HOUSE OF REPRESENTATIVES—*Friday, June 5, 1998*

The House met at 9 a.m. and was called to order by the Speaker pro tempore (Mr. HEFLEY).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
June 5, 1998.

I hereby designate the Honorable JOEL HEFLEY to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Reverend James David Ford, D.D., offered the following prayer: We place before You, gracious God, the emotions that stir our hearts, awaken our minds and revive our energies. As You have breathed into our souls the very breath of life, so may we gain new energy and refreshment from our prayers of praise and thanksgiving. May our communication with Your spirit, O God, give meaning and purpose to what we do, even as we use the gifts You have given in ways that honor You and serve people wherever they may live or whatever their need.

We pray a special blessing this day on our pages who have served this body with enthusiasm and dedication and who now leave for new responsibilities. May Your benediction, O God, be with them, and grant them all good gifts, now and evermore, Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Nevada (Mr. GIBBONS) come forward and lead the House in the Pledge of Allegiance.

Mr. GIBBONS led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate passed a concurrent resolution of the following title, in which concurrence of the House is requested:

S. Con. Res. 102. Concurrent resolution recognizing Disabled American Veterans.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will recognize one-minute requests at the end of legislative business today.

USER FEE ACT OF 1998

Mr. SOLOMON. Mr. Speaker, pursuant to the order of the House of June 4, 1998, I call up the bill (H.R. 3989) to provide for the enactment of user fees proposed by the President in his budget submission under section 1105(a) of title 31, United States Code, for fiscal year 1999, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The bill is considered read for amendment and the amendment made in order, pursuant to the order of the House of Thursday, June 4, 1998, is adopted.

The text of H.R. 3989, as amended, is as follows:

H.R. 3989

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 "User Fee Act of 1998".

TITLE I—FOOD AND DRUG ADMINISTRATION FEES

SEC. 101. REFERENCES IN THIS TITLE.

Whenever in this title an amendment or repeal is expressed in terms of an amendment to, a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Federal Food, Drug, and Cosmetic Act.

PART A—USER FEES

SEC. 111. FEES RELATED TO FOOD ADDITIVE PETITIONS.

(a) TYPES OF FEES.—Beginning in fiscal year 1999, the Secretary of Health and Human Services (referred to in this title as the "Secretary") shall establish, in accordance with section 121, fees to cover activities of the Food and Drug Administration in connection with—

(1) petitions for food additives submitted pursuant to section 409(b) (21 U.S.C. 438(b));

(2) notifications to the Secretary for food contact substances submitted pursuant to section 409(h) (21 U.S.C. 438(h));

(3) petitions for color additives submitted pursuant to section 721 (21 U.S.C. 379e);

(4) petitions, submitted pursuant to sections 201(s), and 701(a) (21 U.S.C. 321(s), 371(a)) and regulations thereunder, for affirmation that a substance that becomes, or may reasonably be expected to become, a component of food is generally recognized as safe; and

(5) notifications to the Secretary, submitted pursuant to sections 201(s) and 701(a) and regulations thereunder asserting that a substance that becomes, or may reasonably be expected to become, a component of food is generally recognized as safe.

The fees shall be payable at the time the petition or notification is submitted to the Secretary.

(b) FEE AMOUNTS AND AVAILABILITY.—Subject to section 121(a)(1)(A), fees for the activities specified in subsection (a) shall be set for each fiscal year at amounts that the Secretary reasonably estimates to be sufficient to generate revenues totaling $10,335,000 for each of fiscal years 1999 through 2003, and shall remain available until expended, to the extent provided in appropriations Acts, for the costs of carrying out such activities.

SEC. 112. FEES RELATED TO GENERIC DRUGS.

(a) TYPES OF FEES.—Beginning in fiscal year 1999, the Secretary shall establish, in accordance with section 121, fees to cover activities of the Food and Drug Administration in connection with applications for approval for new drugs submitted pursuant to section 505(j) (21 U.S.C. 355). The fees shall be payable at the time the application for approval is submitted to the Secretary.

(b) FEE AMOUNTS AND AVAILABILITY.—Subject to section 121(a)(1)(A), fees for the activities specified in subsection (a) shall be set for each fiscal year at amounts that the Secretary reasonably estimates to be sufficient to generate revenues totaling $12,377,000 for each of fiscal years 1999 through 2003, and shall remain available until expended, to the extent provided in appropriations Acts, for the costs of carrying out such activities.

SEC. 113. FEES RELATED TO ANIMAL DRUGS.

(a) TYPES OF FEES.—Beginning in fiscal year 1999, the Secretary shall establish, in accordance with section 121, fees to cover activities of the Food and Drug Administration in connection with—

(1) applications, including supplements, for new animal drugs submitted pursuant to section 512(b)(1) (21 U.S.C. 360b(b)(1), including application and other submissions for import tolerances, as described in section 512(a)(6) (21 U.S.C. 360b(a)(b));

(2) abbreviated applications, including supplements, for new animal drugs submitted pursuant to section 512(b)(2) (21 U.S.C. 360b(b)(2)); and

(3) applications for licenses to manufacture animal feeds bearing or containing new animal drugs, submitted pursuant to section 512(m) (21 U.S.C. 360b(m)).

The fees shall be payable at the time the application for approval is submitted to the Secretary.

(b) FEE AMOUNTS AND AVAILABILITY.—Subject to section 121(a)(1)(A), fees for the activities specified in subsection (a) shall be set for each fiscal year at amounts that the Secretary reasonably estimates to be sufficient to generate revenues totaling

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$10,100,000 for each of fiscal years 1999 through 2003, and shall remain available until expended, to the extent provided in appropriations Acts, for the costs of carrying out such activities.

SEC. 114. FEES RELATED TO MEDICAL DEVICES.

(a) TYPES OF FEES.—Beginning in fiscal year 1999, the Secretary shall establish, in accordance with section 121, fees to cover activities of the Food and Drug Administration in connection with applications for—

(1) premarket approval of devices (including proposed product development protocols) submitted under section 515 (21 U.S.C. 360e);

(2) supplements to approved premarket approval applications for which clinical data are required;

(3) supplements to approved premarket approval applications for which clinical data are not required; and

(4) device premarket notification submissions under section 510(k) (21 U.S.C. 360(k)).

The fees shall be payable at the time the application is submitted to the Secretary.

(b) FEE AMOUNTS.—The fees required under subsection (a) shall be as follows:

(1) $175,000 for applications described in subsection (a)(1).

(2) $100,000 for supplements described in subsection (a)(2).

(3) $6,000 for supplements described in subsection (a)(3).

(4) $4,500 for submissions described in subsection (a)(4).

(c) FEE AMOUNTS AND AVAILABILITY.—Subject to section 121(a)(1)(A), fees for the activities specified in subsection (a) shall be set each fiscal year in accordance with section 121 to amounts that the Secretary reasonably estimates to be sufficient to generate revenues totaling $25,000,000 for each of fiscal years 1999 through 2003, and shall remain available until expended, to the extent provided in appropriations Acts, for the costs of carrying out such activities.

SEC. 115. FEES RELATED TO IMPORT INSPECTIONS AND EXPORT CERTIFICATES.

(a) TYPES OF FEES.—Beginning in fiscal year 1999, the Secretary shall establish, in accordance with section 121, fees to cover activities of the Food and Drug Administration in connection with the review of imported human and animal drugs, medical devices, and food subject to regulation under the Federal Food, Drug, and Cosmetic Act (including activities relating to admission or detention of, refusal of entry to, and the issuance of export certificates for such items). The fees shall be payable at the time of each import entry or request for export certificates for shipment of the item.

(b) FEE AMOUNTS AND AVAILABILITY.—Subject to section 121(a)(1)(A), fees for the activities specified in subsection (a) shall be set for each fiscal year at amounts that the Secretary reasonably estimates to be sufficient to generate revenues totaling $12,000,000 for each of fiscal years 1999 through 2003, and shall remain available until expended, to the extent provided in appropriations Acts, for the costs of carrying out such activities.

(c) COLLECTIONS.—The fees authorized by this section shall be collected on behalf of the Secretary by the United States Customs Service.

SEC. 116. FEES RELATED TO ENTITIES UNDER FDA'S OVERSIGHT.

(a) TYPES OF FEES.—Beginning in fiscal year 1999, the Secretary shall establish, in accordance with section 121, fees to cover activities of the Food and Drug Administration in connection with regulatory activities with respect to regulated products approved for marketing. The Secretary shall assess fees for monitoring establishments that are subject to regulation (including inspections conducted pursuant to section 704 (21 U.S.C. 374), and other regulatory activities), as follows:

(1) FOOD ESTABLISHMENTS.—An establishment subject to inspection under section 704 (21 U.S.C. 374) because it manufactures, processes, packs, or holds food for (or after) shipment in interstate commerce, is subject to assessment of annual fees under this section. The Secretary may impose an annual registration requirement on such an establishment to facilitate assessment and collection of the fees.

(2) DRUG AND DEVICE ESTABLISHMENTS.—An establishment subject to the annual registration requirement under section 510 (21 U.S.C. 360) (with respect to products other than those for which such an establishment is subject to section 736 (21 U.S.C. 379h) is subject to assessment of annual fees under this section at the time of registration.

(3) COSMETIC ESTABLISHMENTS.—An establishment subject to inspection under section 704 (21 U.S.C. 374) because it manufactures, processes, packs, or holds cosmetics for (or after) shipment in interstate commerce is subject to assessment of annual fees under this section. The Secretary may impose an annual registration requirement on such an establishment to facilitate assessment and collection of the fees.

This section does not affect any other statutory or regulatory requirements imposed on these entities.

(b) FEE AMOUNTS AND AVAILABILITY.—Subject to section 121(a)(1)(A), fees for the activities specified in subsection (a) shall be set for each fiscal year at amounts that the Secretary reasonably estimates to be sufficient to generate revenues totaling $57,905,000 for each of fiscal years 1999 through 2003, and shall remain available until expended, to the extent provided in appropriations Acts, for the costs of carrying out such activities.

PART B—GENERAL PROVISIONS

SEC. 121. GENERAL PROVISIONS RELATED TO USER FEES.

(a) ASSESSMENT OF FEES.—

(1) FEE AMOUNTS.—

(A) COLLECTIONS SUBJECT TO APPROPRIATIONS.—The fees authorized by this Act shall be collected in each fiscal year as provided in appropriation Acts for such fiscal year.

(B) RELATION TO COSTS.—Fees assessed and collected under part A shall not exceed amounts which the Secretary estimates to be sufficient to cover costs of the Food and Drug Administration associated with the activities for which the fees are collected (including costs of assessments and collection of the fees).

(C) VARIATION FACTORS.—The amount of fees established may vary to reflect the cost of those activities with respect to different entities or groups of entities, including the type and size of entity, volume of business, and other factors the Secretary may find appropriate.

(2) FEE DETERMINATION AND PUBLICATION.—The Secretary shall annually establish fee amounts under part A, and shall publish schedules of such fees in the Federal Register as an interim final rule. The establishment and publication of such fees shall be solely in the discretion of the Secretary and shall not be subject to the requirements of sections 553 and 801 of title 5 of the United States Code and shall not be reviewable.

(3) REDUCTION OR WAIVER OF FEES.—The Secretary may provide for reduction or waiver of the fees under part A in exceptional circumstances in the public interest.

(b) CREDITING AND AVAILABILITY OF FEES.—

(1) IN GENERAL.—Fees collected pursuant to part A shall be credited to a special fund in the Treasury for user fees collected by the Food and Drug Administration. The fees shall be available in the amounts specified in appropriations Acts, for salaries and expenses necessary to carry out the responsibilities of the Food and Drug Administration in connection with the activities for which such fees were collected, including the conduct of scientific research, development of methods of analysis, purchase of chemicals, fixtures, furniture, and scientific equipment and apparatus, development and acquisition of information technology and information management systems, acquisition, maintenance, and repair of real property, and expenses of advisory committees.

