accreditation and credentialing expenses of child care providers' means direct professional costs and educational and training expenses paid or incurred by an eligible individual in order to achieve and remain qualified for service as an employee of an accredited child care center or as a credentialed child care professional (as defined in subparagraphs (E) and (G) of section 21(c)(2), respectively).

"(2) ELIGIBLE INDIVIDUAL.—The term 'eligible individual' means an individual 60 percent of the taxable income of whom for any taxable year is derived from service described in paragraph (1).".

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1997.

SEC. 204. EXPANSION OF HOME OFFICE DEDUCTION TO INCLUDE USE OF OFFICE FOR DEPENDENT CARE.

(a) IN GENERAL.—Section 280A(c)(1) of the Internal Revenue Code of 1986 (relating to certain business use) is amended by adding at the end the following: "A portion of a dwelling unit and the exclusive use of such portion otherwise described in this paragraph shall not fail to be so described if such portion is also used by the taxpayer during such exclusive use to care for a dependent of the taxpayer.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1997.

Subtitle B—Child Care Quality Improvement Incentive Program

SEC. 211. DEFINITIONS.

In this subtitle:

(1) CHILD CARE PROVIDER.—The term "child care provider" means—

(A) a center-based child care provider, a group home child care provider, a family child care provider, or other provider of nonresidential child care services for compensation that—

(i) is licensed, regulated, registered, or otherwise legally operating under State law; and

(ii) satisfies the State and local requirements;

applicable to the child care services it provides; or

(B) a child care provider that is 18 years of age or older who provides child care services only to eligible children who are, by affinity or consanguinity, or by court decree, the grandchild, great grandchild, sibling (if such provider lives in a separate residence), niece, or nephew of such provider, if such provider does not reside with the child for whom they are providing care and if the provider complies with any applicable requirements that govern child care provided by the relative involved.

(2) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

SEC. 212. ESTABLISHMENT OF STATE PROGRAM.

(a) IN GENERAL.—The Secretary shall establish a program to award competitive grants to eligible States to enable such States to carry out activities to improve the quality of child care for children in the States (except children who a tribal organization elects to serve under section 215(b)).

(b) AWARDING OF GRANTS.—

(1) DISTRIBUTION.—Amounts appropriated for a fiscal year under section 215(a) shall be distributed through competitive grants awarded to eligible States that apply for funds and that propose activities that meet the requirements of this subtitle.

(2) AMOUNT.—The amount of a grant awarded to a State under this section shall be determined by the Secretary on a competitive basis, except that the amount of any such grant for a fiscal year shall not be less than an amount equal to .75 percent of the total amount appropriated for the fiscal year under section 215(a).

(c) LIMITATION ON ADMINISTRATIVE COSTS.—The Secretary shall not use in excess of 10 percent of the amount appropriated under section 215(a) for a fiscal year for the administrative costs associated with the administration of the program under this section.

SEC. 213. STATE ELIGIBILITY AND APPLICATION REQUIREMENTS.

(a) ELIGIBILITY.—To be eligible to receive a grant under this subtitle, a State shall certify to the Secretary that the State—

(1) has not reduced the scope of any State child care standards or requirements that were in effect in calendar year 1995;

(2) has not limited the State licensing requirements with respect to the types of providers that must obtain licenses in order to provide child care in the State as compared to the types of providers that were required to obtain licenses in calendar year 1995;

(3) has not otherwise restricted the application of State child care licensing requirements that were in effect in calendar year 1995;

(4) is in compliance with the requirements applicable to the State under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9801 et seq.); and

(5) has, with respect to the fiscal year involved, made available sufficient State matching funds to draw down at least 80 percent of the amount awarded to the State for the preceding fiscal year under a grant under section 418(a)(2) of the Social Security Act (42 U.S.C. 618).

(b) PRIORITY.—In awarding grants under this subtitle, the Secretary shall give priority to States that contribute an amount (generated from businesses or other private sources) equal to not less than 10 percent of the amount requested under the grant to the activities to be funded under the grant.

(c) APPLICATION.—To be eligible to receive a grant under this subtitle, a State shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary shall require, including—

(1) an assurance that the State will comply with the requirements applicable to States under this subtitle;

(2) an assurance that the State will annually conduct on-site monitoring of State licensed or regulated child care facilities, with at least 1 unannounced monitoring visit of each such facility every 3 years; and

(3) an assurance that the State will not use funds received under the grant to supplant or replace funds used by the State to improve the quality or increase the supply of child care as required under section 658G of the Child Care and Development Block Grants Act of 1990 (42 U.S.C. 9858e).

SEC. 214. USE OF FUNDS BY STATES.

(a) REQUIRED ACTIVITIES.—A State shall—

(1) use not less than 20 percent of the amounts received under a grant awarded to the State under this subtitle to establish a subsidy program to provide funds to child care providers who are credentialed in the State (as described in section 2(3));

(2) use not less than 20 percent of the amounts received under a grant awarded to the State under this subtitle to establish a grant program to assist small businesses located in the State in establishing and operating child care programs that may include—

(A) technical assistance in the establishment of a child care program;

(B) assistance for the start-up costs related to a child care program;

(C) assistance for the training of child care providers;

(D) scholarships for low-income wage earners;

(E) the provision of services to care for sick children or to provide care to school aged children;

(F) the entering into of contracts with local resource and referral or local health departments;

(G) assistance for any other activity determined appropriate by the State; or

(H) care for children with disabilities; and

(3) use amounts remaining after the State reserves funds for activities under paragraphs (1) and (2) to carry out one or more of the activities described in subsection (b).

(b) PERMISSIBLE ACTIVITIES.—A State may use amounts provided under a grant awarded under this subtitle to the State to—

(1) improve parental choice through consumer education efforts in the State concerning child care, including the expansion of resource and referral services and improving State child care complaint systems;

(2) establish a scholarship program for child care providers to assist in meeting the educational or training costs associated with the accreditation or credentialing;

(3) expand State-based child care training and technical assistance activities;

(4) develop criteria for State recognition of entities to accredit facilities, and credential child care providers, in the State, as described in section 2;

(5) provide increased rates of reimbursement under Federal or State child care assistance programs for child care that is provided by credentialed child care professionals or at accredited child care centers;

(6) provide differential rates of reimbursement under Federal or State child care assistance programs for children with special needs; or

(7) purchase special equipment or supplies or other provide for the payment of other extraordinary expenses required for the care of special needs (including disabled) children and the distribution of such equipment or supplies to child care providers serving special needs children.

(c) SMALL BUSINESS AND CHILD CARE GRANT PROGRAM.—

(1) APPLICATION.—To be eligible to receive assistance from a State under a grant program established under subsection (a)(2), a small business shall prepare and submit to the State an application at such time, in such manner, and containing such information as the State may require.

(2) PREFERENCE.—

(A) IN GENERAL.—In providing assistance under a grant program under this subsection, a State shall give priority to applicants that desire to form consortium to provide child care in geographic areas within the State where such care is not generally available or accessible.

(B) CONSORTIUM.—For purposes of subparagraph (A), a consortium shall be made up of 2 or more entities which may include businesses, nonprofit agencies or organizations, local governments, or other appropriate entities.

(3) LIMITATION.—With respect to grant funds received for purposes of this subsection, a State may not provide in excess of $50,000 in assistance from such funds to any single applicant. A State may not provide assistance under a grant to more than 10 entities.

(4) MATCHING REQUIREMENT.—To be eligible to receive funds for purposes of establishing a grant program under subsection (a)(2), a State shall provide assurances to the Secretary that, with respect to the costs to be incurred by an entity receiving assistance in carrying out activities under such program, such entity will make available (directly or through donations from public or private entities) non-Federal contributions to such costs in an amount equal to—

(A) for the first fiscal year in which the entity receives such assistance, not less than 25 percent of such costs ($1 for each $3 of assistance provided to the entity under the grant);

(B) for the second fiscal year in which an entity receives such assistance, not less than 33⅓ percent of such costs ($1 for each $2 of assistance provided to the entity under the grant); and

(C) for the third fiscal year in which an entity receives such assistance, not less than 50 percent of such costs ($1 for each $1 of assistance provided to the entity under the grant).

(5) REQUIREMENTS OF PROVIDERS.—To be eligible to receive assistance under a grant awarded under this subsection a child care provider shall comply with all applicable State and local licensing and regulatory requirements and all applicable health and safety standards in effect in the State.

(6) ADMINISTRATION.—

(A) STATE RESPONSIBILITY.—A State shall have responsibility for administering the grants awarded under this subsection and for monitoring entities that receive assistance under such grants.

(B) AUDITS.—A State shall require that each entity receiving assistance under a grant awarded under this subsection conduct of an annual audit with respect to the activities of the entity. Such audits shall be submitted to the State.

(C) MISUSE OF FUNDS.—

(i) REPAYMENT.—If the State determines, through an audit or otherwise, that an entity receiving assistance under a grant awarded under this subsection has misused such assistance, the State shall notify the Secretary of such misuses. The Secretary, upon such a notification, may seek from such an entity the repayment of an amount equal to the amount of any misused assistance plus interest.

(ii) APPEALS PROCESS.—The Secretary shall by regulation provide for an appeals process with respect to repayments under this subparagraph.

(d) LIMITATION ON ADMINISTRATIVE COSTS.—Not more than 10 percent of the aggregate amount of funds available to a State under this subtitle in each fiscal year may be expended for administrative costs incurred by such State to carry out activities under this subtitle. As used in the preceding sentence, the term "administrative costs" shall not include the costs of providing direct services (as such direct services costs are defined for purposes of the Child Care and Development Block Grant Act of 1990 42 U.S.C. 9801 et seq.)).

SEC. 215. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated to carry out this subtitle $260,000,000 for each of the fiscal years 1998 through 2002.

(b) RESERVATION.—The Secretary shall reserve not more than 1.5 percent of the funds appropriated under this section for a fiscal year to make grants under this subtitle to tribal organizations submitting applications under section 213(b) to be used in accordance with section 214.

Subtitle C—Distribution of Information About Quality Child Care

SEC. 221. EXPANSION OF ROLE OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES IN THE COLLECTION AND DISSEMINATION OF INFORMATION AND TECHNOLOGY.

(a) PROVISION OF INFORMATION.—The Secretary of Health and Human Services, directly or through a contract awarded on a competitive basis to a qualified entity, shall provide technical assistance and collect and disseminate information concerning the importance of high quality child care to States, units of local government, private non-profit child care organizations, child care credentialing or accreditation entities, child care providers, and parents, including, in partnership with the Advertising Council or other professional advertising group, a public awareness campaign promoting quality child care.

(b) GRANT PROGRAM.—

(1) IN GENERAL.—The Secretary of Health and Human Services, acting through the National Child Care Information Center, shall award competitive grants to child care credentialing or accreditation entities (as defined in section 2(2)) that have been providing credentialing or accreditation services for child care providers for not more than 10 years.

(2) APPLICATION.—To be eligible to receive a grant under this subsection, a child care credentialing or accreditation entity shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary shall require.

(3) USE OF FUNDS.—Amounts provided under a grant awarded under paragraph (1)

shall be used by grantees to refine and evaluate the procedures and methods used by such grantees in accrediting facilities as accredited child care centers or providing child care credentials to individual child care providers. Such procedures and methods shall be designed to ensure that the highest quality child care is provided by accredited child care centers and credentialed individuals, to provide information about the accreditation or credentialing process to providers, and to provide subsidies to needy individuals and organizations to enable such individuals and organization to participate in the accreditation or credentialing process.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000 for each of the fiscal years 1998 through 2002.

SEC. 222. CHILD CARE TRAINING INFRASTRUCTURE.

(a) DEFINITIONS.—In this section:

(1) CHILD CARE PROVIDER.—The term "child care provider" has the meaning given the term in section 211.

(2) ELEMENTARY SCHOOL; SECONDARY SCHOOL.—The terms "elementary school" and "secondary school" have the meanings given the terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8001).

(3) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education" has the meaning given the term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(4) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

(5) TRAINING SITE.—The term "training site" means a training site described in subsection (e)(1).

(b) GRANT.—The Secretary shall make a grant to an eligible organization to develop and operate a technology-based child care training infrastructure, in order to facilitate—

(1) the accreditation of facilities as accredited child care centers and accredited family child care homes;

(2) the credentialing of individuals as credentialed child care professionals; and

(3) the dissemination of child care, child development, and early childhood education information and research to child care providers.

(c) USE OF FUNDS.—An organization that receives a grant under subsection (b) shall use the funds made available through the grant to—

(1) develop partnerships, to the maximum extent possible, with elementary schools, secondary schools, institutions of higher education, Federal, State, and local government agencies, and private entities, to share equipment, technical assistance, and other technological resources, for the development of the infrastructure described in subsection (b);

(2) enter into arrangements with entities for the provision of sites from which the infrastructure will disseminate training;

(3) ensure the establishment of at least 2 of the training sites in each State, and additional training sites based on the populations and geographic considerations of States;

(4) enter into arrangements with child care credentialing or accreditation entities that are recognized (as described in section 2(2)) by more than 1 State agency or tribal organization, for the development of child care training to be disseminated through the infrastructure;

(5) provide, directly or through a contract (which may for good cause be a sole source contract), expertise to convert training courses for distance transmission, provide interactive environments, and conduct registration, testing, electronic storage of information, and such other technology-based activities to adapt and enhance training course content consistent with the medium of transmission involved through the infrastructure;

(6) provide, through a logistical scheduling mechanism, equitable access to the infrastructure for all child care credentialing or accreditation entities described in paragraph (4) that request an opportunity to disseminate child care training through the infrastructure and meet the requirements of this section;

(7) develop and implement a mechanism for participants in the training to evaluate the infrastructure, including providing comments on the accessibility and affordability of the training, and recommendations for improvements in the training;

(8) develop and implement a monitoring system to provide data on the training provided through the infrastructure, including data on—

(A) the number of facilities and individuals participating in the training;

(B) the number of facilities receiving accreditation (including a repeat accreditation) as accredited child care centers, and individuals receiving credentialing (including a repeat credentialing) as credentialed child care professionals, after fulfilling requirements that include participation in the training;

(C) the number of accredited child care centers, and credentialed child care professionals, participating in the training; and

(D) the number of sites in which the training is received, analyzed—

(i) by State; and

(ii) by location in an urban, suburban, or rural area; and

(9) establish and operate the child care training revolving fund described in section 223.

(d) ELIGIBILITY.—To be eligible to receive the grant, an organization shall be an organization that—

(1) is a private, nonprofit entity that is not—

(A) a child care credentialing or accreditation entity;

(B) a subsidiary or affiliate of a child care credentialing or accreditation entity; or

(C) an entity that has a subsidiary or affiliate that is a child care credentialing or accreditation entity;

(2) has experience in developing partnerships with child care credentialing or accreditation entities, institutions of higher education, and State and local governments, for the provision of child care training;

(3) has experience in providing and coordinating the provision of child care training to family child care providers and center-based child care providers;

(4) is related to child care provider support organizations in 35 or more States, through membership in a common organization, affiliation, or another mechanism;

(5) has experience in working with rural and urban child care provider support organizations and child care providers; and

(6) has experience in working with national child care groups and organizations, including Federal government agencies, providers of child care training, child care credentialing or accreditation entities, and educational groups.

(e) APPLICATION.—To be eligible to receive a grant under subsection (b), an organization shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

(1) information describing, and indicating a preliminary count of the number of, the sites from which the infrastructure will disseminate training;

(2) an assurance that the organization will require that—

(A) each child care credentialing or accreditation entity that disseminates training through the infrastructure will provide, during at least 60 percent of the dissemination period, an opportunity for participants in the training—

(i) to interact with an identified trainer or training leader at the training site; or

(ii) to elect to engage in other interactive training; and

(B) no child care credentialing or accreditation entity may collect fees for participation in the training that total more than—

(i) the cost to the entity for developing, conducting, and providing materials for, the training; minus

(ii) the amount that the entity receives under this section or from any other source to develop, conduct, and provide materials for, the training; and

(3) information demonstrating that the organization will comply with the organizational structure requirements of subsections (g) and (h), including a copy of the bylaws described in subsection (g)(2)(B).

(f) DEVELOPMENT AND OPERATION OF INFRASTRUCTURE.—

(1) CONTRACTS.—An organization that receives a grant under subsection (b) may use funds made available through the grant to enter into contracts, which may for good cause be sole source contracts, for the development of the technological and logistical aspects of the infrastructure. The organization shall enter into such a contract with an entity with experience in establishing technology-based interactive educational or training programs.

(2) TIME LINES.—

(A) BOARD, PERSONNEL, AND REVOLVING FUND.—Not later than 6 months after the date of receipt of the grant, the organization shall establish the governing board described in subsection (g), appoint a Chief Executive Project Officer described in subsection (h), and establish and operate the child care training revolving fund described in section 223. Not later than 1 year after the date of receipt of the grant, the Chief Executive Project Officer shall appoint the personnel described in subsection (h).

(B) TRAINING SITES.—

(i) 50 PERCENT OPERATIONAL.—Not later than 3 years after the date of receipt of the grant, the organization shall disseminate training at 50 percent of the sites described in the information submitted under subsection (e)(1).

(ii) 75 PERCENT OPERATIONAL.—Not later than 4 years after the date of receipt of the grant, the organization shall disseminate training at 75 percent of the sites.

(iii) 90 PERCENT OPERATIONAL.—Not later than 5 years after the date of receipt of the grant, the organization shall disseminate training at 90 percent of the sites.

(C) EVALUATION.—The organization shall develop and implement the mechanism for conducting evaluations of the infrastructure described in subsection (c)(6) not later than 3 years after the date of receipt of the grant.

(g) GOVERNING BOARD.—

(1) IN GENERAL.—An organization that receives a grant under subsection (b) shall establish a governing board.

(2) COMPOSITION.—

(A) IN GENERAL.—The governing board shall be composed of representatives of child care credentialing or accreditation entities that are recognized (as described in section 2(2)) by more than 1 State agency or tribal organization. The representatives shall be appointed by the entities. The composition of the governing board shall be specified in the bylaws of the board.

(B) INITIAL BYLAWS.—The organization shall develop the initial bylaws of the board. The bylaws shall include provisions specifying the manner in which representatives of all child care credentialing or accreditation entities described in subparagraph (A) that are disseminating training through the infrastructure shall participate in the activities of the governing board. The provisions shall provide for the participation through rotation of the representatives in the membership of the board, involvement of the representatives in committees of the board, or through other mechanisms that ensure, to the maximum extent possible, fair and equal participation of the representatives.

(C) AMENDED BYLAWS.—The governing board may amend the bylaws with the consent of the chief executive officer of the organization receiving a grant under subsection (b). The chief executive officer shall give the consent unless the chief executive officer demonstrates good cause for refusal of the consent. Any amended bylaws shall provide for the participation of representatives of all child care credentialing or accreditation entities described in subparagraph (A) that are disseminating training through the infrastructure, as described in subparagraph (B).

(3) DUTIES.—The governing board, with oversight by the chief executive officer of the organization, shall—

(A) advise the organization on the development and operation of the child care training infrastructure;

(B) review and approve the strategic plan described in subsection (h)(2)(A) and annual updates of the plan;

(C) review and approve the proposal described in subsection (h)(2)(B), with respect to the contracts, financial assistance, standards, policies, procedures, and activities referred to in such subsection; and

(D)(i) review, and advise the Chief Executive Project Officer regarding, the actions of the Chief Executive Project Officer with respect to the personnel of the governing board, and with respect to such standards, policies, procedures, and activities as are necessary or appropriate to carry out this section; and

(ii) inform the Chief Executive Project Officer of any aspects of the actions of the Chief Executive Project Officer that are not in compliance with the annual strategic plan referred to in subparagraph (B) or the proposal referred to in subparagraph (C), or are not consistent with the objectives of this section.

(h) CHIEF EXECUTIVE PROJECT DIRECTOR AND PERSONNEL.—

(1) IN GENERAL.—

(A) CHIEF EXECUTIVE PROJECT DIRECTOR.—The chief executive officer of an organization that receives a grant under subsection (b) shall appoint, compensate, and terminate the employment of a Chief Executive Project Officer to enable the governing board to perform its duties. The chief executive officer of the organization shall consult with the governing board before appointing, changing the compensation of, or terminating the employment of, the Chief Executive Project Officer.

(B) PERSONNEL.—The Chief Executive Project Officer shall appoint, compensate, and terminate the employment of such additional personnel as may be necessary to enable the governing board to perform its duties.

(2) DUTIES OF CHIEF EXECUTIVE PROJECT OFFICER.—The Chief Executive Project Officer shall—

(A) prepare and submit to the governing board and the chief executive officer of the organization a strategic plan every 3 years, and annual updates of the plan, with respect to the development and major operations of the infrastructure;

(B)(i) prepare and submit to the governing board and the chief executive officer of the organization a proposal with respect to such contracts and other financial assistance, and such standards, policies, procedures, and activities, as are necessary or appropriate to carry out this section; and

(ii) after receiving and reviewing an approved proposal under subsection (g)(3)(C), enter into such contracts and award such other financial assistance, and establish and administer such standards, policies, procedures and activities, as are necessary or appropriate to carry out this section;

(C) prepare and submit to the governing board and the chief executive officer of the organization an annual report, and such interim reports as may be necessary, describing the major actions of the Chief Executive Project Officer with respect to the personnel of the governing board, and with respect to the standards, policies, procedures, and activities; and

(D) inform the governing board and the chief executive officer of the organization of, and provide an explanation to the governing board regarding, any substantial differences regarding the implementation of this section between—

(i) the actions of the Chief Executive Project Officer; and

(ii)(I) the strategic plan approved by the governing board and the chief executive officer of the organization under subsection (g)(3)(B); or

(II) the proposal approved by the governing board and the chief executive officer of the organization under subsection (g)(3)(C).

(i) CORPORATION.—The organization may establish a nonprofit corporation containing the governing board, Chief Executive Project Officer, and personnel, to carry out this section.

(j) ADMINISTRATIVE COSTS.—Prior to the date on which the organization disseminates training at 75 percent of the sites described in the information submitted under subsection (e)(1), the organization may use not more than 25 percent of the funds made available through the grant to pay for the administrative costs of carrying out this section. Effective on that date, the organization may use not more than 15 percent of the funds to pay for the administrative costs.

(k) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $50,000,000 for each of fiscal years 1998 through 2003.

SEC. 223. CHILD CARE TRAINING REVOLVING FUND.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—The Chief Executive Project Officer described in section 222(h) shall use not less than 10 percent of the funds made available through the grant made under section 222 during the 5 years after the date of receipt of the grant to establish and operate a child care training revolving fund (referred to in this section as the "Fund")—

(A) from which the Chief Executive Project Officer shall make loans to eligible borrowers for the purpose of enabling the persons to purchase computers, satellite dishes, and other equipment that will be used to disseminate training through the infrastructure described in section 222; and

(B) into which all payments, charges, and other amounts collected from loans made under subparagraph (A) shall be deposited notwithstanding any other provision of law.

(2) SEPARATE ACCOUNT.—The Fund shall be maintained as a separate account. Any portion of the Fund that is not required for expenditure shall be invested in obligations of the United States or in obligations guaranteed or insured by the United States.

(3) INTEREST EARNED.—The interest earned on the investments shall be credited to and form a part of the Fund.

(b) ELIGIBLE BORROWERS.—To be eligible to receive a loan under subsection (a), a borrower shall be a child care provider who seeks to receive training through the infrastructure or an entity that has entered into an arrangement with the Chief Executive Project Officer to provide a training site (as defined in section 222) for the infrastructure.

(c) APPLICATION.—To be eligible to receive a loan under subsection (a), a borrower shall submit an application to the Chief Executive Project Officer at such time, in such manner, and containing such information as the Chief Executive Project Officer, in consultation with the governing board and the chief executive officer of an organization receiving a grant under section 222(b) may require. At a minimum, the application shall include—

(1) an assurance that the person shall use the equipment funded through the loan to receive or disseminate training through the infrastructure, for such period as the Secretary may by regulation prescribe; and

(2) an assurance that the person shall permit other persons to use the equipment to receive or disseminate training through the infrastructure, for such period as the Secretary may by regulation prescribe.

(d) LOANS.—In making loans under subsection (a), the Chief Executive Project Officer shall—

(1) to the maximum extent practicable, equitably distribute the loans among borrowers in the various States, and among borrowers in urban, suburban, and rural areas; and

(2) take into consideration the availability to the borrowers of resources from sources other than the Fund, including the availability of resources through the partnerships described in section 222(c)(1).

(e) TERMS AND CONDITIONS.—

(1) CONDITIONS.—The Chief Executive Project Officer may make a loan to a borrower under subsection (a) only if the Chief Executive Project Officer determines that—

(A) the borrower is unable to obtain resources from other sources on reasonable terms and conditions; and

(B) there is a reasonable prospect that the borrower will repay the loan.

(2) TERMS.—A loan made under subsection (a) shall be—

(A) for a term that does not exceed 4 years; and

(B) at no interest.

(3) COLLATERAL.—The Chief Executive Project Officer may require any borrower of a loan made under subsection (a) to provide such collateral as the Chief Executive Project Officer determines to be necessary to secure the loan.

(4) PROCEDURES AND DEFINITIONS.—Prior to making loans under subsection (a), the Chief Executive Project Officer shall establish written procedures and definitions pertaining to defaults and collections of payments under the loans which shall be subject to the review and approval of the Secretary. The governing board and chief executive officer of the organization involved shall provide to each applicant for a loan under subsection (a), at the time application for the loan is made, a written copy of the procedures and definitions.

(f) DEFAULTS.—

(1) NOTICE.—The Chief Executive Project Officer shall provide the governing board and the chief executive officer of the organization at regular intervals written notice of each loan made under subsection (a) that is in default and the status of the loan.

(2) ACTION.—

(A) NOTIFICATION.—After making reasonable efforts to collect all amounts payable under a loan made under subsection (a) that is in default, the Chief Executive Project Officer shall notify the governing board and the chief executive officer of the organization that the loan is uncollectable or collectible only at an unreasonable cost. The notification shall include recommendations for future action to be taken by the Chief Executive Project Director.