(2) FEES AVAILABLE ONLY FOR THE CATEGORY OF ACTIVITY FOR WHICH ASSESSED.—Fees collected for each category of activities specified in part A shall be separately accounted for, and shall be used only to finance the costs related to carrying out responsibilities in connection with the same category of activities for which the fees were collected.

(c) COLLECTION OF UNPAID FEES.—If the Secretary does not receive payment of a fee assessed under subsection (a) within 30 days after it is due, that fee shall be treated as a claim of the United States Government subject to the provisions of subchapter II of chapter 37 of title 31 of the United States Code.

SEC. 122. AGENCY PLAN AND ANNUAL REPORTING REQUIREMENTS.

The agency plan for the Food and Drug Administration required under section 903(f) (21 U.S.C. 393(f)) shall include objectives with respect to the assessment, collection, and use of the fees authorized under part A, and the annual report required by section 903(g) (21 U.S.C. (g)) shall describe the performance of the Secretary with respect to such objectives.

TITLE II—MEDICARE ADMINISTRATIVE FEES

SEC. 201. COLLECTION OF FEES FROM MEDICARE+CHOICE ORGANIZATIONS FOR CONTRACT INITIATION AND RENEWAL.

Section 1857 of the Social Security Act (42 U.S.C. 1395w–27) is amended by adding after subsection (h) the following new subsection:

"(i) FEES FOR CONTRACT ISSUANCE AND RENEWAL AND ONGOING MONITORING.—

"(1) AUTHORITY TO IMPOSE FEES.—The Secretary shall impose, to the extent provided in appropriation Acts—

"(A) fees for initial Medicare+Choice contracts under this part; and

"(B) annual fees for renewal of such contracts and monitoring of the ongoing operations of Medicare+Choice organizations.

"(2) ASSESSMENT OF FEES.—

"(A) TYPES OF FEES.—

"(i) INITIATION FEES.—Fee amounts assessed against a member of a class of organizations pursuant to paragraph (1)(A) shall not exceed the Secretary's reasonable estimate of the average cost of initiating a Medicare+Choice contract for an organization in such class.

"(ii) RENEWAL AND MONITORING FEES.—Fee amounts assessed pursuant to paragraph (1)(B) against members of a class of organizations shall not exceed the amount which the Secretary reasonably estimates will generate total revenues sufficient to cover total annual costs for renewing contracts and performing ongoing monitoring with respect to such class.

"(B) FEE DETERMINATION AND PUBLICATION.—

"(i) IN GENERAL.—The Secretary shall annually establish fee amounts under this subsection, and shall annually publish schedules of such fees in the Federal Register. The establishment and publication of such fees shall be solely in the discretion of the Secretary and shall not be subject to the requirements of sections 553 and 801 of title 5, United States Code, and shall not be reviewable. Previously published fee schedules shall remain in effect until new schedules are effective.

"(ii) REDUCTION OR WAIVER OF FEES.—The Secretary may provide for reduction or waiver of the fees under this subsection in exceptional circumstances in the public interest.

"(3) COLLECTION AND CREDITING OF FEES.—

"(A) INITIAL FEES.—Fees assessed against an organization pursuant to paragraph (1)(A) shall be payable upon submission of the application to participate in the program under this title as a Medicare+Choice organization (and shall apply whether or not the Secretary approves such application) and shall be credited to the Health Care Financing Administration Program Management Account.

"(B) RENEWAL AND MONITORING FEES.—Fees assessed against an organization pursuant to paragraph (1)(B) shall be payable annually and may be deducted from amounts otherwise payable from a Trust Fund under this title to such organization. Such fees shall be credited to the Health Care Financing Administration Program Management Account.

"(C) OFFSET.—Any amount of fees collected in a fiscal year under this subsection that exceeds the amount of such fees available for expenditure in such fiscal year, as specified in appropriation Acts, shall be credited to the Health Care Financing Administration Program Management Account, and shall be available for obligation in subsequent fiscal years to the extent provided in subsequent appropriations Acts.

"(4) AVAILABILITY OF FEES.—Fees collected pursuant to this subsection shall remain available until expended, in the amounts provided in appropriation Acts, for the costs of the activities for which they were assessed.".

SEC. 202. FEES FOR SURVEY AND CERTIFICATION.

Section 1864(e) of the Social Security Act (42 U.S.C. 1395aa(e)) is amended to read as follows:

"(e) FEES FOR CONDUCTING CERTIFICATION SURVEYS.—

"(1) AUTHORITY TO IMPOSE FEES.—Except as provided in paragraph (6), to the extent provided in appropriation Acts, the Secretary shall impose, or require States as a condition of agreements under this section to impose—

"(A) fees for surveys for the purpose of making initial determinations as to whether entities meet requirements under this title; and

"(B) annual fees to cover the costs of periodic surveys to determine whether entities participating in the program under this title continue to meet such requirements.

"(2) ASSESSMENT OF FEES.—

"(A) TYPES OF FEES.—

"(i) FEES FOR INITIAL SURVEYS.—Fee amounts assessed pursuant to paragraph (1)(A) against an entity in a class and State shall not exceed the estimated average cost of an initial survey and determination for an entity in such class and State.

"(ii) FEES FOR RECERTIFICATION SURVEYS.—

"(I) IN GENERAL.—Fee amounts assessed pursuant to paragraph (1)(B) against entities in a class in a State shall not exceed the amount which the Secretary reasonably estimates will generate total revenues sufficient to cover the applicable percentage specified in subclause (II) of total annual costs for such surveys and determinations with respect to such class and State.

"(II) APPLICABLE PERCENTAGES.—For purposes of subclause (I), the applicable percentage specified in this subclause is—

"(aa) 33 percent for fiscal year 1999;

"(bb) 66 percent for fiscal year 2000; and

"(cc) 100 percent for fiscal year 2001 and each succeeding fiscal year.

"(B) FEE DETERMINATION AND PUBLICATION.—

"(i) IN GENERAL.—The Secretary shall annually establish fee amounts under this subsection, and shall annually publish schedules of such fees in the Federal Register. The establishment and publication of such fees shall be solely in the discretion of the Secretary and shall not be subject to the requirements of sections 553 and 801 of title 5, United States Code, and shall not be reviewable. Previously published fee schedules shall remain in effect until new schedules are effective.

"(ii) REDUCTION OR WAIVER OF FEES.—The Secretary may provide for reduction or waiver of the fees under this subsection in exceptional circumstances in the public interest.

"(3) COLLECTION AND CREDITING OF FEES.—

"(A) FEES FOR INITIAL SURVEYS.—

"(i) COLLECTION OF FEES.—Fees assessed against an entity in a State pursuant to paragraph (1)(A) shall be payable at the time of the initial survey to the Secretary (or, in the case of surveys performed by a State agency, to such agency).

"(ii) REMITTANCE OF FEE AMOUNT TO SECRETARY WHERE STATE COLLECTS FEES.—In the event a State agency collects a fee pursuant to clause (i), such agency shall remit to the Secretary an amount equal to the Secretary's share of the cost of the activities described in paragraph (1)(A).

"(iii) CREDITING OF FEES.—Fees paid to the Secretary pursuant to clause (i) or remitted to the Secretary pursuant to clause (ii) shall be credited to the Health Care Financing Administration Program Management Account.

"(B) FEES FOR RECERTIFICATION SURVEYS.—

"(i) COLLECTION OF FEES.—Fees assessed against an entity pursuant to paragraph (1)(B) shall be payable annually and may be deducted from amounts otherwise payable from a Trust Fund under this title to such entity.

"(ii) REIMBURSEMENT OF STATE AGENCY COSTS.—Of amounts collected pursuant to clause (i), an amount equal to the State's share of the cost of activities described in paragraph (1)(B) shall be transferred to the appropriate State agency.

"(iii) REIMBURSEMENT OF SECRETARY'S COSTS.—The balance of the amount collected pursuant to clause (i) that is not paid to a State agency pursuant to clause (ii) shall be credited to the Health Care Financing Administration Program Management Account.

"(C) OFFSET.—Any amount of fees collected in a fiscal year under this subsection that exceeds the amount of such fees available for expenditure in such fiscal year, as specified in appropriation Acts, shall be credited to the Health Care Financing Administration Program Management Account, and shall be available for obligation in subsequent fiscal years to the extent provided in subsequent appropriations Acts.

"(4) AVAILABILITY OF FEES.—Fees collected pursuant to this subsection shall remain available until expended, in the amounts provided in appropriation Acts, for necessary expenses related to the purposes for which the fees were assessed.

"(5) TREATMENT OF FEES FOR PURPOSES OF COST REPORTS.—An entity may not include a fee assessed pursuant to this subsection as an allowable item on a cost report under this title or title XIX.

"(6) CERTAIN ENTITIES NOT SUBJECT TO FEE.—The Secretary shall not impose fees under this subsection against entities subject to the requirements of the Clinical Laboratory Improvement Amendments of 1988.".

SEC. 203. FEES FOR REGISTRATION OF INDIVIDUALS AND ENTITIES PROVIDING HEALTH CARE ITEMS OR SERVICES UNDER MEDICARE.

Section 1866 of the Social Security Act (42 U.S.C. 1395cc) is amended—

(1) in the heading, by adding "AND REGISTRATION OF OTHER PERSONS FURNISHING SERVICES" after "PROVIDERS OF SERVICES"; and

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

"(j) REGISTRATION PROCEDURES AND FEES.—

"(1) REGISTRATION.—The Secretary shall establish a procedure for initial registration and periodic renewal of registration of individuals and entities that furnish items or services for which payment may be made under this title and that are not otherwise subject to provisions of this title providing for such procedures.

"(2) FEES.—

"(A) AUTHORITY TO IMPOSE FEES.—The Secretary shall impose, to the extent provided in appropriation Acts—

"(i) fees for initial agreements with providers of services and initial registrations of other entities and individuals that furnish items or services for which payment may be made under this title, and

"(ii) annual fees to cover the costs of renewals of agreements and registrations of such individuals and entities.

"(B) ASSESSMENT OF FEES.—

"(i) TYPES OF FEES.—

"(I) INITIAL FEES.—Fee amounts assessed pursuant to subparagraph (A)(i) against a member of a class of individuals or entities shall not exceed the Secretary's reasonable estimate of the average cost of initiating an agreement or performing an initial registration for an individual or entity in such class.

"(II) RENEWAL FEES.—Fee amounts assessed pursuant to subparagraph (A)(ii) against members of a class of individuals or entities shall not exceed the amount which the Secretary reasonably estimates will generate total revenues sufficient to cover total annual costs of performing such renewals with respect to such class.

"(ii) FEE DETERMINATION AND PUBLICATION.—

"(I) IN GENERAL.—The Secretary shall annually establish fee amounts under this paragraph, and shall annually publish schedules of such fees in the Federal Register. The establishment and publication of such fees shall be solely in the discretion of the Secretary and shall not be subject to the requirements of sections 553 and 801 of title 5, United States Code, and shall not be reviewable. Previously published fee schedules shall remain in effect until new schedules are effective.

"(II) REDUCTION OR WAIVER OF FEES.—The Secretary may provide for reduction or waiver of the fees under this paragraph in exceptional circumstances in the public interest.

"(C) COLLECTION AND CREDITING OF FEES.—

"(i) INITIAL FEES.—Fees assessed pursuant to subparagraph (A)(i) against an individual or entity shall be payable upon application for billing privileges under the program

under this title (and shall apply whether or not the Secretary approves such application) and shall be credited to the Health Care Financing Administration Program Management Account.

"(ii) RENEWAL FEES.—Fees assessed pursuant to subparagraph (A)(ii) against an individual or entity shall be payable annually and may be deducted from amounts otherwise payable from a Trust Fund under this title to such individual or entity. Such fees shall be credited to the Health Care Financing Administration Program Management Account.