(B) INSTRUCTIONS.—On receiving the notification, the governing board and the chief executive officer of the organization shall advise the Chief Executive Project Officer—

(i) to continue with its collection activities;

(ii) to cancel, adjust, compromise, or reduce the amount of the loan; or

(iii) to modify any term or condition of the loan, including any term or condition relating to the time of payment of any installment of principal, or portion of principal, that is payable under the loan.

(g) ADMINISTRATION AND ASSISTANCE.—

(1) IN GENERAL.—Consistent with section 222(j), the Chief Executive Project Officer shall, out of funds available in the Fund—

(A) pay expenses incurred by the Chief Executive Project Officer in administering the Fund; and

(B) provide competent management and technical assistance to borrowers of loans made under subsection (a) to assist the borrowers to achieve the purposes of the loans.

(2) ASSISTANCE BY THE SECRETARY.—The Secretary shall provide to the chief executive officer of the organization and the Chief Executive Project Officer such management and technical assistance as the chief executive officer of the organization and the Chief Executive Project Officer may request in order to carry out the provisions of this section.

(h) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary to carry out the objectives of this section, including regulations involving reporting and auditing.

Subtitle D—Quality Child Care Through Federal Facilities and Programs

SEC. 231. PROVIDING QUALITY CHILD CARE IN FEDERAL FACILITIES.

(a) DEFINITION.—In this section:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of General Services.

(2) EXECUTIVE AGENCY.—The term "Executive agency" has the meaning given the term in section 105 of title 5, United States Code, but does not include the Department of Defense.

(3) EXECUTIVE FACILITY.—The term "executive facility" means a facility that is owned or leased by an Executive agency.

(4) FEDERAL AGENCY.—The term "Federal agency" means an Executive agency, a judicial office, or a legislative office.

(5) JUDICIAL FACILITY.—The term "judicial facility" means a facility that is owned or leased by a judicial office.

(6) JUDICIAL OFFICE.—The term "judicial office" means an entity of the judicial branch of the Federal Government.

(7) LEGISLATIVE FACILITY.—The term "legislative facility" means a facility that is owned or leased by a legislative office.

(8) LEGISLATIVE OFFICE.—The term "legislative office" means an entity of the legislative branch of the Federal Government.

(b) EXECUTIVE BRANCH STANDARDS AND ENFORCEMENT.—

(1) STATE AND LOCAL LICENSING REQUIREMENTS.—

(A) IN GENERAL.—The Administrator shall issue regulations requiring any entity operating a child care center in an executive facility to comply with applicable State and local licensing requirements related to the provision of child care.

(B) COMPLIANCE.—The regulations shall require that, not later than 6 months after the date of enactment of this Act—

(i) the entity shall comply, or make substantial progress (as determined by the Administrator) toward complying, with the requirements; and

(ii) any contract for the operation of such a child care center shall include a condition that the child care be provided in accordance with the requirements.

(2) ACCREDITATION STANDARDS.—

(A) IN GENERAL.—The Administrator shall issue regulations specifying child care center accreditation standards and requiring any entity operating a child care center in an executive facility to comply with the standards.

(B) COMPLIANCE.—The regulations shall require that, not later than 3 years after the date of enactment of this Act—

(i) the entity shall comply, or make substantial progress (as determined by the Administrator) toward complying, with the standards; and

(ii) any contract for the operation of such a child care center shall include a condition that the child care be provided by an entity that complies with the standards.

(C) CONTENTS.—The standards shall base accreditation on—

(i) an accreditation instrument described in section 2(2)(B);

(ii) outside monitoring described in section 2(2)(B), by—

(I) the Administrator; or

(II) a child care credentialing or accreditation entity, or other entity, with which the Administrator enters into a contract to provide such monitoring; and

(iii) the criteria described in section 2(2)(B).

(3) EVALUATION AND ENFORCEMENT.—

(A) IN GENERAL.—The Administrator shall evaluate the compliance of entities described in paragraph (1) with the regulations issued under paragraphs (1) and (2). The Administrator may conduct the evaluation of such an entity directly, or through an agreement with another Federal agency, other than the Federal agency for which the entity is providing child care. If the Administrator determines, on the basis of such an evaluation, that the entity is not in compliance with the regulations, the Administrator shall notify the Executive agency.

(B) TERMINATION OF AGENCY PROVISION OF CHILD CARE OR CONTRACT.—On receipt of the notification—

(i) if the entity operating the child care center involved is the agency, the agency shall terminate the direct provision of child care by the agency; and

(ii) if the entity operating the child care center is a contractor, the agency shall terminate the contract of the entity to operate the center.

(C) COST REIMBURSEMENT.—The Administrator may require Executive agencies to reimburse the Administrator for the costs of carrying out subparagraph (A) with respect to entities operating child care centers for the agencies. If an entity described in paragraph (1) operates a child care center for 2 or more Executive agencies, the Administrator shall allocate the costs of providing such reimbursement among the agencies in a fair and equitable manner, based on the extent to which each agency is eligible to place children in the center.

(c) LEGISLATIVE BRANCH STANDARDS AND ENFORCEMENT.—

(1) STATE AND LOCAL LICENSING REQUIREMENTS AND ACCREDITATION STANDARDS.—The Architect of the Capitol shall issue regulations for entities operating child care centers in legislative facilities, which shall be the same as the regulations issued by the Administrator under paragraphs (1) and (2) of subsection (b), except to the extent that the Architect may determine, for good cause shown and stated together with the regulations, that a modification of such regulations would be more effective for the implementation of the requirements and standards described in such paragraphs.

(2) EVALUATION AND ENFORCEMENT.—Subsection (b)(3) shall apply to the Architect of the Capitol, entities operating child care centers in legislative facilities, and legislative offices. For purposes of that application, references in subsection (b)(3) to regulations shall be considered to be references to regulations issued under this subsection.

(d) JUDICIAL BRANCH STANDARDS AND ENFORCEMENT.—

(1) STATE AND LOCAL LICENSING REQUIREMENTS AND ACCREDITATION STANDARDS.—The Director of the Administrative Office of the United States Courts shall issue regulations for entities operating child care centers in judicial facilities, which shall be the same as the regulations issued by the Administrator under paragraphs (1) and (2) of subsection (b), except to the extent that the Director may determine, for good cause shown and stated together with the regulations, that a modification of such regulations would be more effective for the implementation of the requirements and standards described in such paragraphs.

(2) EVALUATION AND ENFORCEMENT.—Subsection (b)(3) shall apply to the Director described in paragraph (1), entities operating child care centers in judicial facilities, and judicial offices. For purposes of that application, references in subsection (b)(3) to regulations shall be considered to be references to regulations issued under this subsection.

(e) APPLICATION.—Notwithstanding any other provision of this section, if 3 or more child care centers are operated in facilities owned or leased by a Federal agency, the head of the Federal agency may carry out the responsibilities assigned to the Administrator under subsection (b)(3)(A), the Architect of the Capitol under subsection (c)(2), or the Director described in subsection (d)(2) under such subsection, as appropriate.

(f) TECHNICAL ASSISTANCE.—The Administrator may provide technical assistance to

Executive agencies, and to entities operating child care centers in executive facilities, in order to assist the entities in complying with this section. The Architect of the Capitol and the Director of the Administrative Office of the United States Courts may provide, or request that the Administrator provide, technical assistance to legislative offices and judicial offices, respectively, and to entities operating child care centers in legislative facilities and judicial facilities, respectively, in order to assist the entities in complying with this section.

(g) COUNCIL.—The Administrator shall establish an interagency council, comprised of all Federal agencies described in subsection (e), to facilitate cooperation and sharing of best practices, and to develop and coordinate policy, regarding the provision of child care in the Federal Government.

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $900,000 for fiscal year 1998 and each subsequent fiscal year.

SEC. 232. PROVIDING QUALITY CHILD CARE THROUGH FEDERAL PROGRAMS.

(a) CORPORATION FOR NATIONAL AND COMMUNITY SERVICE.—Effective October 1, 2001, the Chief Executive Officer of the Corporation for National and Community Service shall ensure that, to the maximum extent practicable, any child care made available under any Federal financial assistance program carried out by the Chief Executive Officer, directly or through a child care allowance, shall be child care provided by an accredited child care center or a credentialed child care professional, as the terms are defined in section 2.

(b) DEPARTMENTS OF EDUCATION, HOUSING AND URBAN DEVELOPMENT, JUSTICE, AND LABOR.—Effective October 1, 2001, the Secretary of Education, Secretary of Housing and Urban Development, Attorney General, and Secretary of Labor shall ensure that, to the maximum extent practicable, any child care made available under any Federal financial assistance program carried out by the Attorney General or Secretary involved, directly or through a child care allowance, shall be child care provided by an accredited child care center or a credentialed child care professional, as the terms are defined in section 2.

(c) SOCIAL SERVICES BLOCK GRANTS.—Section 2002(a) of the Social Security Act (42 U.S.C. 1397a(a)) is amended by adding at the end the following:

"(3) Effective October 1, 2001, child care services made available under this subsection shall, to the maximum extent practicable, be child care services provided by an accredited child care center or a credentialed child care professional, as the terms are defined in section 2 of the CIDCARE Act.".

SEC. 233. USE OF COMMUNITY DEVELOPMENT BLOCK GRANTS TO ESTABLISH ACCREDITED CHILD CARE CENTERS.

Section 105(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)) is amended—

(1) in paragraph (22), by striking "and" at the end;

(2) in paragraph (23), by striking the period at the end and inserting a semicolon;

(3) in paragraph (24), by striking "and" at the end;

(4) in paragraph (25), by striking the period at the end and inserting "; and"; and

(5) by adding at the end the following:

"(26) the establishment of accredited child care centers (as that term is defined in section 2 of the CIDCARE Act), by upgrading existing child care facilities to meet standards for accredited child care centers, or by renovating existing structures for use as accredited child care centers.".

Subtitle E—Miscellaneous Provisions

SEC. 241. STUDENT LOAN REPAYMENT AND CANCELLATION FOR CHILD CARE WORKERS.

(a) STAFFORD LOAN REPAYMENT.—Section 428J of the Higher Education Act of 1965 (20 U.S.C. 1078-10) is amended—

(1) in the section heading by striking "and nurses" and inserting ", nurses and child care workers";

(2) in subsection (a)(1), by striking "and nursing profession" and inserting ", nursing and child care professions";

(3) in subsection (b)(1)—

(A) in subparagraph (B)(ii), by striking "or" after the semicolon;

(B) in subparagraph (C), by striking the period and inserting "; or"; and

(C) by adding at the end the following:

"(D) is employed full time providing child care services, and possesses a certificate or degree in early childhood education or development."; and

(4) in subsection (g)—

(A) in paragraph (1), by striking "and community service" and inserting "community service, and child care"; and

(B) in paragraph (3)—

(i) in subparagraph (A), by striking "and community service" and inserting "community service, and child care"; and

(ii) in subparagraph (D), by striking "and community service" and inserting "community service, and child care".

(b) PERKINS LOAN CANCELLATION.—Section 465(a)(2) of the Higher Education Act of 1965 (20 U.S.C. 1087ee(a)(2)) is amended—

(1) in subparagraph (H), by striking "or" after the semicolon;

(2) in subparagraph (I), by striking the period and inserting "; or"; and

(3) by inserting after subparagraph (I) the following:

"(J) as a full-time employee who provides child care services and possesses a certificate or degree in early childhood education or development.".

SEC. 242. EXPANSION OF COORDINATED ENFORCEMENT EFFORTS OF INTERNAL REVENUE SERVICE AND HHS OFFICE OF CHILD SUPPORT ENFORCEMENT.

(a) STATE REPORTING OF CUSTODIAL DATA.—Section 454A(e)(4)(D) of the Social Security Act (42 U.S.C. 654(e)(4)(D)) is amended by striking "the birth date of any child" and inserting "the birth date and custodial status of any child".

(b) MATCHING PROGRAM BY IRS OF CUSTODIAL DATA AND TAX STATUS INFORMATION.—

(1) NATIONAL DIRECTORY OF NEW HIRES.—Section 453(i)(3) of the Social Security Act (42 U.S.C. 653(i)(3)) is amended by striking "a claim with respect to employment in a tax return" and inserting "information which is required on a tax return".

(2) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—Section 453(h) of the such Act (42 U.S.C. 653(h)) is amended by adding at the end the following:

"(3) ADMINISTRATION OF FEDERAL TAX LAWS.—The Secretary of the Treasury shall have access to the information described in paragraph (2), consisting of the names and social security numbers of the custodial parents linked with the children in the custody of such parents, for the purpose of administering those sections of the Internal Revenue Code of 1986 which grant tax benefits based on support and residence provided dependent children."

(c) MINIMUM PAST-DUE SUPPORT THRESHOLD FOR USE OF OFFSET PROCEDURE.—

(1) PART D FAMILIES.—Section 464(b)(1) of the Social Security Act (42 U.S.C. 664(b)(1)) is amended by inserting "(not to exceed $150)" after "minimum amount".

(2) OTHER FAMILIES.—Section 464(b)(2)(A) of such Act (42 U.S.C. 664(b)(2)(A)) is amended by striking "$500" both places it appears and inserting "$150".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1997.

Mr. DODD. Mr. President, it is my pleasure today to join my colleague from Vermont, Senator JEFFORDS, as we introduce the Creating Improved Delivery of Child Care: Affordable, Reliable, and Educational (CIDCARE) Act of 1997.

This legislation will go a long way toward giving parents peace of mind. Child care shouldn't be like going to Las Vegas—where you roll the dice and hope for the best. Parents should be confident that when they are not able to be with their children, their children will still be well cared for. We shouldn't be gambling with our children's health and safety.

Up to this point Mr. President, we in the federal government have largely deferred the issue of quality of child care to the states. The sole significant contribution of the federal government to improving the quality of this nation's child care is the modest 4% set-aside for quality improvement that we struggled to create within the child care development block grant. This lack of federal support for quality has not served children well.

A few years ago my good friend, Professor Ed Zigler of Yale University, did a survey of state child care regulations. He found, in short, that states are failing the "quality test"—no state had child care regulations in place that could be characterized as good quality standards. Only a third of states had minimally acceptable regulations. Two-thirds of states had regulations that didn't even address the basics—caregiver training, safe environments, appropriate provider-child ratios.

Keep in mind, we're not even talking about how well or whether states actually enforced those standards. This study was simply asking a question about the first step in quality—whether states had basic child care quality standards on the books that providers could be held to. This legislation addresses, for the first time on a federal level, the issues of quality child care. We have safety standards for the food we eat and the cars we drive. Is it too much to have some basic standards for child care providers—individuals who literally hold a child's life in their hands? I think not, Mr. President. And even beyond basic health and safety standards, we must consider how we can assist caregivers in supporting children's growth and development.

Mr. President, this legislation will help working families afford child care. Specifically, this bill more equitably

distributes the child care tax credit by making the credit refundable for lower income families, increasing the credit for families under $55,000, and phasing down the credit to a minimum of 10% for higher income taxpayers. Further, it increases the amount that employees can contribute to Dependent Care Assistance Plans (DCAP).

The CIDCARE bill further provides incentives for parents to choose high quality child care by providing a higher tax credit and larger DCAP allowances for families that use accredited or credentialed services, reflecting the higher expenses associated with higher quality care.

Additionally, this legislation encourages child care centers and providers to offer high quality child care. It gives child care providers a higher deduction for the educational expenses related to achieving or maintaining accreditation. It further provides $50 million to create and operate a technology-based training infrastructure, that builds upon existing distance learning, Internet, and satellite resources, to enable child care providers nationwide to receive training, education, and support. It also provides loan forgiveness for Perkins and Stafford educational loans for child care workers who obtain a degree in early childhood education or receive professional child care credentials. This bill would also require federal child care centers to meet all state and local licensing and other regulatory requirements related to the provision of child care.

This legislation will also give businesses incentives to support quality child care for their employees and the community at large. It will allow businesses a charitable deduction for donating educational equipment to nonprofit child care providers, support entities, and public schools and provides a tax credit for employers who develop child care centers for their employees.

Finally, Mr. President, the CIDCARE bill will provide grants to states to support quality child care. It establishes a $260 million competitive grant program to assist states in improving the quality of child care through mechanisms such as: salary increases for credentialed child care providers: developing standards for the accreditation and credentialing of child care providers; scholarship programs to help child care providers meet the costs of education and training; expanding training and technical assistance activities; consumer education efforts, and increased rates of reimbursement for the care of children with special needs.

Mr. President, quality child care can no longer be considered a luxury reserved for the very few. This should not be a partisan issue. All of us want the best for our children. And when they can't be with their parents, we want them to be in high quality care. This legislation will move us in that direction. I urge my colleagues to join Senator JEFFORDS and myself in support of the CIDCARE bill.

ADDITIONAL COSPONSORS

S. 22

At the request of Mr. MOYNIHAN, the name of the Senator from Delaware [Mr. BIDEN] was added as a cosponsor of S. 22, a bill to establish a bipartisan national commission to address the year 2000 computer problem.

S. 100

At the request of Mr. KERRY, the name of the Senator from Hawaii [Mr. AKAKA] was added as a cosponsor of S. 100, a bill to amend title 49, United States Code, to provide protection for airline employees who provide certain air safety information, and for other purposes.

S. 217

At the request of Mr. BIDEN, the name of the Senator from Delaware [Mr. ROTH] was added as a cosponsor of S. 217, a bill to amend title 38, United States Code, to provide for the payment to States of plot allowances for certain veterans eligible for burial in a national cemetery who are buried in cemeteries of such States.

S. 535

At the request of Mr. MCCAIN, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 535, a bill to amend the Public Health Service Act to provide for the establishment of a program for research and training with respect to Parkinson's disease.

S. 969

At the request of Mr. D'AMATO, the name of the Senator from Pennsylvania [Mr. SANTORUM] was added as a cosponsor of S. 969, a bill ordering the preparation of a Government report detailing injustices suffered by Italian Americans during World War II, and a formal acknowledgement of such injustices by the President.

S. 989

At the request of Mr. DORGAN, the names of the Senator from Georgia [Mr. CLELAND], the Senator from Louisiana [Ms. LANDRIEU], and the Senator from South Dakota [Mr. JOHNSON] were added as cosponsors of S. 989, a bill entitled the "Safer Schools Act of 1997".

AMENDMENT NO. 889

At the request of Mr. MCCONNELL the name of the Senator from Kansas [Mr. BROWNBACK] was added as a cosponsor of amendment No. 889 proposed to S. 955, an original bill making appropriations for foreign operations, export financing, related programs for the fiscal year ending September 30, 1998, and for other purposes.

AMENDMENT NO. 890

At the request of Mr. HUTCHINSON the name of the Senator from Wisconsin [Mr. FEINGOLD] was added as a cosponsor of amendment No. 890 proposed to S. 955, an original bill making appropriations for foreign operations, export financing, related programs for the fiscal year ending September 30, 1998, and for other purposes.

AMENDMENT NO. 892

At the request of Mr. BROWNBACK the names of the Senator from Arizona [Mr. MCCAIN], and the Senator from West Virginia [Mr. BYRD] were added as cosponsors of amendment No. 892 proposed to S. 955, an original bill making appropriations for foreign operations, export financing, related programs for the fiscal year ending September 30, 1998, and for other purposes.

At the request of Mr. MCCONNELL the name of the Senator from Washington [Mrs. MURRAY] was added as a cosponsor of amendment No. 892 proposed to S. 955, supra.

AMENDMENT NO. 896

At the request of Mr. BINGAMAN the name of the Senator from Nebraska [Mr. KERREY] was added as a cosponsor of amendment No. 896 proposed to S. 955, an original bill making appropriations for foreign operations, export financing, related programs for the fiscal year ending September 30, 1998, and for other purposes.

SENATE CONCURRENT RESOLUTION 40—EXPRESSING THE SENSE OF CONGRESS REGARDING THE OAS–CIAV MISSION IN NICARAGUA

Mr. HELMS submitted the following original concurrent resolution; which was reported from the Committee on Foreign Relations and placed on the calendar.

S. CON. RES. 40

Whereas the International Support and Verification Commission of the Organization of American States (in this resolution referred to as the "OAS–CIAV") was established in the August 7, 1989, Tela Accords by the presidents of the Central American countries and by the Secretary Generals of the United Nations and the Organization of American States for the purpose of ending the Nicaraguan war and reintegrating members of the Nicaraguan Resistance into civil society;

Whereas the OAS–CIAV, originally comprised of 53 unarmed Latin Americans, successfully demobilized 22,500 members of the Nicaraguan Resistance and distributed food and humanitarian assistance to more than 119,000 repatriated Nicaraguans prior to July 1991;

Whereas the OAS–CIAV provided seeds, starter plants, and fertilizer to more than 17,000 families of demobilized combatants;

Whereas the OAS–CIAV assisted former Nicaraguan Resistance members in the construction of nearly 3,000 homes for impoverished families, 45 schools, 50 health clinics, and 25 community multi-purpose centers, as well as the development of microenterprises;

Whereas the OAS–CIAV assisted rural communities with the reparation of roads, development of potable water sources, veterinary and preventative medical training, raising

basic crops, cattle ranching, and reforestation;

Whereas the OAS–CIAV, together with the Pan-American Health Organization (PAHO), trained local paramedics to staff 22 health posts in the Atlantic and pacific regions of Nicaragua and provided medical supplies to treat mothers, young children, and cholera patients, among others, in a five-month program that benefited nearly 50,000 Nicaraguans;

Whereas the OAS–CIAV, with 15 members under a new mandate effective June 9, 1993, has investigated and documented more than 1,800 human rights violations, including 653 murders and has presented these cases to Nicaraguan authorities, following and advocating justice in each case;

Whereas, the OAS–CIAV has demobilized 20,745 rearmed contras and Sandinistas, as well as apolitical criminal groups, and recently brokered and mediated the successful May 1997 negotiations between the Government of Nicaragua and the largest rearmed group;

Whereas the OSA–CIAV has resolved hostage crises successfully, including the 1993 abductions of UNO party Congressmen, the Vice President and the French military attache, and the 1996 kidnappings of an Agency for International Development contractor and 28 Supreme Electoral Council employees;

Whereas the OSA–CIAV created 86 peace commissions and has provided assistance and extensive training in human rights and alternative dispute resolution for their members, who are currently mediating conflicts, including kidnappings and demobilization of rearmed groups, in every municipality of the zones of conflict;

Whereas the OSA–CIAV assistance and training by the OSA–CIAV of rural Nicaraguans has led to a decrease in violence in the zones of conflict since 1994, in some areas as much as 85 percent;

Whereas the OSA–CIAV has assisted children wounded by land mines;

Whereas the OSA–CIAV has provided assistance to disabled war veterans and widows of combatants;

Whereas the OSA–CIAV provided and distributed 44,010 birth certificates to rural Nicaraguans in early 1996, allowing them to participate in the 1996 presidential and parliamentary elections; and

Whereas the OSA–CIAV provided transportation to and communication with remote areas or areas of conflict, assuring a secure climate for voter registration and the elections: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Senate—

(1) commends and congratulates Santiago Murray and Sergio Caramagna, the first and current directors, respectively, of the OSA–CIAV and all members of the OSA–CIAV team for their tireless defense of human rights, promotion of peaceful conflict resolution, and, contribution to the development of freedom and democracy in Nicaragua; and

(2) expresses its support for the continuation of the role of the Organization of American States (OAS) in Nicaragua described in the resolution passed by the OAS General Assembly in Lima, Peru, on June 4, 1997.

SEC. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President with the request that he further transmit such resolution to the Secretary General of the Organization of American States.

SENATE CONCURRENT RESOLUTION 41 RELATIVE TO A JUST AND PEACEFUL RESOLUTION OF THE SITUATION ON CYPRUS

Mr. HELMS submitted the following original concurrent resolution; which was reported from the Committee on Foreign Relations and placed on the calendar.

S. CON. RES. 41.

Whereas the Republic of Cyprus has been divided and occupied by foreign forces since 1974 in violation of United Nations resolutions;

Whereas the international community, Congress, and successive United States administrations have called for an end to the status quo on Cyprus, considering that it perpetuates an unacceptable violation of international law and fundamental human rights affecting all the people of Cyprus, and undermines significant United States interests in the Eastern Mediterranean region;

Whereas the international community and the United States Government have repeatedly called for the speedy withdrawal of all foreign forces from the territory of Cyprus;

Whereas there are internationally acceptable means to resolve the situation in Cyprus, including the demilitarization of Cyprus and the establishment of a multinational force to ensure the security of both communities in Cyprus;

Whereas during the past year tensions in Cyprus have dramatically increased, with violent incidents occurring along cease-fire lines at a level not reached since 1974;

Whereas recent events in Cyprus have heightened the potential for armed conflict in the region involving two North Atlantic Treaty Organization (NATO) allies, Greece and Turkey, which would threaten vital United States interests in the already volatile Eastern Mediterranean area and beyond;

Whereas a peaceful, just, and lasting solution to the Cyprus problem would greatly benefit the security, and the political, economic, and social well-being of all Cypriots, as well as contribute to improved relations between Greece and Turkey;

Whereas a lasting solution to the Cyprus problem would also strengthen peace and stability in the Eastern Mediterranean and serve important interests of the United States;

Whereas the United Nations has repeatedly stated the parameters for such a solution, most recently in United Nations Security Council Resolution 1092, adopted on December 23, 1996, with United States support;

Whereas the prospect of the accession by Cyprus to the European Union, which the United States has actively supported, could serve as a catalyst for a solution to the Cyprus problem;

Whereas President Bill Clinton has pledged that in 1997 the United States will "play a heightened role in promoting a resolution in Cyprus"; and

Whereas United States leadership will be a crucial factor in achieving a solution to the Cyprus problem, and increased United States involvement in the search for this solution will contribute to a reduction of tension on Cyprus: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That Congress—

(1) reaffirms its view that the status quo on Cyprus is unacceptable and detrimental to the interests of the United States in the Eastern Mediterranean and beyond;

(2) considers that lasting peace and stability on Cyprus could be best secured by—

(A) a process of complete demilitarization leading to the withdrawal of all foreign occupation forces;

(B) the cessation of foreign arms transfers to Cyprus; and

(C) the provision of alternative internationally acceptable and effective security arrangements with guaranteed rights for both communities as negotiated by the parties;

(3) welcomes and supports the commitment by President Clinton to give increased attention to Cyprus and to make the search for a solution a priority of United States foreign policy, as witnessed by the appointment of Ambassador Richard Holbrooke as Special Presidential Emissary for Cyprus; and

(4) calls upon the parties to lend their full support and cooperation to United States, United Nations, and other international efforts to promote an equitable and speedy resolution of the Cyprus problem—

(A) on the basis of international law, the provisions of relevant United Nations Security Council resolutions, and democratic principles, including respect for human rights; and

(B) in accordance with the norms and requirements for accession to the European Union.