"(iii) OFFSET.—Any amount of fees collected in a fiscal year under this paragraph that exceeds the amount of such fees available for expenditure in such fiscal year, as specified in appropriation Acts, shall be credited to the Health Care Financing Administration Program Management Account, and shall be available for obligation in subsequent fiscal years to the extent provided in subsequent appropriations Acts.

"(D) AVAILABILITY OF FEES.—Fees collected pursuant to this paragraph shall remain available until expended, in the amounts provided in appropriation Acts, for necessary expenses related to initiating and renewing such agreements and registrations, including costs of—

"(i) establishing and maintaining procedures and records systems;

"(ii) processing applications;

"(iii) background investigations;

"(iv) renewal of billing privileges; and

"(v) reverification of eligibility.

"(E) TREATMENT OF FEES FOR PURPOSES OF COST REPORTS.—An entity may not include a fee assessed pursuant to this paragraph as an allowable item on a cost report under this title or title XIX.".

SEC. 204. FEES TO COVER THE COST OF MEDICARE DESK REVIEW, AUDIT, AND COST SETTLEMENT ACTIVITIES.

Section 1893 of the Social Security Act (42 U.S.C. 1395ddd) is amended by adding at the end the following new subsection:

"(f) FEES FOR REVIEW, AUDIT, AND COST SETTLEMENT ACTIVITIES.—

"(1) AUTHORITY TO IMPOSE FEES.—The Secretary shall impose fees on providers of services and other entities furnishing items or services for which payment may be made under this title for performance of review, audit, and cost settlement activities in connection with the audit of cost reports under subsection (b)(2).

"(2) ASSESSMENT OF FEES.—

"(A) IN GENERAL.—Fee amounts assessed pursuant to paragraph (1) against members of a class of entities shall not exceed the amount which the Secretary reasonably estimates will generate total revenues sufficient to cover total annual costs for performing such activities with respect to such class.

"(B) FEE DETERMINATION AND PUBLICATION.—

"(i) IN GENERAL.—The Secretary shall annually establish fee amounts under this subsection, and shall annually publish schedules of such fees in the Federal Register. The establishment and publication of such fees shall be solely in the discretion of the Secretary and shall not be subject to the requirements of sections 553 and 801 of title 5, United States Code, and shall not be reviewable. Previously published fee schedules shall remain in effect until new schedules are effective.

"(ii) REDUCTION OR WAIVER OF FEES.—The Secretary may provide for reduction or waiver of the fees under this subsection in exceptional circumstances in the public interest.

"(3) COLLECTION, CREDITING, AND AVAILABILITY OF FEES.—Fees assessed pursuant to paragraph (1) against an entity shall be payable annually and may be deducted from amounts otherwise payable from a Trust Fund under this title to such entity. Such fees shall be credited to the Health Care Fraud and Abuse Control Account. Fees collected pursuant to this subsection shall remain available until expended, for necessary expenses for the purposes for which the fees were assessed.

"(4) TREATMENT OF FEES FOR PURPOSES OF COST REPORTS.—An entity may not include a fee assessed pursuant to this subsection as an allowable item on a cost report under this title or title XIX.".

SEC. 205. FEES FOR PROCESSING CLAIMS.

(a) IN GENERAL.—Part D of title XVIII of the Social Security Act is amended by adding at the end the following new section:

"SEC. 1897. FEES FOR PROCESSING CLAIMS.

"(a) AUTHORITY TO IMPOSE FEES.—

"(1) IN GENERAL.—Subject to subsection (b), each claim described in paragraph (2) submitted by an individual or entity furnishing items or services for which payment may be made under this title is subject to a processing fee of $1.00.

"(2) CLAIMS SUBJECT TO FEE.—A claim is subject to the fee specified in paragraph (1) if it—

"(A) duplicates, in whole or in part, another claim submitted by the same individual or entity;

"(B) is a claim that cannot be processed and must, in accordance with the Secretary's instructions, be returned by the fiscal intermediary or carrier to the individual or entity for completion; or

"(C) is not submitted electronically by an individual or entity or the authorized billing agent of such individual or entity.

"(b) COLLECTION, CREDITING, AND AVAILABILITY OF FEES.—

"(1) APPROPRIATIONS REQUIRED.—Fees shall be collected and expended under this section to the extent provided in appropriation Acts.

"(2) DEDUCTION FROM TRUST FUND.—The Secretary shall deduct any fees assessed pursuant to subsection (a) against an individual or entity from amounts otherwise payable from a Trust Fund under this title to such individual or entity, and shall transfer the amount so deducted from such Trust Fund to the Health Care Financing Administration Program Management Account.

"(3) OFFSET.—Any amount of fees collected in a fiscal year under this section that exceeds the amount of such fees available for expenditure in such fiscal year, as specified in appropriation Acts, shall be credited to the Health Care Financing Administration Program Management Account, and shall be available for obligation in subsequent fiscal years to the extent provided in subsequent appropriations Acts.

"(4) AVAILABILITY.—Fees collected pursuant to this section shall remain available until expended for the costs of the activities for which they were assessed.

"(c) WAIVER OF CERTAIN FEES.—The Secretary may provide for waiver of fees for claims described in subsection (a)(2)(C) in cases of such compelling circumstances as the Secretary may determine.

"(d) TREATMENT OF FEES FOR PURPOSES OF COST REPORTS.—An entity may not include a fee assessed pursuant to this section as an allowable item on a cost report under this title or title XIX.".

(b) CONFORMING AMENDMENT.—Section 1842(c)(4) of such Act (42 U.S.C. 1395u(c)(4)) is amended by striking "Neither a carrier" and inserting "Except as provided in section 1897, neither a carrier".

SEC. 206. SECRETARY'S AUTHORITY TO ISSUE INTERIM FINAL REGULATIONS.

The Secretary of Health and Human Services is authorized to issue any regulations needed to implement the amendments made by this title as interim final regulations.

TITLE III—MISCELLANEOUS USER FEES

SEC. 301. AUTHORITY OF SECRETARY OF AGRICULTURE TO IMPOSE USER FEES FOR CERTAIN SERVICES PROVIDED BY DEPARTMENT OF AGRICULTURE AGENCIES.

The Department of Agriculture Reorganization Act of 1994 is amended by inserting after section 219 (7 U.S.C. 6919) the following new section:

"SEC. 220. USER FEES FOR CERTAIN SERVICES PROVIDED BY DEPARTMENT AGENCIES, OFFICES, OFFICERS, AND EMPLOYEES.

"(a) USER FEES AUTHORIZED.—Notwithstanding any other provision of law, the Secretary may prescribe and collect fees sufficient to cover all or some portion of the cost to the Department, including administrative costs, of providing services under the laws specified in subsection (b).

"(b) COVERED LAWS.—Subsection (a) applies to the following laws, notwithstanding any provision prohibiting the imposition of user fees in any such law:

"(1) Laws administered by the Animal and Plant Inspection Service (or any successor agency), including the following specific services:

"(A) Biotechnology testing services under the Federal Plant Pest Act (7 U.S.C. 150aa et seq.).

"(B) Biotechnology testing services under the Act of August 20, 1912 (commonly known as the Plant Quarantine Act; 7 U.S.C. 151 et seq.).

"(C) Animal welfare licensing services under the Animal Welfare Act (7 U.S.C. 2131 et seq).

"(D) Veterinary biologics services under the Act of March 4, 1913 (commonly known as the Virus-Serum-Toxin Act; 21 U.S.C. 151 et seq.).

"(E) Services under the Swine Health Protection Act (7 U.S.C. 3801 et seq.).

"(2) Laws administered by the Grain Inspection, Packers and Stockyards Administration (or any successor agency), including the following:

"(A) The Packers and Stockyards Act, 1921 (7 U.S.C. 181 et seq.).

"(B) The United States Grain Standards Act (7 U.S.C. 71 et seq.).

"(3) Laws administered by the Food Safety and Inspection Service (or any successor agency), including the following:

"(A) The Federal Meat Inspection Act (21 U.S.C. 601 et seq.).

"(B) The Poultry Products Inspection Act (21 U.S.C. 451 et seq.).

"(C) The Egg Products Inspection Act (21 U.S.C. 1031 et seq.).

"(4) Laws administered by the Natural Resources Conservation Service (or any successor agency), including authorities regarding the provision of technical assistance and products for natural resource conservation.

"(5) Laws administered by the Farm Service Agency (or any successor agency), including the authorities regarding the provision of information obtained from information collections from persons participating in the programs administered by the Agency.

"(c) EXCEPTIONS.—Subsection (b) does not include any law or service for which a user fee is specifically required or authorized under another provision of law.

"(d) LATE PAYMENT PENALTIES.—If a person subject to a fee under this section fails to pay the fee when due, the Secretary may assess a late payment penalty, and the overdue fees shall accrue interest, as required by section 3717 of title 31, United States Code.

"(e) TREATMENT OF FEES.—Fees and other amounts collected under this section shall be credited to the Department accounts that incur the costs associated with the provision of the services for which the fees are imposed. Funds so credited shall be merged with the appropriations to which credited and shall be available to the Secretary without fiscal year limitation for the same purposes as the appropriations with which merged.".

SEC. 302. NOAA NAVIGATION ASSISTANCE FEES.

(a) ESTABLISHMENT AND COLLECTION.—

(1) IN GENERAL.—For fiscal year 1999 and each fiscal year thereafter, the Secretary of Commerce, in consultation with the Secretary of Transportation, shall establish, assess, and collect under section 9701 of title 31, United States Code, fees for the provision of navigation assistance services.

(2) FEE SCHEDULE.—The Secretary shall implement fees under this section by establishment of a schedule for such fees. The Secretary shall publish an interim final rule containing an initial fee schedule not later than 150 days after the date of the enactment of this Act.

(b) CREDITING OF FEES.—Fees collected under this section shall be credited as offsetting collections of the Department of Commerce.

(c) AVAILABILITY.—

(1) IN GENERAL.—Of amounts of offsetting collections credited for fees under this section—

(A) not to exceed $2,500,000 shall be available to the Secretary of Commerce for fiscal year 1999 for expenses of providing services for which the fees are collected; and

(B) amounts in excess of $2,500,000 shall be available to the Secretary of Commerce for fiscal years after fiscal year 1999 for expenses of providing those services.

(2) AVAILABLE UNTIL EXPENDED.—Amounts available under this section shall remain available until expended.

SEC. 303. FISHERIES MANAGEMENT AND ENFORCEMENT FEES.

(a) ESTABLISHMENT AND COLLECTION.—

(1) IN GENERAL.—For fiscal year 1999 and each fiscal year thereafter, the Secretary of Commerce shall establish, assess, and collect under section 9701 of title 31, United States Code, fees for the provision of fisheries management and enforcement services.

(2) MANNER OF COLLECTION.—The Secretary may prescribe the manner in which such fees are collected.

(b) MAXIMUM AMOUNT.—The maximum amount of any fee under this section may not exceed one percent of the ex-vessel value of harvested fish with respect to which the fee is collected.

(c) CREDITING OF FEES.—Fees collected under this section shall be credited as offsetting collections of the Department of Commerce.

(d) AVAILABILITY.—

(1) IN GENERAL.—Of amounts of offsetting collections credited for fees under this section—

(A) not to exceed $19,781,000 shall be available to the Secretary of Commerce for fiscal year 1999 for expenses of providing services for which the fees are collected; and

(B) amounts in excess of $19,781,000 shall be available to the Secretary of Commerce for fiscal years after fiscal year 1999 for expenses of providing those services.

(2) AVAILABLE UNTIL EXPENDED.—Amounts available under this section shall remain available until expended.

SEC. 304. LEVEL OF FEES FOR PATENT SERVICES.

(a) GENERAL PATENT FEES.—Section 41 of title 35, United States Code, is amended by striking subsection (a) and inserting the following:

"(a) The Commissioner shall charge the following fees:

"(1)(A) On filing each application for an original patent, except in design or plant cases, $790.

"(B) In addition, on filing or on presentation at any other time, $82 for each claim in independent form which is in excess of 3, $22 for each claim (whether independent or dependent) which is in excess of 20, and $270 for each application containing a multiple dependent claim.

"(C) On filing each provisional application for an original patent, $150.

"(2) For issuing each original or reissue patent, except in design or plant cases, $1,320.

"(3) In design and plant cases—

"(A) on filing each design application, $330;

"(B) on filing each plant application, $540;

"(C) on issuing each design patent, $450; and

"(D) on issuing each plant patent, $670.

"(4)(A) On filing each application for the reissue of a patent, $790.

"(B) In addition, on filing or on presentation at any other time, $82 for each claim in independent form which is in excess of the number of independent claims of the original patent, and $22 for each claim (whether independent or dependent) which is in excess of 20 and also in excess of the number of claims of the original patent.

"(5) On filing each disclaimer, $110.

"(6)(A) On filing an appeal from the examiner to the Board of Patent Appeals and Interferences, $310.

"(B) In addition, on filing a brief in support of the appeal, $310, and on requesting an oral hearing in the appeal before the Board of Patent Appeals and Interferences, $270.

"(7) On filing each petition for the revival of an unintentionally abandoned application for a patent or for the unintentionally delayed payment of the fee for issuing each patent, $1,320, unless the petition is filed under section 133 or 151 of this title, in which case the fee shall be $110.

"(8) For petitions for 1-month extensions of time to take actions required by the Commissioner in an application—

"(A) on filing a first petition, $110;

"(B) on filing a second petition, $290; and

"(C) on filing a third petition or subsequent petition, $550.

"(9) Basic national fee for an international application where the Patent and Trademark Office was the International Preliminary Examining Authority and the International Searching Authority, $720.

"(10) Basic national fee for an international application where the Patent and Trademark Office was the International Searching Authority but not the International Preliminary Examining Authority, $790.

"(11) Basic national fee for an international application where the Patent and Trademark Office was neither the International Searching Authority nor the International Preliminary Examining Authority, $1,070.

"(12) Basic national fee for an international application where the international preliminary examination fee has been paid to the Patent and Trademark Office, and the international preliminary examination report states that the provisions of Article 33 (2), (3), and (4) of the Patent Cooperation Treaty have been satisfied for all claims in the application entering the national stage, $98.

"(13) For filing or later presentation of each independent claim in the national stage of an international application in excess of 3, $82.

"(14) For filing or later presentation of each claim (whether independent or dependent) in a national stage of an international application in excess of 20, $22.

"(15) For each national stage of an international application containing a multiple dependent claim, $270.

For the purpose of computing fees, a multiple dependent claim referred to in section 112 of this title or any claim depending therefrom shall be considered as separate dependent claims in accordance with the number of claims to which reference is made. Errors in payment of the additional fees may be rectified in accordance with regulations of the Commissioner.".

(b) PATENT MAINTENANCE FEES.—Section 41 of title 35, United States Code, is amended by striking subsection (b) and inserting the following:

"(b) The Commissioner shall charge the following fees for maintaining in force all patents based on applications filed on or after December 12, 1980:

"(1) 3 years and 6 months after grant, $1,050.

"(2) 7 years and 6 months after grant, $2,100.

"(3) 11 years and 6 months after grant, $3,160.

Unless payment of the applicable maintenance fee is received in the Patent and Trademark Office on or before the date the fee is due or within a grace period of 6 months thereafter, the patent will expire as of the end of such grace period. The Commissioner may require the payment of a surcharge as a condition of accepting within such 6-month grace period the payment of an applicable maintenance fee. No fee may be established for maintaining a design or plant patent in force.".

(b) AUTHORIZATION OF COLLECTION AND EXPENDITURE.—Section 42(c) of title 35, United States Code, is amended by striking the first sentence and inserting the following: "To the extent and in the amounts provided in advance in appropriations Acts, fees authorized in this title or any other Act to be charged or established by the Commissioner shall be collected by and shall be available to the Commissioner to carry out the activities of the Patent and Trademark Office.".

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 1998.

SEC. 305. EXPORT PROMOTION FEES.

There is authorized to be appropriated to the International Trade Administration of the Department of Commerce $292,452,000, to remain available until expended, of which $6,000,000 shall be derived from fees to be collected and used, to the extent provided in appropriation Acts, by the International Trade Administration for the provision of export promotion services, notwithstanding section 3302 of title 31, United States Code. Any such fees received in excess of $6,000,000 in fiscal year 1999 shall remain available until expended, but shall not be made available until October 1, 1999.

SEC. 306. HARDROCK LOCATION AND MAINTENANCE FEES.

Title X of the Omnibus Budget Reconciliation Act of 1993 (Public Law 103-66) is amended as follows:

(1) Section 10101(a) (30 U.S.C. 28f(a)) is amended by striking the first sentence and inserting "The holder of each unpatented mining claim, mill or tunnel site, located pursuant to the mining laws of the United States, whether located before or after October 1, 1998, shall pay to the Secretary of the Interior, on or before September 1 of each year, for year 1999 and subsequent years, a claim maintenance fee of $116 per claim or site.".

(2) Section 10102 (30 U.S.C. 28g) is amended by striking "and before September 30, 1998," and striking "$25.00" and inserting "$28".

(3) Section 10105 (30 U.S.C. 28j) is amended by adding the following new subsection at the end:

"(d) AVAILABILITY OF FEES.—Fees collected under sections 10101 and 10102 (30 U.S.C. 28f and 28g) shall be available without further appropriation for Mining Law Administration program operations in the year following their collection.".

SEC. 307. IMPOSITION AND USE OF DEPARTMENT OF LABOR EMPLOYER FILING FEES UNDER THE IMMIGRATION AND NATIONALITY ACT.

Section 286 of the Immigration and Nationality Act (8 U.S.C. 1356) is amended by adding at the end the following:

"(s) DEPARTMENT OF LABOR FEES FOR EMPLOYER-RELATED FILINGS.—

"(1) Beginning in fiscal year 2000, the Secretary of Labor shall impose a fee on each person filing with the Secretary an application for a labor certification, an employer attestation, or any similar petition or application, in order to meet a requirement or condition of a program under this title or title I relating to the provision to an alien of an immigrant, or nonimmigrant, employment-based status. The fee with respect a filing under a program shall be in an amount prescribed by the Secretary based on the costs of carrying out the Secretary's duties (including enforcement-related functions) with respect to the program.

"(2) Fees collected under this subsection shall be deposited as an offsetting collection in a fund established for this purpose in the Treasury of the United States.

"(3) No amount shall be collected or obligated for any fiscal year under this subsection, except to the extent provided in appropriations Acts.

"(4) The fees in the fund collected with respect to a program shall remain available until expended to the Secretary, to the extent and in such amounts as may be provided in appropriations Acts, to cover the costs described in paragraph (1) with respect to the program, in addition to any other funds that are available to the Secretary to cover such costs.".

SEC. 308. COAST GUARD NAVIGATION ASSISTANCE FEES.

(a) ESTABLISHMENT AND COLLECTION.—

(1) IN GENERAL.—For fiscal year 1999 and each fiscal year thereafter, the Secretary of Transportation shall establish, assess, and collect under section 9701 of title 31, United States Code, fees for the provision of navigation assistance services.

(2) FEE SCHEDULE.—The Secretary shall implement fees under this section by establishment of a schedule for such fees. The Secretary shall publish an interim final rule containing an initial fee schedule not later than 150 days after the date of the enactment of this Act.

(b) CREDITING OF FEES.—Fees collected under this section shall be credited as offsetting collections of the Department of Transportation.

(c) AVAILABILITY.—

(1) IN GENERAL.—Of amounts of offsetting collections credited for fees under this section—

(A) not to exceed $35,000,000 shall be available to the Secretary of Transportation for fiscal year 1999 for expenses of providing services for which the fees are collected; and

(B) amounts in excess of $35,000,000 shall be available to the Secretary of Transportation for fiscal years after fiscal year 1999 for expenses of providing those services.

(2) AVAILABLE UNTIL EXPENDED.—Amounts available under this section shall remain available until expended.

SEC. 309. SURFACE TRANSPORTATION BOARD.

Section 721 of title 49, United States Code, is amended by adding at the end the following new subsection:

"(f) USER FEES.—

"(1) SCHEDULE OF FEES.—The Board shall prescribe by regulation a schedule of user fees for carriers subject to the jurisdiction of the Board. The fees—

"(A) shall cover the costs incurred by the Board in carrying out its functions; and

"(B) shall be assessed on each carrier in reasonable relationship to the relative benefits received by the carriers from the functions of the Board.

"(2) COLLECTION OF FEES.—The Board shall prescribe procedures for the collection of fees under this subsection. The Board may use the services of a department, agency, or instrumentality of the Federal Government or of a State or local authority to collect the fees, and may reimburse the department, agency, or instrumentality a reasonable amount for its services.

"(3) USE OF FEES.—Fees collected under this subsection may be used, to the extent provided in advance in appropriation Acts, by the Board for the expenses of carrying out its functions. Any amounts collected in a fiscal year in excess of the amount required for carrying out the functions of the Board for that fiscal year may be retained for use by the Board in a subsequent fiscal year.".

SEC. 310. WETLANDS PERMIT FEES.

(a) ESTABLISHMENT AND COLLECTION.—The Secretary of the Army shall establish and collect fees, from applicants for commercial permits under section 404 of the Federal Water Pollution Control Act, for evaluation of applications for such permits, the preparation of environmental impact statements under the National Environmental Policy Act of 1969 in connection with the issuance of such permits, and the delineation of wetlands for major developments affecting wetlands.

(b) ARMY CIVIL WORKS REGULATORY PROGRAM.—

(1) ESTABLISHMENT.—There is established in the Treasury of the United States a special account to be known as the "Army Civil Works Regulatory Program Account" into which fees collected by the Secretary under subsection (a) shall be deposited.

(2) USE OF FEES.—Amounts deposited into the Program Account shall be available to the Secretary, as provided in appropriation acts, to apply toward the costs incurred by the Department of the Army in administering laws pertaining to the regulation of navigable waters of the United States, including wetlands. Such amounts shall be in addition to appropriations otherwise available to the Secretary for administering such laws.

SEC. 311. RADIOLOGICAL PREPAREDNESS FEES.

(a) ESTABLISHMENT OF RADIOLOGICAL EMERGENCY PREPAREDNESS FUND.—There is established in the Treasury of the United States a radiological emergency preparedness fund which shall be available under the Atomic Energy Act of 1954 and Executive Order No. 12657 for offsite radiological emergency planning, preparedness, and response.

(b) FEES.—

(1) IN GENERAL.—For fiscal year 1999 and each fiscal year thereafter, the Director of the Federal Emergency Management Agency shall establish (by regulation), assess, and collect fees under this subsection from persons subject to the radiological emergency preparedness regulations issued by the Director.

(2) AGGREGATE AMOUNT.—The aggregate amount of fees assessed and collected under this subsection during a fiscal year shall not be less than the amounts anticipated by the Director to be necessary to carry out the radiological emergency preparedness program of the Federal Emergency Management Agency for such fiscal year.

(3) PROCEDURES.—The methodology for assessment and collection of fees under this subsection shall be fair and equitable. Such fees shall reflect the costs of providing services, including administrative costs of collecting fees.

(4) DEPOSIT.—Fees collected under this subsection shall be deposited in the radiological emergency preparedness fund established under subsection (a) as offsetting collections. An amount equal to the amount of fees so deposited shall become available for authorized purposes on October 1 of the fiscal year in which the fees are collected and shall remain available until expended.

SEC. 312. AVIATION ACCIDENT INVESTIGATION FEE.

(a) ESTABLISHMENT AND COLLECTION.—For fiscal year 1999 and each fiscal year thereafter the Chairman of the National Transportation Safety Board shall establish, assess, and collect under section 9701 of title 31, United States Code, fees from air carriers to partially cover the costs of aviation accident investigations. Such fees shall be established by publication of an initial proposed fee schedule as an interim final rule in the Federal Register not later than 150 days after the date of the enactment of this Act.