AMENDMENTS SUBMITTED

THE TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT FOR FISCAL YEAR 1998

CAMPBELL AMENDMENT NO. 921

Mr. CAMPBELL proposed an amendment to the bill (S. 1023) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1998, and for other purposes; as follows:

At the appropriate place, insert the following:

SEC. . REGULATIONS CONCERNING THE IMPORTATION OF CERTAIN FISH.

(a) IMPORT COMPLIANCE.—Section 6(c) of the Atlantic Tuna Convention Act of 1975 (16 U.S.C. 971d(c)) is amended by adding at the end the following:

"(8)(A)(i) Not later than January 1, 1998, the Secretary, in consultation with the Secretary of the Treasury and the Secretary of State, shall promulgate regulations to ensure that fish in any form that are—

"(I) subject to regulation pursuant to a recommendation of the Commission; and

"(II) presented for entry into the United States;

have been taken and retained in a manner and under circumstances that are consistent with the recommendations of the Commission described in clause (ii).

"(ii) The recommendations described in this clause are recommendations of the Commission that are—

"(I) made pursuant to article VIII of the Convention; and

"(II) adopted by the Secretary in the regulations promulgated pursuant to this section.

"(B)(i) The regulations promulgated under this paragraph shall include, at a minimum, a requirement that the fish described in subparagraph (A)(i) are accompanied by a valid

certificate of origin that attests that the fish have been taken and retained in a manner and under circumstances that are consistent with the recommendations described in subparagraph (A)(ii).

"(ii) A certificate described in clause (i) may be issued only by the government of the nation that has jurisdiction over—

"(I) the vessel from which the fish that is the subject of the certificate was harvested; or

"(II) any other means by which the fish that is the subject of the certificate was harvested.

"(C) The regulations promulgated under this paragraph may limit the entry into the United States of fish in any form if that limitation is necessary to carry out the purpose of this paragraph.

"(D) Beginning on February 1, 1998, the Secretary of the Treasury shall prohibit the entry into the United States of fish in any form that does not comply with the regulations promulgated pursuant to this paragraph.".

(b) REPORTS.—Section 11 of the Atlantic Tuna Convention Act of 1975 (16 U.S.C. 971j) is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(2) by inserting after paragraph (2) the following:

"(3) lists each fishing nation from which fish in any form was prohibited entry into the United States pursuant to section 6(c)(8);".

BROWNBACK (AND OTHERS) AMENDMENT NO. 922

Mr. BROWNBACK (for himself, Mr. CAMPBELL, Mr. WELLSTONE, and Mr. BAUCUS) proposed an amendment to amendment No. 921 proposed by Mr. CAMPBELL to the bill, S. 1023, supra; as follows:

At the appropriate place in the Amendment, insert the following new section:

SEC. . Notwithstanding any other provision of law, no adjustment shall be made under section 601(a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31) (relating to cost of living adjustments for Members of Congress) during fiscal year 1998.

CAMPBELL AMENDMENT NOS. 923–924

Mr. CAMPBELL proposed two amendments to the bill, S. 1023, supra; as follows:

AMENDMENT NO. 923

On page 71, lines 13 to 18, move Sec. 514 to page 93 and insert after the period on line 3.

AMENDMENT NO. 924

Page 49, strike all on lines 11–13, and on line 14, strike the words "the private sector for" and insert in lieu thereof the words "the General Accounting Office shall conduct".

THOMAS AMENDMENT NO. 925

(Ordered to lie on the table.)

Mr. THOMAS submitted an amendment intended to be proposed by him to the bill, S. 1023, supra; as follows:

At the appropriate place in the bill, insert the following new section and renumber any following sections accordingly:

SEC. . LIMITATION ON THE USE OF FUNDS TO PROVIDE FOR FEDERAL AGENCIES TO FURNISH COMMERCIALLY AVAILABLE PROPERTY OR SERVICES TO OTHER FEDERAL AGENCIES.

(a) Except as provided in subsection (b), none of the funds appropriated by this or any other Act may be used by the Office of Management and Budget, or any other agency, to publish, promulgate, or enforce any policy, regulation, or circular, or any rule or authority in any other form, that would permit any Federal agency to provide a commercially available property or service to any other department or agency of government unless the policy, regulation, circular, or other rule or authority meets the requirements prescribed under subsection (b).

(b)(1) Not later than 120 days after the date of the enactment of this Act, the Director of the Office of Management and Budget shall prescribe regulations applicable to any policy regulation, circular, or other rule or authority referred to in subsection (a).

(2) The requirements prescribed under paragraph (1) shall include the following:

(A) a requirement for a comparison between the cost of providing the property or service concerned through the agency concerned and the cost of providing such property or service through the private sector;

(B) a requirement for cost and performance benchmarks relating to the property or service provided relative to comparable services provided by other government agencies and contractors in order to permit effective oversight of the cost and provision of such property or service by the agency concerned or the Office of Management and Budget; and

(C) the regulation would not apply to contingency operations associated with national security or a national emergency.

MIKULSKI AMENDMENT NO. 926

Mr. CAMPBELL (for Ms. MIKULSKI) proposed an amendment to the bill, S. 1023, supra; as follows:

On page 71, line 16, strike "or night differential".

On page 71, line 18, strike "or differential".

FEINSTEIN (AND OTHERS) AMENDMENT NO. 927

Mrs. FEINSTEIN (for herself, Mr. CONRAD, Mr. HARKIN, Mr. INOUYE, Mr. FAIRCLOTH, Mr. FEINGOLD, Mr. JOHNSON, Mr. KERRY, Mr. MACK, Mr. REID, Mr. THURMOND, Mr. TORRICELLI, Ms. SNOWE, Ms. MOSELEY-BRAUN, Mr. COVERDELL, and Mr. SPECTER) , proposed an amendment to the bill, S. 1023, supra; as follows:

SEC. . (a) SPECIAL POSTAGE STAMPS.—In order to afford the public a convenient way to contribute to funding for breast-cancer research, the United States Postal Service shall establish a special rate of postage for first-class mail under this section.

(b) HIGHER RATE.—The rate of postage established under this section—

(1) shall be 1 cent higher than the rate that would otherwise apply;

(2) may be established without regard to any procedures under chapter 36 of title 39, United States Code, and notwithstanding any other provision of law; and

(3) shall be offered as an alternative to the rate that would otherwise apply.

The use of the rate of postage established under this section shall be voluntary on the part of postal patrons.

(c) USE OF FUNDS.—

(1) IN GENERAL.—

(A) PAYMENTS.—The amounts attributable to the 1-cent differential established under this section shall be paid by the United States Postal Service to the Department of Health and Human Services.

(B) USE.—Amounts paid under subparagraph (A) shall be used for breast-cancer research and related activities to carry out the purposes of this section.

(C) FREQUENCY OF PAYMENTS.—Payments under subparagraph (A) shall be paid to the Department of Health and Human Services no less than twice in each calendar year.

(2) AMOUNTS ATTRIBUTABLE TO THE 1-CENT DIFFERENTIAL.—For purposes of this subsection, the term "amounts attributable to the 1-cent differential established under this section" means, as determined by the United States Postal Service under regulations that it shall prescribe—

(A) the total amount of revenues received by the United States Postal Service that it would not have received but for the enactment of this section, reduced by

(B) an amount sufficient to cover reasonable administrative and other costs of the United States Postal Service attributable to carrying out this section.

(d) SPECIAL POSTAGE STAMPS.—The United States Postal Service may provide for the design and sale of special postage stamps to carry out this section.

(e) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) nothing in this section should directly or indirectly cause a net decrease in total funds received by the Department of Health and Human Services or any other agency or instrumentality of the Government (or any component or other aspect thereof) below the level that would otherwise have been anticipated absent this section; and

(2) nothing in this section should affect regular first-class rates or any other regular rate of postage.

(f) ANNUAL REPORTS.—The Postmaster General shall include in each annual report rendered under section 2402 of title 39, United States Code, information concerning the operation of this section.

CLELAND AMENDMENT NO. 928

(Ordered to lie on the table.)

Mr. CLELAND submitted an amendment intended to be proposed by him to the bill, S. 1023, supra; as follows:

On page 47, line 9, strike "$145,300,000' and insert "$210,300,000".

On page 47, line 13, strike "$110,000,000" and insert "$175,000,000".

On page 51, line 15, strike "$4,885,934,000" and insert "$4,820,934,000".

THOMAS (AND OTHERS) AMENDMENT NO. 929

Mr. THOMAS (for himself, Mr. ENZI, Mr. BROWNBACK, and Mr. HAGEL) proposed an amendment to the bill, S. 1023, supra; as follows:

At the appropriate place in the bill, insert the following new section and renumber any following sections accordingly:

SEC. . LIMITATION ON THE USE OF FUNDS TO PROVIDE FOR FEDERAL AGENCIES TO FURNISH COMMERCIALLY AVAILABLE PROPERTY OR SERVICES TO OTHER FEDERAL AGENCIES.

(a) Except as provided in subsection (b), none of the funds appropaited by this or any

other Act may be used by the Office of Management and Budget, or any other agency, to publish, promulgate, or enforce any policy, regulation, or circular, or any rule or authority in any other form, that would permit any Federal agency to provide a commercially available property or service to any other department or agency of government unless the policy, regulation, circular, or other rule or authority meets the requirements prescribed under subsection (b).

(b)(1) Not later than 120 days after the date of the enactment of this Act, the Director of the Office of Management and Budget shall prescribe regulations applicable to any policy regulation, circular, or other rule or authority referred to in subsection (a).

(2) The requirements prescribed under paragraph (1) shall include the following:

(A) a requirement for a comparison between the cost of providing the property or service concerned through the agency concerned and the cost of providing such property or service through the private sector;

(B) a requirement for cost and performance benchmarks relating to the property or service provided relative to comparable service provided by other government agencies and contractors in order to permit effective oversight of the cost and provision of such property or service by the agency concerned or the Office of Management and Budget; and

(C) the regulation would not apply to contingency operations associated with national security or a national emergency.

HATCH (AND OTHERS) AMENDMENT NO. 930

Mr. HATCH (for himself, Mr. LEAHY, Mr. DURBIN, and Mr. KOHL) proposed an amendment to the bill, S. 1023, supra; as follows:

At the appropriate place, insert the following:

SEC. . JUDICIAL SALARIES.

(a) JUDICIAL COST-OF-LIVING ADJUSTMENTS.—Section 461(a) of title 28, United States Code, is amended to read as follows:

"(a) Effective on the same date that the rates of basic pay under the General Schedule are adjusted pursuant to section 5303 of title 5, each salary rate which is subject to adjustment under this section shall be adjusted by the same percentage amount as provided for under section 5303 of title 5, rounded to the nearest multiple of $100 (or if midway between multiples of $100, to the next higher multiple of $100).".

(b) AUTOMATIC ADJUSTMENTS WITHOUT CONGRESSIONAL ACTION.—Section 140 of the resolution entitled "A Joint Resolution making further continuing appropriations for the fiscal year 1982, and for other purposes.", approved December 15, 1981 (Public Law 97-92; 95 Stat. 1200; 28 U.S.C. 461 note) is repealed.

LOTT (AND DASCHLE) AMENDMENT NO. 931

Mr. CAMPBELL (for Mr. LOTT, for himself and Mr. DASCHLE) proposed an amendment to the bill, S. 1023; as follows:

At the appropriate place, insert the following:

SEC. . Section 302(g)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(g)(1)) is amended—

(1) by striking "and" after "Senator,"; and

(2) by inserting after "candidate," the following: "and by the Republican and Democratic Senatorial Campaign Committees".

FAIRCLOTH (AND OTHERS) AMENDMENT NO. 932

Mr. FAIRCLOTH (for himself, Mr. SHELBY, and Mr. HAGEL) proposed an amendment to the bill, S. 1023, supra; as follows:

Insert at the appropriate section:

SEC. . PROHIBITION OF COMPUTER GAME PROGRAMS.

(1) DEFINITIONS.—In this section, "agency" means agency as defined under section 105 of title 5, United States Code;

(2) REMOVAL OF EXISTING COMPUTER GAME PROGRAMS.—Not later than 180 days after the date of enactment of this Act, the head of each agency shall take such actions as necessary to remove any computer game program not required for the official business of the agency from any agency computer equipment.

(3) PROHIBITION OF INSTALLATION OF COMPUTER GAME PROGRAMS.—The head of each agency shall prohibit the installation of any computer game program not required for the official business of the agency into any agency computer equipment.

(4) PROHIBITION OF AGENCY ACCEPTANCE OF COMPUTER EQUIPMENT WITH COMPUTER GAME PROGRAMS.—

(a) Title III of the Federal Property and Administrative Services Act of 1949 is amended by adding at the end the following:

"SEC. 317. RESTRICTIONS ON CERTAIN INFORMATION TECHNOLOGY.

"(a) DEFINITION.—In this section the term 'information technology' has the meaning given such term under section 5002(3) of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401).

"(b) IN GENERAL.—The head of an executive agency may not accept delivery of information technology that is loaded with game programs not required for an official purpose under the terms of the contract under which information technology is delivered.

"(c) WAIVER.—The head of an executive agency may waive the application of this section with respect to any particular procurement of information technology, if the head of the agency—

"(1) conducts a cost-benefit analysis and determines that the costs of compliance with this section outweighs the benefits of compliance; and

"(2) submits a certification of such determination, with supporting documentation to the Congress.".

(b) The table of contents in section 2(b) of the Federal Property and Administrative Services Act of 1949 is amended by inserting after the item relating to section 316 the following:

"Sec. 317. Restrictions on certain information technology.".

(c) The amendments made by this section shall take effect 180 days after the date of enactment of this Act.

DASCHLE AMENDMENT NO. 933

Mr. KOHL (for Mr. DASCHLE) proposed an amendment to the bill, S. 1023, supra; as follows:

On page 22, lines 15 and 16, strike "Notwithstanding any other provision of law," and insert "Hereafter,".

COLLINS (AND OTHERS) AMENDMENT NO. 934

Mr. CAMPBELL (for Ms. COLLINS, for herself, Mr. SHELBY, and Mr. GRASSLEY) proposed an amendment to the bill, S. 1023, supra; as follows:

On page 5, line 5, strike "$30,719,000", and insert in lieu thereof, "$29,719,000".

On page 39 after line 2, insert the following new section:

SEC. 121. None of the funds made available by this Act may be used by the Inspector General to contract for advisory and assistance services that has the meaning given such term in section 1105(g) of Title 31, United States Code.

KOHL (AND KENNEDY) AMENDMENT NO. 935

Mr. KOHL (for himself and Mr. KENNEDY) proposed an amendment to the bill, S. 1023, supra; as follows:

On page 12 line 2, strike "$472,490,000" and insert in lieu there of, "$473,490,000; of which $1,000,000 may be used for the Youth Gun Crime Initiative."

DEWINE AMENDMENT NO. 936

Mr. CAMPBELL (for Mr. DEWINE) proposed an amendment to the bill, S. 1023, supra; as follows:

At the end of title VI, insert the following:

SEC. . No funds appropriated by this Act shall be available to pay for an abortion, or the administrative expenses in connection with any health plan under the Federal employees health benefit program which provides any benefits or coverage for abortions.

SEC. . The provision of section shall not apply where the life of the mother would be endangered if the fetus were carried to term, or the pregnancy is the result of an act of rape or incest.

BINGAMAN AMENDMENT NO. 937

Mr. CAMPBELL (for Mr. BINGAMAN) proposed an amendment to the bill, S. 1023, supra; as follows:

On page 92, strike lines 6 through 16.

ABRAHAM AMENDMENT NO. 938

Mr. CAMPBELL (for Mr. ABRAHAM) proposed an amendment to the bill, S. 1023, supra; as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . (a) The congressional ethics committees shall provide for voluntary reporting by Members of Congress on the financial disclosure reports filed under title I of the Ethics in Government Act of 1978 (5 U.S.C. App.) on such Members' participation in—

(1) the Civil Service Retirement System under chapter 83 of title 5, United States Code; and

(2) the Federal Employees Retirement System under chapter 84 of title 5, United States Code.

(b) In this section, the terms "congressional ethics committees" and "Members of Congress" have the meanings given such terms under section 109 of the Ethics in Government Act of 1978 (5 U.S.C. App.).

(c) This section shall apply to fiscal year 1998 and each fiscal year, thereafter.

CAMPBELL AMENDMENT NO. 939

Mr. CAMPBELL proposed an amendment to the bill, S. 1023, supra; as follows:

On page 3, line 2, insert the following after "$6,745,000": "*Provided further*, That Chapter 9 of the Fiscal Year 1997 Supplemental Appropriations Act for Recovery from Natural

Disasters, and for Overseas Peacekeeping Efforts, including those in Bosnia, Public Law 105–18 (111 Stat. 195–96) is amended by inserting after the "County of Denver" in each instance "the County of Arapahoe".".

COVERDELL (AND FEINSTEIN) AMENDMENT NO. 940

Mr. CAMPBELL (for Mr. COVERDELL), for himself and Mrs. FEINSTEIN) proposed an amendment to the bill, S. 1023, supra; as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . (a) A Federal employee shall be separated from service and barred from reemployment in the Federal service, if—

(1) the employee is convicted of a violation or attempted violation of section 201 of title 18, United States Code; and

(2) such violation or attempted violation related to conduct prohibited under section 1010(a) of the Controlled Substances Import and Export Act (21 U.S.C. 960(a)).

(b) This section shall apply during fiscal year 1998 and each fiscal year thereafter.

COVERDELL AMENDMENT NO. 941

Mr. CAMPBELL (for Mr. COVERDELL) proposed an amendment to the bill, S. 1023, supra; as follows:

At the appropriate place in the bill, insert the following:

SEC. . (a) COORDINATION OF COUNTERDRUG INTELLIGENCE CENTERS AND ACTIVITIES.—(1) Not later than 120 days after the date of enactment of this Act, the Director of the Office of National Drug Control Policy shall submit to the appropriate congressional committees a plan to improve coordination, and eliminate unnecessary duplication, among the counterdrug intelligence centers and counterdrug activities of the Federal Government, including the centers and activities of the following departments and agencies:

(A) The Department of Defense, including the Defense Intelligence Agency.

(B) The Department of the Treasury, including the United States Customs Service.

(C) The Central Intelligence Agency.

(D) The Coast Guard.

(E) The Drug Enforcement Administration.

(F) The Federal Bureau of Investigation.

(2) The purpose of the plan under paragraph (1) is to maximize the effectiveness of the centers and activities referred to in that paragraph in achieving the objectives of the national drug control strategy. In order to maximize such effectiveness, the plan shall—

(A) articulate clear and specific mission statements for each counterdrug intelligence center and activity, including the manner in which responsibility for counterdrug intelligence activities will be allocated among the counterdrug intelligence centers;

(B) specify the relationship between such centers;

(C) specify the means by which proper oversight of such centers will be assured;

(D) specify the means by which counterdrug intelligence will be forwarded effectively to all levels of officials responsible for United States counterdrug policy; and

(E) specify mechanisms to ensure that State and local law enforcement agencies are apprised of counterdrug intelligence in a manner which—

(i) facilitates effective counterdrug activities by such agencies; and

(ii) provides such agencies with the information necessary to ensure the safety of officials of such agencies in their counterdrug activities.

(b) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this section, the term "appropriate congressional committees" means the following:

(1) The Committee on Foreign Relations, the Committee on the Judiciary, and the Select Committee on Intelligence of the Senate.

(2) The Committee on International Relations, the Committee on the Judiciary, and the Permanent Select Committee on Intelligence of the House of Representatives.

HATCH AMENDMENT NO. 942

Mr. CAMPBELL (for Mr. HATCH) proposed an amendment to the bill, S. 1023, supra; as follows:

At page 47, line 19, strike all after "Appropriations" to page 48, line 1 at *"Provided"*.

In lieu thereof, insert "and Judiciary of the House of Representatives and the Senate that includes (1) a certification, and guidelines to ensure that funds will supplement and not supplant current anti-drug community based coalitions; (2) a certification, and guidelines to ensure that none of the funds will be used for partisan political purposes; (3) a certification, and guidelines to ensure that no media campaigns to be funded pursuant to this campaign shall feature any elected officials, persons seeking elected office, cabinet-level officials, or other Federal officials employed pursuant to Schedule C of 5 Code of Federal Regulations, Section 213, absent notice to each of the Chairmen and Ranking Members of the House and Senate Committees on Appropriations and Judiciary; (4) a detailed implementation plan to be submitted to the Chairmen of the Committees on Appropriations and Judiciary for securing private sector contributions including but not limited to in kind contributions; (5) a quantifiable system to measure outcome of success of the national media campaign, including but not limited to total funds expended, to what, where, or whom such funds were expended, and the effect which such media campaign has had in reducing youth drug abuse."

HUTCHISON AMENDMENT NO. 943

Mrs. HUTCHISON proposed an amendment to the bill, S. 1023, supra; as follows:

At the appropriate place, insert the following new section:

SEC. . PERSONAL ALLOWANCE PARITY AMONG NAFTA PARTIES.

(a) IN GENERAL.—The United States Trade Representative and the Secretary of the Treasury, in consultation with the Secretary of Commerce, shall initiate discussions with officials of the Governments of Mexico and Canada to achieve parity in the duty-free personal allowance structure of the United States, Mexico, and Canada.

(b) REPORT.—The United States Trade Representative and the Secretary of the Treasury shall report to Congress within 90 days after the date of enactment of this Act on the progress that is being made to correct any disparity between the United States, Mexico, and Canada with respect to duty-free personal allowances.

(c) RECOMMENDATIONS.—If parity with respect to duty-free personal allowances between the United States, Mexico, and Canada is not achieved within 180 days after the date of enactment of this Act, the United States Trade Representative and the Secretary of the Treasury shall submit recommendations to Congress for appropriate legislation.

NOTICE OF HEARING

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. CRAIG. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Forests and Public Land Management.

The hearing will take place Thursday, July 24, 1997, at 10 a.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on S. 858 and S. 1028, to direct the Secretary of Agriculture to conduct a pilot project on designated lands within Plumas, Lassen, and Tahoe National Forests in the State of California to demonstrate the effectiveness of the resource management activities proposed by the Quincy library group and to amend current land and resource management.

Those who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. For further information, please call Judy Brown or Mark Rey at (202) 224–6170.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Thursday, July 17, 1997, at 9:30 a.m. in open session, to consider the nomination of Rudy F. De Leon, to be Under Secretary of Defense for Personnel.

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

COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION.

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Committee on Commerce, Science and Transportation be authorized to meet on Thursday, July 17, 1997 at 9:30 a.m. on S. 625—Auto Choice Reform Act.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, July 17, for purposes of conducting a full committee hearing which is scheduled to begin on 9:30 a.m. The purpose of this hearing is to consider the nominations of Patrick A. Shea to be Director of the Bureau of

Land Management, Robert G. Stanton to be Director, National Park Service, Kneeland C. Youngblood to be a Member of the United States Enrichment Corporation, and Kathleen M. Karpan to be Director, Office of Surface Mining Reclamation and Enforcement, Department of the Interior.

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

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be granted permission to conduct a hearing Thursday, July 17, 1997, at 10 p.m., to receive testimony on climate change.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, July 18, 1997, at 10 a.m. to hold a business meeting.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. CAMPBELL. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee special investigation to meet on Thursday, July 17, at 10 a.m., for a hearing on campaign financing issues.

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

COMMITTEE ON THE JUDICIARY

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Committee on the Judiciary, be authorized to hold an executive business meeting during the session of the Senate on Thursday, July 17, 1997, at 10 a.m., in room 226 of the Senate Dirksen Office Building.

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

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet for a hearing on quality of child care during the session of the Senate on Thursday, July 17, 1997, at 2 p.m.

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

SUBCOMMITTEE ON EUROPEAN AFFAIRS

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Subcommittee on European Affairs of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, July 18, 1997, at 2 p.m. to hold a hearing.

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

SUBCOMMITTEE ON FINANCIAL INSTITUTIONS AND REGULATORY RELIEF

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Subcommittee on Financial Institutions and Regulatory Relief of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Thursday, July 17, 1997, to conduct an oversight hearing on the HUD rebuilding and loan guaranty program for financial institutions created as part of last year's church burning legislation.

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

SUBCOMMITTEE ON FORESTRY, CONSERVATION, AND RURAL REVITALIZATION

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry's Subcommittee on Forestry, Conservation, and Rural Revitalization be allowed to meet during the session of the Senate on Thursday, July 17, 1997, at 2:30 p.m. in SR–328A to receive testimony regarding the State and private forestry programs and the Northern Forestry Stewardship Act.

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

SUBCOMMITTEE ON IMMIGRATION

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Subcommittee on Immigration of the Senate Committee on the Judiciary, be authorized to meet during the session of the Senate on Thursday, July 17, 1997, at 3 p.m. to hold a hearing in room 226, Senate Dirksen Building, on: the VISA Waiver Pilot Program.

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

SUBCOMMITTEE ON INTERNATIONAL FINANCE

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Subcommittee on International Finance of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Thursday, July 17, 1997, to conduct a hearing on the reauthorization of the U.S. Export-Import Bank.

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

SUBCOMMITTEE ON NATIONAL PARKS, HISTORIC PRESERVATION AND RECREATION

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Subcommittee on National Parks, Historic Preservation, and Recreation of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, July 17, for purposes of conducting a subcommittee hearing which is scheduled to begin at 2 p.m. The purpose of this hearing is to receive testimony on S. 895, to designate the reservoir created by Trinity Dam in the Central Valley project, California, as "Trinity Lake"; S. 931, to designate the Marjory Stoneman Douglas Wilderness and the Ernest F. Coe Visitor Center; and S. 871, to establish the Oklahoma City National Memorial as a unit of the National Park System; to designate Oklahoma City Memorial Trust, and for other purposes.