(b) MAXIMUM AMOUNT.—The maximum amount of fees collected under this section shall not exceed $6,000,000 in any fiscal year.

(c) USE OF FEES.—Fees collected under this subsection shall be credited as offsetting collections to an account established in the Treasury of the United States for such purpose and shall be available until expended for necessary expenses for the National Transportation Safety Board in conducting aviation accident investigations, including the hiring of passenger motor vehicles and aircraft and services authorized by section 3109 of title 5, United States Code, but at rates for individuals not to exceed the per diem rate equivalent to the rate as authorized by law under sections 5901 and 5902 of such title.

SEC. 313. MONETARY ASSESSMENT ON CLAIMANT REPRESENTATIVES UTILIZING THE SOCIAL SECURITY ADMINISTRATION'S FEE APPROVAL AND DIRECT PAYMENT PROCESSES.

(a) REPRESENTATIVES OF TITLE II CLAIMANTS.—

(1) IN GENERAL.—Section 206 of the Social Security Act (42 U.S.C. 406) is amended by adding at the end the following new subsection:

"(d)(1) In any case in which a fee (exceeding zero) of a person who renders services for

compensation in connection with a claim for entitlement to benefits under this title is—

"(A) fixed by the Commissioner pursuant to the last sentence of subsection (a)(1),

"(B) approved by the Commissioner pursuant to subsection (a)(2)(A), or

"(C) determined and allowed by a court pursuant to subsection (b)(1)(A),

the Commissioner shall assess such person an amount determined in accordance with paragraph (2).

"(2) The amount of the assessment under paragraph (1) shall be—

"(A) $165 (or such different amount as the Commissioner may prescribe by regulation), if the Commissioner certifies payment of a fee to a person described in paragraph (1) out of past-due benefits payable under this title pursuant to subsection (a)(4)(A) or (b)(1)(A) (or would so certify such payment but for a reduction to zero authorized by paragraph (3)(A)), or

"(B) $40 (or such different amount as the Commissioner may prescribe by regulation) in any other case.

"(3)(A) Notwithstanding section 3716 of title 31, United States Code, and subsections (a)(4) and (b)(1)(A) of this section, the Commissioner may reduce (to not below zero) the amount otherwise subject to certification for payment as a fee to an attorney from past-due benefits in order to recover any assessment or assessments under this subsection owing by such attorney (without regard to whether such assessments derive from the claim giving rise to the past-due benefits in connection with which the fee payment is subject to certification).

"(B) The Commissioner shall establish by regulation procedures for the collection of assessments under this subsection not recoverable as provided in subparagraph (A).

"(4) Assessments collected under this subsection shall be credited to a special trust fund receipt account established in the Treasury of the United States for assessments on representatives under this subsection. The amounts so credited, to the extent and in the amounts provided in advance in appropriations Acts, shall be available to defray expenses incurred in carrying out this title and related laws.

"(5) From amounts credited under paragraph (4) to the special account established in the Treasury of the United States for assessments on representatives under this subsection, there is authorized to be appropriated an amount not to exceed $19,000,000 for fiscal year 1999, $26,000,000 for fiscal year 2000, and such sums as may be necessary for each fiscal year thereafter, for administrative expenses in carrying out this title and related laws.".

(2) CONFORMING AMENDMENTS.—

(A) Section 206(a)(4)(A) of such Act (42 U.S.C. 406(a)(4)(A)) is amended by striking the period and inserting ", except that the amount otherwise subject to certification may be reduced (to not less than zero) pursuant to subsection (d)(3)(A).".

(B) Section 206(b)(1)(A) of such Act (42 U.S.C. 406(b)(1)(A)) is amended by striking the period at the end of the first sentence and inserting ", except that the amount otherwise subject to certification may be reduced (to not less than zero) pursuant to subsection (d)(3)(A).".

(b) REPRESENTATIVES OF TITLE XVI CLAIMANTS.—Section 1631(d)(2) of such Act (42 U.S.C. 1383(d)(2)) is amended by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

"(B) The provisions of section 206(d) shall apply to this part to the same extent as they apply in the case of title II, except that—

"(i) references therein to title II shall be deemed to be references to title XVI;

"(ii) references to entitlement to benefits under title II shall be deemed to be references to eligibility for benefits under this title;

"(iii) such provisions shall apply only with respect to assessments applicable to cases other than cases involving certification of payment of a fee to a representative out of past-due benefits; and

"(iv) the total amount of the appropriations authorized in paragraph (5) thereof for carrying out this title and title II may not exceed $19,000,000 for fiscal year 1999 and $26,000,000 for fiscal year 2000.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any person who, for a fee, represents or otherwise assists a claimant with a claim arising under title II or title XVI of the Social Security Act, and whose representation of such claimant in connection with such claim commences on or after the 60th day following the date of the enactment of this Act.

SEC. 314. RAILROAD SAFETY.

Section 20115(e) of title 49, United States Code, is amended by striking "1995" and inserting "2003".

SEC. 315. INCREASE IN CUSTOMS MERCHANDISE PROCESSING FEE.

Section 13031 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c) is amended as follows:

(1) Subsection (a)(9)(B)(i) is amended by striking "0.21 percent nor less than 0.15 percent" and inserting "0.25 nor less than 0.15 percent".

(2) Subsection (f) is amended—

(A) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively;

(B) in paragraph (5), as so redesignated, by striking "paragraph (5)" and inserting "paragraph (6)";

(C) by inserting after paragraph (3) the following:

"(4) Fees collected under subsection (a)(9) in excess of .21 percent ad valorem shall be available until expended for necessary expenses incurred by the Secretary of the Treasury for the National Customs Automation Program established under section 411 of the Tariff Act of 1930, in addition to amounts otherwise available for such purpose."; and

(D) in paragraph (1)(B) by striking "paragraph (5)" and inserting "paragraph (6)".

SEC. 316. PESTICIDE REGISTRATION FEES.

Section 4(i) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a–1(i)) is amended—

(1) in paragraph (6), by striking "(5)" and inserting "(6)";

(2) by redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectively; and

(3) by inserting after paragraph (5) the following:

"(6) REGISTRATION FEES.—

"(A) AUTHORITY TO LEVY FEE.—The Administrator may levy fees upon applicants for registration and amendments to registration under section 3 of this Act and applicants for experimental use permits under section 5 of this Act, pursuant to regulations similar to sections 152.410(b), 152.412, and 152.414 of title 40, Code of Federal Regulations (as in effect as of July 1, 1997), in amounts sufficient to cover costs associated with the review of such applications.

"(B) TIME OF PAYMENT.—An applicant upon whom a fee is levied under this paragraph shall pay the fee at the time of application, unless otherwise specified by the Administrator.

"(C) EFFECT OF FAILURE TO PAY BY TIME PRESCRIBED.—The Administrator may, by order and without a hearing, deny the application of any applicant who fails to pay, within such time as the Administrator has prescribed, any fee levied on the applicant under this paragraph.

"(D) AUTHORITY TO REDUCE OR WAIVE FEE.—The Administrator may reduce or waive any fee that would otherwise be assessed under this paragraph—

"(i) in connection with an application for an active ingredient that is contained only in pesticides for which registration is sought solely for agricultural or nonagricultural minor use; and

"(ii) in such other circumstances as the Administrator determines to be in the public interest.

"(E) USE OF FEES.—The Administrator shall deposit in a special fund in the Treasury of the United States all fees collected under this paragraph, and the amount of such fees shall be available, subject to appropriation, to carry out the activities of the Environmental Protection Agency in the issuance of the registrations under sections 3 and 5 in respect of which the fees were paid.".

SEC. 317. CHEMICAL PRE-MANUFACTURING NOTIFICATION FEES.

Notwithstanding section 26(b)(1) of the Toxic Substances Control Act (15 U.S.C. 2625(b)(1)), the Administrator of the Environmental Protection Agency is authorized to assess, in fiscal year 1999 and thereafter, fees from any person required to submit data under section 4 or 5 of such Act (15 U.S.C. 2603, 2604) without regard to the dollar limitations established in section 26(b)(1) of such Act. Such fees shall be calculated to cover costs associated with administering those sections of such Act, and shall be paid at the time of data submission, unless otherwise specified by the Administrator. The Administrator may take into account the ability to pay of the person required to submit the data and the cost to the Administrator of reviewing such data. The Administrator shall promulgate rules to implement this section. Such rules may provide for allocating the fee in any case in which the expenses of data submission under section 4 or 5 of such Act are shared. Increased fees collected under this section shall be deposited in a special fund in the United States Treasury, which thereafter will be available, subject to appropriation, to carry out the Administration's activities for which such fees are collected.

SEC. 318. NRC USER FEES AND ANNUAL CHARGES.

Section 6101(a)(3) of the Omnibus Budget Reconciliation Act of 1990 (42 U.S.C. 2214(a)(3)) is amended by striking "September 30, 1998" and inserting "September 30, 2003".

SEC. 318. BANK EXAMINATION FEES.

(a) FDIC EXAMINATION FEES.—Section 10(e)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1820(e)(1)) is amended to read as follows:

"(1) IN GENERAL.—

"(A) REGULATORY EXAMINATIONS.—Subject to paragraph (6), the cost of conducting any examination under subsection (b)(2) of an insured depository institution described in subparagraph (A) of such subsection shall be assessed by the Corporation against the institution in an amount sufficient to meet the Corporation's expenses in carrying out the examination.

"(B) INSURANCE EXAMINATIONS.—The cost of conducting any examination of a depository institution under subsection (b)(2) or (b)(3),

other than an examination to which subparagraph (A) applies, may be assessed by the Corporation against the institution to meet the Corporation's expenses in carrying out the examination.".

(b) FEDERAL RESERVE BOARD EXAMINATION FEES.—The 2d sentence of the 8th undesignated paragraph of section 9 of the Federal Reserve Act (12 U.S.C. 326) is amended—

(1) by striking "may, in the discretion of the Board of Governors of the Federal Reserve System, be assessed" and inserting "shall be assessed, subject to section 10(e)(6) of the Federal Deposit Insurance Act,"; and

(2) by striking "and, when so assessed, shall be paid" and inserting "and shall be paid".

(c) REASONABLE REDUCTION IN EXAMINATION FEES FOR STATE BANKS AND SAVINGS ASSOCIATIONS.—Section 10(e) of the Federal Deposit Insurance Act (12 U.S.C. 1820(e)) is amended by adding at the end the following new paragraph:

"(6) REDUCTIONS AND EXEMPTIONS.—

"(A) REDUCTION FOR DEPOSITORY INSTITUTIONS SUBJECT TO DUAL SUPERVISION.—

"(i) IN GENERAL.—The amount of any assessment or other fee imposed on any State depository institution for an annual regular examination—

"(I) by the Corporation under paragraph (1)(A);

"(II) by the Board of Governors of the Federal Reserve System under the 8th undesignated paragraph of section 9 of the Federal Reserve Act; or

"(III) by the Director of the Office of Thrift Supervision under section 9(a) of the Home Owners' Loan Act,

during any 12-month period may be reduced to the extent the agency determines to be appropriate to reflect the fact that the supervision of such State depository institution by an appropriate State bank supervisor has reduced the need for Federal supervision.

"(ii) LIMIT ON AMOUNT OF REDUCTION.—The amount of any reduction under clause (i) with respect to any State depository institution shall not exceed the amount of an assessment or fee imposed on such institution by the State bank supervisor for the most recent examination of the institution by the supervisor before January 1, 1998 (or, in the case of an institution which was not subject to an examination by the State bank supervisor before such date, the amount which the appropriate Federal banking agency reasonably determines would have been imposed by such supervisor for an examination of the institution as of such date).

"(iii) ADJUSTMENT FOR INFLATION.—For purposes of clause (ii), the amount described in such clause shall be adjusted annually after December 31, 1998, by the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the Bureau of Labor Statistics.

"(B) EXEMPTION FOR STATE DEPOSITORY INSTITUTIONS WITH ASSETS OF LESS THAN $100,000,000.—Notwithstanding any other provision of law, no assessment or other fee for an annual regular examination may be imposed on any State depository institution which has total assets of less than $100,000,000—

"(i) by the Corporation under paragraph (1)(A);

"(ii) by the Board of Governors of the Federal Reserve System under the 8th undesignated paragraph of section 9 of the Federal Reserve Act; or

"(iii) by the Director of the Office of Thrift Supervision under section 9(a) of the Home Owners' Loan Act.".

(d) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 10(b)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1820(b)(2) is amended by inserting "an examination is required under subsection (d)(1) or" after "whenever".

(2) Section 10(d)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1820(d)(4)) is amended by inserting "and subsection (e)(6)" after "(1), (2), and (3)".

(e) REPORT ON FEES REQUIRED TO BE IMPOSED ON BANK HOLDING COMPANIES.—Before January 31 of each calendar year which begins after the date of the enactment of this Act, the Board of Governors of the Federal Reserve System shall submit a report to the Congress containing—

(1) the total costs incurred by the Board during the year preceding the year of such report which are attributable to each examination of a bank holding company conducted during such year pursuant to section 5(c) of the Bank Holding Company Act of 1956; and

(2) the total amount assessed against, and paid by, each bank holding company under such section for the examination.

SEC. 319. EXTENSION OF THE RECREATIONAL FEE DEMONSTRATION PROGRAM.

(a) AUTHORITY.—The authority provided to the National Park Service under the recreational fee demonstration program authorized by section 315 of Public Law 104–134 (16 U.S.C. 460l–6a note)—

(1) is extended through September 30, 2005; and

(2) shall be available for all units of the National Park System, except that no recreational admission fee may be charged at Great Smoky Mountains National Park and Lincoln Home National Historic Site.

(b) REPORT.—

(1) IN GENERAL.—Not later than September 30, 2000, the Secretary of the Interior shall submit to the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report detailing the status of the recreational fee demonstration program conducted in national parks under section 315 of Public Law 104–134 (16 U.S.C. 460l–6a note).

(2) CONTENTS.—The report under paragraph (1) shall contain—

(A) an evaluation of the fee demonstration program conducted at each national park;

(B) with respect to each national park, a description of the criteria that were used to determine whether a recreational fee should or should not be charged at the national park; and

(C) a description of the manner in which the amount of the fee at each national park was established.

SEC. 320. CONCESSIONS REFORM.

(a) FINDINGS.—In furtherance of the Act of August 25, 1916 (39 Stat. 535), as amended (16 U.S.C. 1, 2–4), which directs the Secretary of the Interior to administer areas of the National Park System in accordance with the fundamental purpose of preserving their scenery, wildlife, natural and historic objects, and providing for their enjoyment in a manner that will leave them unimpaired for the enjoyment of future generations, the Congress finds that the preservation and conservation of park resources and values requires that such public accommodations, facilities, and services as the Secretary determines are necessary and appropriate in accordance with this Act—

(1) should be provided only under carefully controlled safeguards against unregulated and indiscriminate use so that visitation will not unduly impair these values; and

(2) should be limited to locations and designs consistent to the highest practicable degree with the preservation and conservation of park resources and values.

(b) POLICY.—It is the policy of the Congress that—

(1) development on Federal lands within a park shall be limited to those facilities and services that the Secretary determines are necessary and appropriate for public use and enjoyment of the park in which such facilities and services are located;

(2) development of such facilities and services within a park should be consistent to the highest practicable degree with the preservation and conservation of the park's resources and values;

(3) such facilities and services should be provided by private persons, corporations, or other entities, except when no qualified private interest is willing to provide such facilities and services;

(4) if the Secretary determines that development should be provided within a park, such development shall be designed, located, and operated in a manner that is consistent with the purposes for which such park was established;

(5) the right to provide such services and to develop or utilize such facilities should be awarded to the person, corporation, or entity submitting the best proposal through a competitive selection process; and

(6) such facilities or services should be provided to the public at reasonable rates.

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

(1) The term "concessioner" means a person, corporation, or other entity to whom a concession contract has been awarded.

(2) The term "concession contract" means a contract or permit (but not a commercial use authorization issued pursuant to section 6) to provide facilities or services, or both, at a park.

(3) The term "facilities" means improvements to real property within parks used to provide accommodations, facilities, or services to park visitors.

(4) The term "park" means a unit of the National Park System.

(5) The term "proposal" means the complete proposal for a concession contract offered by a potential or existing concessioner in response to the minimum requirements for the contract established by the Secretary.

(6) The term "Secretary" means the Secretary of the Interior.

(d) REPEAL OF CONCESSION POLICY ACT OF 1965.—

(1) REPEAL.—The Act of October 9, 1965, Public Law 89–249 (79 Stat. 969, 16 U.S.C. 20–20g), entitled "An Act relating to the establishment of concession policies administered in the areas administered by the National Park Service and for other purposes", is hereby repealed. The repeal of such section shall not affect the validity of any contract entered into under such Act, but the provisions of this Act shall apply to any such contract except to the extent such provisions are inconsistent with the express terms and conditions of the contract.

(2) CONFORMING AMENDMENT.—The fourth sentence of section 3 of the Act of August 25, 1916 (16 U.S.C. 3; 39 Stat. 535) is amended by striking all through "no natural" and inserting in lieu thereof, "No natural".

(e) CONCESSION POLICY.—Subject to the findings and policy stated in subsections (a) and (b), and upon a determination by the Secretary that facilities or services are necessary and appropriate for the accommodation of visitors at a park, the Secretary

shall, consistent with the provisions of this section, laws relating generally to the administration and management of units of the National Park System, and the park's general management plan, concession plan, and other applicable plans, authorize private persons, corporations, or other entities to provide and operate such facilities or services as the Secretary deems necessary and appropriate.

(f) COMMERCIAL USE AUTHORIZATIONS.—

(1) IN GENERAL.—To the extent specified in this section, the Secretary, upon request, may authorize a private person, corporation, or other entity to provide services to park visitors through a commercial use authorization.

(2) CRITERIA FOR ISSUANCE OF AUTHORIZATION.—(A) The authority of this subsection may be used only to authorize provision of services that the Secretary determines will have minimal impact on park resources and values and which are consistent with the purposes for which the park was established and with all applicable management plans for such park.

(B) The Secretary—

(i) shall require payment of a reasonable fee for issuance for an authorization under this subsection, such fees to remain available without further appropriation to be used, at a minimum, to recover associated management and administration costs;

(ii) shall require that the provision of services under such an authorization be accomplished in a manner consistent to the highest practicable degree with the preservation and conservation of park resources and values;

(iii) shall take appropriate steps to limit the liability of the United States arising from the provision of services under such an authorization; and

(iv) shall have no authority under this subsection to issue more authorizations than are consistent with the preservation and proper management of park resources and values, and shall establish such other conditions for issuance of such an authorization as the Secretary determines appropriate for the protection of visitors, provision of adequate and appropriate visitor services, and protection and proper management of the resources and values of the park.

(3) LIMITATIONS.—Any authorization issued under this subsection shall be limited to—

(A) commercial operations with annual gross revenues of not more than $25,000 resulting from services originating and provided solely within a park pursuant to such authorization; or

(B) the incidental use of park resources by commercial operations which provide services originating outside of the park's boundaries: *Provided*, That such authorization shall not provide for the construction of any structure, fixture, or improvement on Federal lands within the park.

(4) DURATION.—The term of any authorization issued under this subsection shall not exceed 2 years.

(5) OTHER CONTRACTS.—A person, corporation, or other entity seeking or obtaining an authorization pursuant to this subsection shall not be precluded from also submitting proposals for concession contracts.

(g) COMPETITIVE SELECTION PROCESS.—

(1) IN GENERAL.—(A) Except as provided in paragraph (2), and consistent with the provisions of paragraph (7), any concession contract entered into pursuant to this section shall be awarded to the person, corporation, or other entity submitting the best proposal as determined by the Secretary, through a competitive selection process, as provided in this section.

(B)(i) As soon as practicable after the date of enactment of this Act, the Secretary shall promulgate appropriate regulations establishing the competitive selection process.

(ii) The regulations shall include provisions for establishing a procedure for the resolution of disputes between the Secretary and a concessioner in those instances where the Secretary has been unable to meet conditions or requirements or provide such services, if any, as set forth in a prospectus pursuant to paragraph (3).

(2) TEMPORARY CONTRACT.—Notwithstanding the provisions of paragraph (1), the Secretary may award a temporary concession contract in order to avoid interruption of services to the public at a park, except that prior to making such a determination, the Secretary shall take all reasonable and appropriate steps to consider alternatives to avoid such an interruption.

(3) PROSPECTUS.—(A)(i) Prior to soliciting proposals for a concession contract at a park, the Secretary shall prepare a prospectus soliciting proposals, and shall publish a notice of its availability at least once in local or national newspapers or trade publications, as appropriate, and shall make such prospectus available upon request to all interested parties.

(ii) A prospectus shall assign a weight to each factor identified therein related to the importance of such factor in the selection process. Points shall be awarded for each such factor, based on the relative strength of the proposal concerning that factor.

(B) The prospectus shall include, but need not be limited to, the following information—

(i) the minimum requirements for such contract, as set forth in subsection (d);

(ii) the terms and conditions of the existing concession contract awarded for such park, if any, including all fees and other forms of compensation provided to the United States by the concessioner;

(iii) other authorized facilities or services which may be provided in a proposal;

(iv) facilities and services to be provided by the Secretary to the concessioner, if any, including but not limited to, public access, utilities, and buildings;

(v) minimum public services to be offered within a park by the Secretary, including but not limited to, interpretive programs, campsites, and visitor centers; and

(vi) such other information related to the proposed concession operation as is provided to the Secretary pursuant to a concession contract or is otherwise available to the Secretary, as the Secretary determines is necessary to allow for the submission of competitive proposals.

(4) MINIMUM PROPOSAL REQUIREMENTS.—(A) No proposal shall be considered which fails to meet the minimum requirements as determined by the Secretary. Such minimum requirements shall include, but need not be limited to—

(i) the minimum acceptable franchise fee;

(ii) any facilities, services, or capital investment required to be provided by the concessioner; and

(iii) measures necessary to ensure the protection and preservation of park resources.

(B) The Secretary shall reject any proposal, notwithstanding the franchise fee offered, if the Secretary determines that the person, corporation, or entity is not qualified, is likely to provide unsatisfactory service, or that the proposal is not responsive to the objectives of protecting and preserving park resources and of providing necessary and appropriate facilities or services to the public at reasonable rates.

(C) If all proposals submitted to the Secretary either fail to meet the minimum requirements or are rejected by the Secretary, the Secretary shall establish new minimum contract requirements and re-initiate the competitive selection process pursuant to this section.

(5) SELECTION OF BEST PROPOSAL.—(A) In selecting the best proposal, the Secretary shall consider the following principal factors:

(i) the responsiveness of the proposal to the objectives of protecting and preserving park resources and of providing necessary and appropriate facilities and services to the public at reasonable rates;

(ii) the experience and related background of the person, corporation, or entity submitting the proposal, including but not limited to, the past performance and expertise of such person, corporation, or entity in providing the same or similar facilities or services;

(iii) the financial capability of the person, corporation, or entity submitting the proposal; and

(iv) the proposed franchise fee: *Provided*, That consideration of revenue to the United States shall be subordinate to the objectives of protecting and preserving park resources and of providing necessary and appropriate facilities or services to the public at reasonable rates.

(B) The Secretary may also consider such secondary factors as the Secretary deems appropriate.