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

ADDITIONAL STATEMENTS

FISCAL YEAR 1998 LEGISLATIVE BRANCH APPROPRIATIONS BILL

• Mr. McCAIN. Mr. President, overall, this is a good bill. It shows that the Congress is concerned about finding savings in its own operations to contribute to deficit reduction.

The bill does reduce slightly the total number of employees in the Senate offices from last year's levels. It contains numerous reductions in unnecessary spending requested by various offices and affiliated organizations. Some of the more interesting examples of items requested by offices but which were very wisely not included in this bill are:

A seismic study of the Capitol Building for $75,000; $30,000 for maintenance of outdoor sculpture in the Peace and Garfield parks; and a study of electromagnetic fields in the Russell Building which would have cost $50,000.

The report also directs the General Accounting Office to place higher priority on Members' requests for audits. This has been a particular matter of concern to me, since the time the GAO sent auditors to middle of the gulf war to inspect Apache helicopters. I appreciate the committee's understanding and assistance in refocusing the efforts of the GAO on the work required by Congress, rather than self-initiated agendas.

Unfortunately, though, the bill increases funding for the Senate and joint Congressional operations by $51.6 million over last year's levels, for a total of $1.538 billion. For the Congress to approve an increase in spending for its own operations seems to me ill-advised, particularly as we continue to struggle to reach agreement on legislation to provide tax relief and reduce Federal spending.

In addition, there are several provisions in the bill language that I would ask the managers to clarify further.

For example, $100,000 is earmarked from the Library of Congress budget for an International Copyright Institute. Another $2,250 from the Library of Congress budget is set aside for official representational and reception expenses of the International Copyright Institute. My question is, what is this International Copyright Institute, and why is it singled out for an earmark of this sort?

The bill also provides $354.2 million for the General Accounting Office—an increase of $15.7 million over last year's level. This 4.6 percent increase is an unfortunate reversal of the trend to reduce the size and cost of the GAO.

The report states that this $345 million will pay for 3,500 full-time equivalent personnel. It is curious to me that

the GAO can, in effect, hire 3,500 staffers, while all 100 Senators make do with just slightly more than 3,900 staffers, including our State offices.

The bill also earmarks an unlimited amount of GAO's funds to finance "an appropriate share" of the expenses of several different programs:

The Joint Financial Management Improvement Program, including the salary of the Executive Director and secretarial support; the National Intergovernmental Audit Forum or a Regional Intergovernmental Audit Forum, as determined by the respective forum, including necessary travel expenses of non-Federal participants; and the American Consortium on International Public Administration, including any expenses attributable to its membership in the International Institute of Administrative Sciences.

Again, I wonder why these particular institutions are deserving of an earmark for unlimited amounts of the GAO's budget.

In addition, the report language contains several funding and language provisions that cause me some concern. For example:

A provision for $118,000 increase in travel, consultant, and representational funding for the Secretary of the Senate.

A provision for $25,000 for training and travel expenses related to training for employees of the Senate Child Care Center. Shouldn't these employees already be well-trained in child care when they are hired?

A provision for $500,000 for improved lighting in the Senate Chamber. I hadn't noticed a particular problem with lighting in the Chamber.

A provision for $100,000 to design a new subway from the Russell Building to the Capitol Building. Mr. President, we have already spent huge amounts of money to install a new subway from the Dirksen and Hart buildings. Why do we need to spend more money on subways, and why does it cost a half-million dollars to design a subway when I assume it will be very similar to the one already built from Dirksen and Hart?

A provision for $550,000 to modernize elevators in the Hart Building. This building is relatively new and I wonder why a half-million dollars is needed at this time to upgrade the elevators.

Again, I congratulate the managers of the bill for their hard work and scrupulous attention to detail. This is, overall, a very good bill, but I hope that, in conference with the House, unnecessary spending can be dropped to bring the total back in line with current levels of spending.

I ask that list of objectionable items be printed in the RECORD.

The list follows:

BILL LANGUAGE

$100,000 from the Library of Congress budget for an International Copyright Institute.

$2,250 from the Library of Congress budget for official representational and reception expenses for activities of the International Copyright Institute.

$354.2 million for the General Accounting Office—an increase of $15.7 million over last year's level.

This 4.6 percent increase is an unfortunate reversal of the trend to reduce the size and cost of the GAO.

The report states that this will pay for 3,500 full-time equivalent personnel. It is curious to me that the GAO can, in effect, hire 3,500 staffers, while all 100 Senators make do with just slightly more than 3,900 staffers, including our state offices.

Earmark of unlimited amount of GAO's funds to finance "an appropriate share" of the expenses of the Joint Financial Management Improvement Program, including the salary of the Executive Director and secretarial support.

Earmark of unlimited amount of GAO's funds to finance "an appropriate share" of the costs of the National Intergovernmental Audit Forum or a Regional Intergovernmental Audit Forum, as determined by the respective forum, including necessary travel expenses of non-Federal participants.

Earmark of unlimited amount of GAO's funds to finance "an appropriate share" of the costs of the American Consortium on International Public Administration, including any expenses attributable to its membership in the International Institute of Administrative Sciences.

REPORT LANGUAGE

$118,000 increase in travel, consultant, and representational funding for the Secretary of the Senate.

Provides $25,000 for training and travel expenses related to training for employees of the Senate Child Care Center.

$500,000 for improved lighting in the Senate Chamber.

$100,000 to design a new subway from the Russell Building to the Capitol building.

$550,000 to modernize elevators in the Hart Building.•

ENERGY AND WATER APPROPRIATIONS BILL

• Mrs. BOXER. Mr. President, I would like to ask the ranking member on the Energy and Water Development Subcommittee, Senator REID of Nevada, a question regarding the funding for hydrogen research in the appropriations bill for fiscal year 1998.

Mr. REID. I would be pleased to answer a question from my colleague.

Mrs. BOXER. Thank you. As you well know, funding for the Department of Energy's Hydrogen Research Program is critical to the advancement of hydrogen technologies. The President's budget for fiscal year 1998 requested $15 million. The committee, through the efforts of the ranking member, increased the budget request by $4 million to $19 million. As we know, the Hydrogen Future Act that passed by the Congress last year authorized $25 million for fiscal year 1998.

As the ranking member of this appropriations subcommittee I sincerely appreciate his efforts to increase funding for hydrogen research in the energy and water development bill. As we know, the Department needs the funding that they have requested to pursue the furthering of hydrogen by working with the private-sector and our national laboratories to demonstrate the effectiveness as well as the safety of hydrogen. I know that my ranking member is as interested as I am in the demonstration and validation of hydrogen power technology. I support his request for a demonstration and evaluation at the Nevada test site as part of the Department of Energy's Hydrogen Research Program budget.

I would like to ask the distinguished ranking member if he would elaborate on the intentions of the committee report language as it relates to the Department allocating funds for a comprehensive validation program at the Nevada test site. If I understand this correctly, the distinguished Senator from Nevada is suggesting that the Department should begin phase 1 of a program in fiscal year 1998 that will establish at the Nevada test site a single location to administer testing and evaluation of industry-led hydrogen energy systems.

Mr. REID. Mr. President, that is correct. First, I am deeply concerned that increased consumption of refined petroleum products for transportation will continue to climb and the quality of the air we breath will continue to deteriorate. Additionally, our reliance on foreign oil can only aggravate our trade imbalance as well as jeopardize our national security.

Therefore, I felt it to be vitally important that we begin to move forward and establish, at least, one location to allow the Department of Energy the ability to begin the precommercialization of hydrogen technologies. And the Department should provide to the committee a plan for the furthering of this center at the Nevada test site in future years. Hopefully, their fiscal year 1999 request will mirror the authorization of $30 million contained in the Hydrogen Future Act in order to fully implement the center. Full funding at the authorized levels are the only way that we can begin to bring this technology to the marketplace. Furthermore, it is my hope that the administration will view our increased funding of the hydrogen research program as a clear indication that there is support for this technology in the U.S. Senate.

Mrs. BOXER. I thank you for clarifying this most important issue and will continue to look to your leadership in this area.•

EXPLANATION OF SELECTED VOTES ON SPENDING PORTION OF THE BALANCED BUDGET ACT

• Mr. ABRAHAM. Mr. President, recently, the Senate considered historic changes to preserve Medicare for future generations. I think it is important to

outline my views in detail on a few of the key votes cast regarding these issues.

I voted to table an amendment by Senator MIKULSKI to reinstate the Boren amendment. In negotiating with the White House on this balanced budget agreement, we all agreed that the best way to reform Medicaid is to allow Governors the maximum flexibility to design programs that meet the unique needs of their States. The biggest barrier to this flexibility, according to the bipartisan National Governors Association, is the Boren amendment. The Boren amendment has allowed the court system to set reimbursement rates, and these rates have been inflated much higher than what the market would determine. These higher rates have cost the States millions of dollars a year and have inhibited the ability of States to implement real program reforms. For this reason, I supported the bipartisan budget agreement and the decision to revoke the Boren amendment.

I voted to table an amendment by Senator KENNEDY which would require specific health benefits for children with special needs. I believe that our package went a long way in meeting the important goal of providing health benefits to children in need. Mr. KENNEDY's amendment, however, would take away the flexibility that Governors need to develop the best possible plan for their States. Instead, Mr. KENNEDY's amendment would allow the Federal Government to mandate both what the benefits should look like and who should receive them. I believe this amendment represents movement in the wrong direction.

I voted against an amendment offered by Senator DURBIN and Senator WELLSTONE which would reinstate food stamp benefits to the children of legal immigrants. We have already negotiated certain changes in regard to services for legal immigrants in the bipartisan budget agreement. I am committed to upholding that agreement and believe that this amendment went outside the scope of the agreed to changes.

Senator D'AMATO offered an amendment to take the money saved by changing the Medicare and Medicaid Program and direct it to National Institutes of Health to provide medical research. While I wholeheartedly support increased funding for NIH, I do not believe this is an appropriate funding avenue and therefore opposed it. In fact, I believe that money saved through changes to Medicare should go toward maintaining the long-term solvency of the Medicare Program.

I voted against an amendment offered by Senator DODD which would add $100 million to provide health care to children who are severely disabled. While I believe this is an important goal, I maintain, and received assurances to that end, that the health needs of severely disabled children would be met through the additional $24 billion we will be spending on our children's health package already incorporated in this bill.

I supported Senator LEVIN's amendment which would allow vocational education training to count toward meeting the work requirement under the welfare reform law. The current welfare law limits the amount of time an individual can be on vocational education to 12 months. This amendment will increase that limit to 24 months. I believe this change will allow individuals the time necessary to engage in training programs to provide real work opportunities once they leave the welfare system.

I opposed an amendment offered by Senator SPECTER which would have provided $1.5 billion over 5 years to pay the Medicare premium for low-income seniors. I voted against this amendment because the budget reconciliation package provides $1.5 billion in new funds to assist Medicare beneficiaries between 120 and 150 percent of the poverty line with their Medicare premium. I believe the legislation already addresses this important need.

Finally, I voted in favor of waiving the Budget Act to include the Medicare Choice program as part of the budget reconciliation bill. I believe that this is one of the most important provisions of the Medicare bill. Our legislation will allow seniors a wide array of choices in care. Seniors will be able to choose from a variety of insurance plans including medical savings accounts [MSA] and private fee-for-service plans. It is critical to keep these provisions in the legislation to allow seniors a real choice in care and to protect seniors from rationing services in the future.•

REAUTHORIZING AMTRAK APPROPRIATIONS

• Mr. HOLLINGS. Mr. President, I support S. 961, the administration's bill to reauthorize appropriations for the National Rail Passenger Corporation, better known as Amtrak. Amtrak is a necessary part of a national transportation system. It has demonstrated its popularity with the traveling public and, more importantly, its ability to provide safe, efficient transportation at reasonable prices.

My South Carolina constituents have made it quite clear that they want Amtrak to prosper, and wish it expanded, not terminated or forced to operate under unreasonable restrictions or reduced to the status of a regional railroad. The citizens of South Carolina and the Nation demand a first class rail passenger transportation service. This is Amtrak's mission, and its promise.

S. 961 puts Amtrak on the path to fulfilling that promise. The bill concentrates on what is important, the operational and financial viability of Amtrak, and is not diverted from its goal by including provisions that are divisive and will not save Amtrak significant money or allow it to maximize its revenues.

Specifically, S. 961 does not include a provision which would impose so-called caps on the punitive damages available to passengers involved in accidents while aboard Amtrak trains. Other bills which purport to aid Amtrak would cap punitive damages to twice compensatory damages or $250,000, whichever is greater. While I understand the necessity of any business to reduce costs, placing liability caps against passengers will not significantly improve Amtrak's bottom line. The General Accounting Office's (GAO) highest estimate of savings from such caps is less than one percent of Amtrak's capital funding needs.

Moreover, the provision ignores the value of punitive damages to the public. With punitive damages a possibility, Amtrak has the incentive to properly train its personnel, invest in safe equipment, and reward safe operations. Finally, such a provision is unnecessary. Punitive damages have never been awarded against Amtrak.