(C) In developing regulations to implement this Act, the Secretary shall consider the extent to which plans for employment of Indians (including Native Alaskans) and involvement of businesses owned by Indians, Indian tribes, or Native Alaskans in the operation of concession contracts should be identified as a factor in the selection of a best proposal under this section.

(6) CONGRESSIONAL NOTIFICATION.—(A) The Secretary shall submit any proposed concession contract with anticipated annual gross receipts in excess of $5,000,000 or a duration of 10 or more years to the Committee on Resources of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate.

(B) The Secretary shall not award any such proposed contract until at least 60 days subsequent to the notification of both Committees.

(7) NO PREFERENTIAL RIGHT OF RENEWAL.—(A) Except as provided in subparagraph (B), the Secretary shall not grant a preferential right to a concessioner to renew a concession contract entered into pursuant to this section.

(B)(i) The Secretary shall grant a preferential right of renewal with respect to a concession contract covered by paragraphs (8) and (9), subject to the requirements of the appropriate subsection.

(ii) As used in this paragraph, and paragraphs (8) and (9), the term "preferential right of renewal" means that the Secretary shall allow a concessioner satisfying the requirements of this paragraph (and paragraphs (8) or (9), as appropriate) the opportunity to match the terms and conditions of any competing proposal which the Secretary determines to be the best proposal.

(iii) A concessioner who exercises a preferential right of renewal in accordance with the requirements of this subparagraph shall be entitled to award of the new concession contract with respect to which such right is exercised.

(8) OUTFITTING AND GUIDE CONTRACTS.—(A) The provisions of paragraph (g)(2) shall apply only—

(i) to a concession contract—

(I) which solely authorizes a concessioner to provide outfitting, guide, river running, or other substantially similar services within a park; and

(II) which does not grant such concessioner any interest in any structure, fixture, or improvement pursuant to subsection (l); and

(ii) where the Secretary determines that the concessioner has operated satisfactorily during the term of the contract (including any extensions thereof); and

(iii) where the Secretary determines that the concessioner has submitted a responsive proposal for a new contract which satisfies the minimum requirements established by the Secretary pursuant to paragraph (4).

(B) With respect to a concession contract (or extension thereof) covered by this subsection which is in effect on the date of enactment of this Act, the provisions of this paragraph shall apply if the holder of such contact, under the laws and policies in effect on the day before the date of enactment of this Act, would have been entitled to a preferential right to renew such contract upon its expiration.

(9) CONTRACTS WITH ANNUAL GROSS RECEIPTS UNDER $500,000.—(A) The provisions of paragraph (7)(B) shall also apply to a concession contract—

(i) which the Secretary estimates will result in annual gross receipts of less than $500,000;

(ii) where the Secretary has determined that the concessioner has operated satisfactorily during the term of the contract (including any extensions thereof); and

(iii) that the concessioner has submitted a responsive proposal for a new concession contract which satisfies the minimum requirements established by the Secretary pursuant to paragraph (4).

(B) The provisions of this paragraph shall not apply to a concession contract which solely authorizes a concessioner to provide outfitting, guide, river running, or other substantially similar services within a park pursuant to paragraph (8).

(10) NO PREFERENTIAL RIGHT TO ADDITIONAL SERVICES.—The Secretary shall not grant a preferential right to a concessioner to provide new or additional services at a park.

(h) FRANCHISE FEES.—

(1) IN GENERAL.—Franchise fees shall not be less than the minimum fee established by the Secretary for each contract. The minimum fee shall be determined in a manner that will provide the concessioner with a reasonable opportunity to realize a profit on the operation as a whole, commensurate with the capital invested and the obligations assumed under the contract.

(2) MULTIPLE CONTRACTS WITHIN A PARK.—If multiple concession contracts are awarded to authorize concessioners to provide the same or similar outfitting, guide, river running, or other similar services at the same approximate location or resource within a specific park, the Secretary shall establish an identical franchise fee for all such contracts, subject to periodic review and revision by the Secretary. Such fee shall reflect fair market value.

(e) ADJUSTMENT OF FRANCHISE FEES.—The amount of any franchise fee for the term of the concession contract shall be specified in the concession contract and may only be modified to reflect substantial changes from the conditions specified or anticipated in the contract.

(i) USE OF FRANCHISE FEES.—

(1) DEPOSITS TO TREASURY.—All receipts collected pursuant to this section shall be covered into a special account established in the Treasury of the United States. Except as provided in paragraph (2), amounts covered into such account in a fiscal year shall be available for expenditure, subject to appropriation, solely as follows:

(A) 50 percent shall be allocated among the units of the National Park System in the same proportion as franchise fees collected from a specific unit bears to the total amount covered into the account for each fiscal year, to be used for resource management and protection, maintenance activities, interpretation, and research.

(B) 50 percent shall be allocated among the units of the National Park System on the basis of need, in a manner to be determined by the Secretary, to be used for resource management and protection, maintenance activities, interpretation, and research.

(2) SPECIAL ACCOUNT.—Beginning in fiscal year 1998, all receipts collected in the previous year in excess of the following amounts shall be made available from the special account to the Secretary without further appropriation, to be allocated among the units of the National Park System on the basis of need, in a manner to be determined by the Secretary, to be used for resource management and protection, maintenance activities, interpretation, and research:

(A) $17,000,000 for fiscal year 1998.

(B) $18,000,000 for fiscal year 1999.

(C) $18,000,000 for fiscal year 2000.

(D) $18,000,000 for fiscal year 2001.

(E) $18,000,000 for fiscal year 2002.

(3) EXISTING CONCESSIONER IMPROVEMENT FUNDS.—Nothing in this section shall affect or restrict the use of funds maintained by a concessioner in an existing concessioner improvement account pursuant to a concession contract in effect as of the date of enactment of this Act. No new, renewed, or extended contracts entered into after the date of enactment of this Act shall provide for or authorize the use of such concessioner improvement accounts.

(4) INSPECTOR GENERAL AUDITS.—Beginning in fiscal year 1998, the Inspector General of the Department of the Interior shall conduct a biennial audit of the concession fees generated pursuant to this section. The Inspector General shall make a determination as to whether concession fees are being collected and expended in accordance with this Act and shall submit copies of each audit to the Committee on Resources of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate.

(j) DURATION OF CONTRACT.—

(1) MAXIMUM TERM.—A concession contract entered into pursuant to this section shall be awarded for a term not to exceed 10 years: *Provided, however,* That the Secretary may award a contract for a term of up to 20 years if the Secretary determines that the contract terms and conditions necessitate a longer term.

(2) TEMPORARY CONTRACT.—A temporary concession contract awarded on a non-competitive basis pursuant to subsection (f)(2) shall be for a term not to exceed 2 years.

(k) TRANSFER OF CONTRACT.—

(1) IN GENERAL.—No concession contract may be transferred, assigned, sold, or otherwise conveyed by a concessioner without prior written notification to, and approval of the Secretary.

(2) APPROVAL OF TRANSFER.—The Secretary shall not unreasonably withhold approval of a transfer, assignment, sale, or conveyance of a concession contract, but shall not approve the transfer, assignment, sale, or conveyance of a concession contract to any individual, corporation or other entity if the Secretary determines that—

(A) such individual, corporation or entity is, or is likely to be, unable to completely satisfy all of the requirements, terms, and conditions of the contract;

(B) such transfer, assignment, sale or conveyance is not consistent with the objectives of protecting and preserving park resources, and of providing necessary and appropriate facilities or services to the public at reasonable rates;

(C) such transfer, assignment, sale, or conveyance relates to a concession contract which does not provide to the United States consideration commensurate with the probable value of the privileges granted by the contract; or

(D) the terms of such transfer, assignment, sale, or conveyance directly or indirectly attribute a significant value to intangible assets or otherwise may so reduce the opportunity for a reasonable profit over the remaining term of the contract that the United States may be required to make substantial additional expenditures in order to avoid interruption of services to park visitors.

(l) PROTECTION OF CONCESSIONER INVESTMENT.—

(1) CURRENT CONTRACT.—(A) A concessioner who before the date of the enactment of this Act has acquired or constructed, or is required under an existing concession contract to commence acquisition or construction of any structure, fixture, or improvement upon land owned by the United States within a park, pursuant to such contract, shall have a possessory interest therein, to the extent provided by such contract.

(B) Unless otherwise provided in such contract, said possessory interest shall not be extinguished by the expiration or termination of the contract and may not be taken for public use without just compensation. Such possessory interest may be assigned, transferred, encumbered, or relinquished.

(C) Upon the termination of a concession contract in effect before the date of enactment of this title, the Secretary shall determine the value of any outstanding possesory interest applicable to the contract, such value to be determined for all purposes on the basis of applicable laws and contracts in effect on the day before the date of enactment of this Act.

(D) Nothing in this paragraph shall be construed to grant a possessory interest to a concessioner whose contract in effect on the date of enactment of this Act does not include recognition of a possessory interest.

(2) NEW CONTRACTS.—(A)(i) With respect to a concession contract entered into on or after the date of enactment of this Act, the value of any outstanding possessory interest associated with such contract shall be set at the value determined by the Secretary pursuant to paragraph (1)(C).

(ii) As a condition of entering into a concession contract, the value of any outstanding possessory interest shall be reduced on an annual basis, in equal portions, over the same number of years as the time period associated with the straight line depreciation of the structure, fixture, or improvement associated with such possessory interest, as provided by applicable Federal income tax laws and regulations in effect on the day before the date of enactment of this Act.

(iii) In the event that the contract expires or is terminated prior to the elimination of any outstanding possessory interest, the concessioner shall be entitled to receive from the United States or the successor concessioner payment equal to the remaining value of the possessory interest.

(iv) A successor concessioner may not revalue any outstanding possessory interest, nor the period of time over which such interest is reduced.

(v) Title to any structure, fixture, or improvement associated with any outstanding possessory interest shall be vested in the United States.

(B)(i) If the Secretary determines during the competitive selection process that all proposals submitted either fail to meet the minimum requirements or are rejected (as provided in subsection (g)), the Secretary may, solely with respect to any outstanding possessory interest associated with the contract and established pursuant to a concession contract entered into prior to the date of enactment of this Act, suspend the reduction provisions of paragraph (2)(A)(i) for the duration of the contract, and re-initiate the competitive selection process as provided in subsection (g).

(ii) The Secretary may suspend such reduction provisions only if the Secretary determines that the establishment of other new minimum contract requirements is not likely to result in the submission of satisfactory proposals, and that the suspension of the reduction provisions is likely to result in the submission of satisfactory proposals: *Provided, however,* That nothing in this paragraph shall be construed to require the Secretary to establish a minimum franchise fee at a level below the franchise fee in effect for such contract on the day before the expiration date of the previous contract.

(3) NEW STRUCTURES.—(A) On or after the date of enactment of this Act, a concessioner who constructs or acquires a new, additional, or replacement structure, fixture, or improvement upon land owned by the United States within a park, pursuant to a concession contract, shall have an interest in such structure, fixture, or improvement equivalent to the actual original cost of acquiring or constructing such structure, fixture, or improvement, less straight line depreciation over the estimated useful life of the asset according to Generally Accepted Accounting Principles: *Provided,* That in no event shall the estimated useful life of such asset exceed the depreciation period used for such asset for Federal income tax purposes.

(B) In the event that the contract expires or is terminated prior to the recovery of such costs, the concessioner shall be entitled to receive from the United States or the successor concessioner payment equal to the value of the concessioner's interest in such structure, fixture, or improvement. A successor concessioner may not revalue the interest in such structure, fixture, or improvement, the method of depreciation, or the estimated useful life of the asset.

(C) Title to any such structure, fixture, or improvement shall be vested in the United States.

(4) INSURANCE, MAINTENANCE, AND REPAIR.—Nothing in this subsection shall affect the obligation of a concessioner to insure, maintain, and repair any structure, fixture, or improvement assigned to such concessioner and to insure that such structure, fixture, or improvement fully complies with applicable safety and health laws and regulations.