S. 961 puts the emphasis where it should be, on authorizing appropriations of $5 billion for Amtrak over the next six years. It is this money that is needed to fund Amtrak operations, equipment purchases, much needed capital improvements, and expanded services, not the small amount any liability cap will provide the rail carrier. We would all like to avoid paying Government subsidies for this service, but we cannot ignore that the provision of transportation infrastructure is a necessary function of Government, whether involving highways, bridges, airports, mass transit, or rail. It should be noted that a 1994 study of central government subsidies of rail transportation showed that U.S. subsidy levels are 35th in the world, well below those of Europe.

S. 961 also avoids the unnecessary controversy brought about by an effort to provide indemnification for freight railroads over whose tracks Amtrak largely operates. Some argue that freight railroads need protection from accidents between their trains and Amtrak trains. Whatever the merits of indemnifying particular freight railroads in particular cases, what has been proposed in several bills is the complete indemnification of any freight railroad for any accident, regardless of cause or fault. In other words, if a freight railroad employee acts intentionally or with gross negligence and causes an accident, Amtrak would pay for that accident, most likely with tax dollars paid by the American people. The American people would be forced to pay for the mistakes of a multi-million

dollar private corporation. This is indefensible.

In 1987, a Conrail engineer, after smoking marijuana, drinking beer, and disabling safety equipment, ran his Conrail locomotives into the rear of an Amtrak train near Chase, MD. The disaster cost 16 lives and 175 injuries. In the resulting litigation, a court found the conduct of the engineer to involve gross negligence. The accident cost $130 million. If the full indemnification provision had been in effect at that time, Amtrak, which was completely blameless, would have been required to pay all of the damages associated with that accident. Amtrak would have had to pay the cost of an accident beyond its control and that it was powerless to prevent. There is no more potent example of the unfairness of such a provision.

One other unacceptable provision that was wisely omitted from S. 961 is a so-called sunset trigger provision. Unfortunately, such a provision is contained in S. 738, the Amtrak bill recently ordered reported by the Commerce Committee. The provision establishes a new Amtrak Reform Council [ARC] to investigate Amtrak's financial condition, make a determination of Amtrak's ability to meet its financial goals, and present a report on Amtrak's condition to the Congress. If the ARC determination is negative, Amtrak is required to prepare a liquidation plan and the ARC is required to prepare a plan for restructuring Amtrak. Both plans are sent to Congress and if, within 90 days, the Congress does not enact the restructuring plan, the liquidation plan must be implemented. Thus, to kill Amtrak, any action to save it need only be delayed by its congressional opponents for 3 months.

Under this provision, Amtrak could be liquidated without either House of Congress taking any responsibility by voting for or against the liquidation plan. There would not have to be any debate in Congress on Amtrak or the liquidation plan. No questions of Amtrak's worth or importance and no indication of the consequences of eliminating Amtrak would have to be addressed. A transportation program of vital importance to millions of Americans would be eliminated without another word. This is nothing more than Congress evading its responsibilities and should not be allowed.

S. 961 is the right approach. We should insist that Amtrak run its operations in a business-like, efficient manner. And we should conduct vigorous oversight. However, we should not complicate its authorization legislation with extraneous provisions, and any decision to discontinue passenger rail service in this country must be made in full view and with complete information on the economic and social costs of doing so.•

CHEMICAL AND BIOLOGICAL DEFENSE RESEARCH

• Ms. SNOWE. Mr. President, on Monday, July 14, 1997, I offered an amendment to the fiscal year 1998 Department of Defense appropriations bill which specifically appropriated funds for a program of basic research in the area of chemical and biological defenses. I want to thank the distinguished chairman of the Defense Appropriations Subcommittee, Senator STEVENS, and the ranking minority member, Senator INOUYE, for accepting this very important amendment.

This chemical and biological sensor research program was specifically authorized in the Defense authorization bill which was overwhelmingly passed by the Senate last week. The Senate Armed Services Committee recommended, and the Senate approved, an increase of $2 million in research and development funding for a joint service program to develop a prototype hybrid integrated sensor array for chemical and biological point detection.

The Senate Armed Services Committee's intent was to accelerate the development of small sensors which would detect, in real time, the presence of chemical or biological agents. These sensors would be based on metal oxide and biochemical film technologies. In its report, the Senate Armed Services Committee emphasized its support for this program and for expanding the knowledge in military relevant fields of chemical and biological research. Our soldiers in the field need this technology to protect them from the possible threat presented by chemical and biological agents.

Mr. President, I have reviewed the fiscal year 1998 Department of Defense appropriations bill which we are considering here in the Senate, and it is unclear as to whether the funding for this program, which was included in the Defense authorization bill, has sufficient appropriations. My intent, with this amendment, is to make clear that this bill appropriates funds for this very important program.

Mr. President, the threat from chemical and biological weapons that faces our Nation's troops is very real and very dangerous. During the Persian Gulf war, we witnessed just how dangerous the threat of chemical and biological weapons was during that crisis and how this threat continues today.

We must also consider the fact that chemical and biological weapons may also be a potential weapon of choice for use by terrorists. Continued research and development in the area of sensor development must continue in this field to counter these very real threats.

There is an urgent need to have effective chemical and biological weapon sensors that can detect the presence of these weapons in real-time or near-real-time. The Department of Defense needs to rapidly develop these kinds of sensors, and that is the intent of this amendment.

This amendment does not seek to go beyond the authorized funding amount. It seeks merely to insure that the program which the Senate has voted to authorize is fully funded in this bill. I thank my colleagues for their support of this amendment.•

EXECUTIVE BRANCH POLITICAL APPOINTEES

• Mr. FEINGOLD. Mr. President, as many in this body know, I have been concerned that while the total number of Federal employees has been reduced in recent years, the same cannot be said of executive branch political appointees.

Indeed, between 1980 and 1992 the number of political appointees grew 17 percent, three times as fast as the total number of executive branch employees.

Mr. President, let me emphasize that political appointees play a vital role in implementing those very policies for which an administration is elected in the first place. Political appointees often also bring backgrounds rich in experience as well as a fresh perspective that can strengthen our Government.

But as many distinguished observers have noted, too many political appointees may actually interfere with the efficient and effective implementation of administration policies. Author Paul Light has documented this problem in his book "Thickening Government: Federal Government and the Diffusion of Accountability."

Various public commissions and Government watchdog groups have also voiced concerns from the 1989 National Commission on Public Service, chaired by Paul Volcker, to the Congressional Budget Office, and most recently the Twentieth Century Fund Task Force on the Presidential Appointment Process, chaired by two former Members of this body, former Senators John Culver and Charles Mathias.

Mr. President, I have introduced legislation to cap the number of political appointees at 2,000, a level which represents a reduction of about 30 percent from current levels. That proposal is identical to the recommendation of both the Volcker Commission and the Twentieth Century Fund Task Force, and also mirrors a proposal by the Congressional Budget Office which is included in their publication of spending and revenue options to reduce the deficit. My bill would save taxpayers over $330 million during the next 5 years. Just as important, bringing the number of political appointees to a more manageable level will enhance flexibility and increase the ability of the President to implement administration policies.

Mr. President, this administration has a commendable record in bringing

the overall growth of the Federal employees under control, and, in fact, beginning to reduce the number by several hundred thousand.

And recently, I was encouraged to see that work also began with respect to political appointees in the Commerce Department, an agency where the growing number of appointees has been a particular concern.

Mr. President, while I believe we have a long way to go in this area, there has been some progress made by the administration and I will not offer my legislation as an amendment to this particular bill as I have in the past.

I firmly believe further work is needed in this area, however, and I will be following the progress made by the administration in reducing the number of political appointees with great interest.•

IN REMEMBRANCE OF THE VICTIMS OF FLIGHT 800

• Mr. SANTORUM. Mr. President, I rise in remembrance of the 228 victims of the TWA airline crash off the Long Island coast which occurred just 1 year ago today. In that accident, the community of Montoursville, PA, lost 16 of its young citizens—students from the local high school who were traveling abroad as members of the school's french club—and 5 adult chaperones.

While its cause remains unknown, I believe it is critical that our remembrance of the accident not be defined by this uncertainty, difficult as it is for those who mourn the death of family and friends. Because we do know, with certainty, what we lost: sons, daughters, classmates, as well as mothers, fathers, and neighbors. We know of their contributions to their communities, schools, and professions. We know, especially in the cases of the youngest victims, of their promise and of their vitality. We know of their importance in the lives of their families. It is with this sure knowledge of who the victims were and of what they did in their lives that we should remember them.

The loss of the young Pennsylvania students—and all the members of that flight—to unexplained tragedy is terrible to bear. I know that the Montoursville students were the pride of their community. Responsible and accomplished students, cherished sons and daughters, they undertook the much-anticipated trip to France with gratitude, excitement and hope. By remembering them in this way perhaps we will always somehow know their presence in our lives.•

ONE YEAR AGO TODAY—TWA FLIGHT 800

• Mr. HOLLINGS. Mr. President, one year ago today, I spent the morning in a hearing on aviation safety arguing with the head of the Federal Aviation Administration that we needed higher safety standards and better safety inspections. We finished with the hearing at about the same time 230 people began to prepare for a flight to Paris.

As with most flights, I am sure that some people were a little nervous, while others were delighted to be on board and away from the heat and congestion in New York. Shortly after 8:30 p.m., the lives of the 230 people and their families changed forever.

Terrorism was the first focus of the National Transportation Safety Board, FBI, and others. It was, and remains, incredible that a perfectly able aircraft, with an experienced crew, would just explode. Yet it happened.

To the family of Matt Alexander, July 17 will always remain a tragic memory. Matt was from Florence, South Carolina. He was a student at Wake Forest, going to spend a semester in France.

I want to make sure that the families of the victims realize that their losses have not been, and will not be, forgotten. Aviation safety changes will occur that are the direct result of the crash. While new safety measures cannot bring back loved ones, they can help prevent future losses.

We already have put in place new procedures to assist the families following aviation disasters. A Federal task force created as part of the Federal Aviation Reauthorization Act of 1996 continues to examine ways to make sure that families get needed information, assistance, and privacy following a disaster. None of this will bring back people like Matt, but we can make the process a more humane one.•

1997 MID YEAR REPORT

The mailing and filing date of the 1997 Mid Year Report required by the Federal Election Campaign Act, as amended, is Thursday, July 31, 1997. All Principal Campaign Committees supporting Senate candidates must file their reports with the Senate Office of Public Records, 232 Hart Building, Washington, DC 20510–7116. Senators may wish to advise their campaign committee personnel of this requirement.

The Public Records Office will be open from 8 a.m. until 7 p.m. on the filing date for the purpose of receiving these filings. For further information, please do not hesitate to contact the Office of Public Records on (202) 224–0322.

REGISTRATION OF MASS MAILINGS

The filing date for 1997 second quarter mass mailings is July 25, 1997. If your office did no mass mailings during this period, please submit a form that states "none."

Mass mailing registrations, or negative reports, should be submitted to the Senate Office of Public Records, 232 Hart Building, Washington, DC 20510–7116.

The Public Records Office will be open from 8 a.m. to 6 p.m. on the filing date to accept these filings. For further information, please contact the Public Records Office on (202) 224–0322.

ORDERS FOR MONDAY, JULY 21, 1997

Mr. STEVENS. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 12 noon on Monday, July 21st.

I further ask that on Monday, immediately following the prayer, the routine requests through the morning hour be granted, the Senate then immediately proceed to a period of morning business, with Senators permitted to speak for up to 10 minutes.

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

Mr. STEVENS. Mr. President, I also ask unanimous consent that at 3 p.m., the Senate begin consideration of the VA-HUD appropriations bill.

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

Mr. STEVENS. I further ask unanimous consent at 5:15 p.m. on Monday, the Senate resume consideration of S. 1023, the Treasury and General Government appropriations bill, with a series of votes occurring on the remaining pending amendments, including a vote on final passage of this bill, S. 1023.

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

PROGRAM

Mr. STEVENS. For the information of all Members, Monday from noon until 3 p.m., the Senate will be in a period of routine morning business. By previous order, at 3 p.m., the Senate will begin consideration of the HUD–VA appropriations bill. Under the previous order, at 5:15 p.m., the Senate will resume consideration of S. 1023, the Treasury and General Government appropriations bill, with a series of votes occurring on the remaining pending amendments to the bill, including final passage of S. 1023. Following passage of the Treasury and General Government appropriations bill, the Senate will resume consideration of the VA-HUD appropriations bill. As a reminder to all Members, the Senate will not be in session on Friday. The next rollcall will be a series of votes, commencing at 5:15 on Monday afternoon.

ADJOURNMENT UNTIL MONDAY, JULY 21, 1997

Mr. STEVENS. 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 8:25 p.m., adjourned until Monday, July 21, 1997, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate July 17, 1997:

DEPARTMENT OF STATE

FELIX GEORGE ROHATYN, OF NEW YORK, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO FRANCE.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 17, 1997:

DEPARTMENT OF JUSTICE

JOEL I. KLEIN, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT ATTORNEY GENERAL.

ERIC H. HOLDER, JR., OF THE DISTRICT OF COLUMBIA, TO BE DEPUTY ATTORNEY GENRAL.