(m) RATES AND CHARGES TO PUBLIC.—The reasonableness of a concessioner's rates and charges to the public shall, unless otherwise provided in the bid specifications and contract, be judged primarily by comparison with those rates and charges for facilities and services of comparable character under similar conditions, with due consideration for length of season, seasonal variance, average percentage of occupancy, accessibility, availability and costs of labor and materials, type of patronage, and other factors deemed significant by the Secretary.

(n) CONCESSIONER PERFORMANCE EVALUATION.—

(1) REGULATIONS.—As soon as practicable after the date of enactment of this Act, the Secretary shall publish, after an appropriate period for public comment, regulations establishing standards and criteria for evaluating the performance of concessions operating within parks.

(2) PERIODIC EVALUATION.—(A) The Secretary shall periodically conduct an evaluation of each concessioner operating under a concession contract pursuant to this Act, as appropriate, to determine whether such concessioner has performed satisfactorily. In evaluating a concessioner's performance, the Secretary shall seek and consider applicable reports and comments from appropriate Federal, State, and local regulatory agencies, and shall seek and consider the applicable views of park visitors and concession customers. If the Secretary's performance evaluation results in an unsatisfactory rating of the concessioner's overall operation, the Secretary shall provide the concessioner with a list of the minimum requirements necessary for the operation to be rated satisfactory, and shall so notify the concessioner in writing.

(B) The Secretary may terminate a concession contract if the concessioner fails to meet the minimum operational requirements identified by the Secretary within the time limitations established by the Secretary at the time notice of the unsatisfactory rating is provided to the concessioner.

(C) If the Secretary terminates a concession contract pursuant to this section, the Secretary shall solicit proposals for a new contract consistent with the provisions of this Act.

(o) RECORDKEEPING REQUIREMENTS.—

(1) IN GENERAL.—Each concessioner shall keep such records as the Secretary may prescribe to enable the Secretary to determine that all terms of the concessioner's contract have been, and are being faithfully performed, and the Secretary or any of the Secretary's duly authorized representatives shall, for the purpose of audit and examination, have access to such records and to other books, documents, and papers of the concessioner pertinent to the contract and all the terms and conditions thereof as the Secretary deems necessary.

(2) GENERAL ACCOUNTING OFFICE REVIEW.—The Comptroller General of the United States or any of his or her duly authorized representatives shall, until the expiration of five calendar years after the close of the business year for each concessioner, have access to and the right to examine any pertinent books, documents, papers, and records of the concessioner related to the contracts or contracts involved.

(p) EXEMPTION FROM CERTAIN LEASE REQUIREMENTS.—The provisions of section 321 of the Act of June 30, 1932 (47 Stat. 412; 40 U.S.C. 303b), relating to the leasing of buildings and properties of the United States, shall not apply to contracts awarded by the Secretary pursuant to this section.

(q) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as may be necessary to carry out this Act.

SEC. 321. FEDERAL AVIATION ADMINISTRATION USER FEES.

(a) USER FUNDING OF THE FEDERAL AVIATION ADMINISTRATION.—Section 48104(a) of title 49, United States Code, is amended—

(1) in paragraph (1), by striking "; and" and inserting a semicolon;

(2) in paragraph (2), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(3) any cost incurred by the Federal Aviation Administration after September 30, 1999, that is authorized by law.".

(b) COST RECOVERY FOR FOREIGN AVIATION SERVICES AND CLARIFICATION OF OVERFLIGHT FEE AUTHORITY.—Section 45301 of title 49, United States Code, is amended—

(1) in subsection (a)(2), by inserting "or to any entity obtaining services outside the United States" before the period; and

(2) by striking the period after "rendered" and inserting ", including both direct and indirect costs, as determined by the Administrator, using generally accepted accounting principles and internationally accepted economic principles.".

TITLE IV—TAX INCREASES

SEC. 401. TAX INCREASES.

It is the sense of the House of Representatives that the following tax increases proposed by the President should be enacted as soon as possible:

(1) ACCOUNTING PROVISIONS.—

(A) Repeal lower of cost or market inventory accounting method.

(B) Repeal nonaccrual experience method of accounting and make certain trade receivables ineligible for mark-to-market treatment.

(2) FINANCIAL PRODUCTS AND INSTITUTIONS.—

(A) Defer interest deduction on certain convertible debt.

(B) Extend pro rata disallowance of tax-exempt interest expense that applies to banks to all financial intermediaries.

(3) CORPORATE TAX PROVISIONS.—

(A) Eliminate dividends received deduction for certain preferred stock.

(B) Repeal tax-free conversion of large C corporations into S corporations.

(C) Restrict special net operating loss carryback rules for specified liability losses.

(D) Clarify the meaning of "subject to" liabilities under section 357(c).

(4) INSURANCE PROVISIONS.—

(A) Increase the proration percentage for property and casualty insurance companies.

(B) Capitalize net premiums for credit life insurance contracts.

(C) Modify corporate-owned life insurance rules.

(D) Modify reserve rules for annuity contracts.

(E) Tax certain exchanges of insurance contracts and reallocations of assets within variable insurance contracts.

(F) Modify computation of "investment in the contract" for mortality and expense charges on certain insurance contracts.

(5) ESTATE AND GIFT TAX PROVISIONS.—

(A) Eliminate nonbusiness valuation discounts.

(B) Modify treatment of gifts of "present interests" in a trust (repeal "Crummey" case rule).

(C) Eliminate gift tax exemption for personal residence trusts.

(D) Include qualified terminable interest property trust assets in surviving spouse's estate.

(6) FOREIGN TAX PROVISIONS.—

(A) Replace sales source rules with activity-based rule.

(B) Modify rules relating to foreign oil and gas extraction income.

(C) Apply "80/20" company rules on a group-wide basis.

(D) Prescribe regulations regarding foreign built-in losses.

(E) Prescribe regulations regarding use of hybrids.

(F) Modify foreign office material participation exception applicable to certain inventory sales.

(G) Modify controlled foreign corporation exception from United States tax on transportation income.

(7) ADMINISTRATIVE PROVISIONS.—

(A) Increase penalties for failure to file correct information returns.

(B) Modify definition of substantial understatement penalty for large corporations.

(C) Repeal exemption for withholding on gambling.

(D) Modify deposit requirement for FUTA.

(E) Clarify and expand math error procedures.

(8) REAL ESTATE INVESTMENT COMPANY PROVISIONS.—

(A) Freeze grandfathered status of stapled or paired-share REITs.

(B) Restrict impermissible businesses indirectly conducted by REITs.

(C) Modify treatment of closely held REITs.

(9) EARNED INCOME TAX COMPLIANCE PROVISIONS.—

(A) Simplify foster child definition under the earned income credit.

(B) Modify definition of qualifying child for purposes of the earned income credit where more than one taxpayer satisfies the requirements with respect to the same child.

(10) OTHER REVENUE-INCREASE PROVISIONS.—

(A) Repeal percentage depletion for certain nonfuel minerals mined on Federal and formerly Federal lands.

(B) Modify depreciation method for tax-exempt use property.

(C) Impose excise tax on purchase of structured settlements.

(D) Reinstate Oil Spill Liability Trust Fund excise tax and increase Trust Fund ceiling to $5,000,000,000 (through September 30, 2008).

(11) REINSTATE HAZARDOUS SUBSTANCE SUPERFUND EXCISE TAX AND ENVIRONMENTAL INCOME TAX.—

(A) Reinstate Superfund corporate environmental income tax.

(B) Reinstate Superfund excise taxes (through September 30, 2008).

The SPEAKER pro tempore. The gentleman from New York (Mr. SOLOMON) and the gentleman from Massachusetts (Mr. MOAKLEY), as the designee for the minority leader, each will control 30 minutes.

The Chair recognizes the gentleman from New York (Mr. SOLOMON).

PARLIAMENTARY INQUIRY

Mr. SOLOMON. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. SOLOMON. Mr. Speaker, I am introducing the bill but opposing the bill. Is there a Member here in favor of the bill to claim the time?

The SPEAKER pro tempore. Is the gentleman from Massachusetts (Mr. MOAKLEY) the designee of the minority leader?

Mr. MOAKLEY. Mr. Speaker, I am opposed to the bill. In fact, I cannot find anybody in the Chamber that is in favor of the bill.

The SPEAKER pro tempore. The answer to the gentleman's inquiry is no, the gentleman need not be in favor of the bill.

Mr. SOLOMON. Mr. Speaker, that does not show very much support for the President of the United States wanting to increase taxes and fees.

The SPEAKER pro tempore. The unanimous consent request only requires that the minority leader or his designee control the time. He does not have to be in favor of the bill.

Mr. SOLOMON. So the Member claiming the time does not have to be in favor of the President's tax and fee increases?

The SPEAKER pro tempore. That is correct.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume. I know it is only 9:00 in the morning and unusual for us to start this early. I know that we were here until the wee hours, I know I was, this morning. I just hope Members are listening if they do not have the opportunity to come to the floor.

Mr. Speaker, this is very, very important. In February of this year, President Clinton sent the United States Congress his budget for fiscal year 1999. In that budget the President proposed to increase spending by $150 billion over the next 5 years, including an actual net increase of $15 billion, that is 3.9 percent, in fiscal year 1999 alone.

Mr. Speaker, the President called for, and this is the thing that I just could not believe, after we have gone through a bipartisan compromise on bringing a balanced budget to this floor last year, the President called for 85 new spending programs, in other words, creating new programs, including, and this is the part that is so bad, 39 new entitlement programs. And we have been trying to turn around this myriad of entitlement programs that have been implemented in this Congress under Democrat control for the past 40 years.

These entitlement programs alone add $53 billion to Federal spending over the next 5 years in new entitlements. Not only is that for the next 5 years but, because they are entitlement programs, they go on forever and ever.

Clearly, Mr. Speaker, the President's declaration that the era of big government is over somehow slipped his mind when he presented Congress with this latest attempt to reach into the pockets of the American people.

While the President's renewed commitment to big government is alarming to America's families and businesses, his renewed affection for tax increases, in my opinion, is just intolerable. Just 6 months ago, the President proposed $130 billion in new tax increases and user fees. From the President and his Democratic friends in Congress who passed the largest tax increase, without my vote, in history in 1993, $240 billion worth, as a matter of fact, new Democrat tax increases should, I guess, come as no surprise.

When a liberal Democrat has the urge to tax and to spend in his blood, not even a blood transfusion or a revolutionary election can drain it out of him, I guess. Whenever the liberals need more money for a new government idea, they just turn to the pockets of the American people and American families to foot the bill.

Mr. Speaker, today the American people have the opportunity to speak out on this return to the good old boy Democrat budgeting philosophy of saying no to nobody and yes to everybody, no to nobody and yes to everybody. That is how we got ourselves into this unconscionable sea of red ink, saddling our children, our grandchildren, with $5.5 trillion in debt, even though the Democrat-controlled Congress was reaching deeper and deeper and deeper into the pockets of the American people.

I recall back in the years of Ronald Reagan when we cut taxes and we put money back into the pockets of the American people. We actually doubled the Federal revenues coming into this Congress. But guess what happened? Congress spent every nickel of the amount, double, I think. If I recall back then, it was like $600 million and it went up to a trillion $100 million, and we managed to not only spend the new money coming in but to spend about 2 percent more on top of that.

Mr. Speaker, for the past few days this House has been debating this budget which will govern this Nation's finances for the coming year and also set the tone for future years down the road, at least for the next 4 years. It should be pointed out that the missing participants in this debate have been key portions of the President's budget. The President's budget is not here. It is not on this floor. It is not incorporated into even the Democrat substitute that is going to be on the floor later today.

Mr. Speaker, to highlight the differences in the overall philosophy and the overall vision between we Republicans who oppose tax increases with all our heart and President Clinton and his liberal Democrats who, every 5 minutes, it seems, try to sneak in another tax, try to reach deeper and deeper into the pockets of the American people, today, and that is why it is unusual for this Member of Congress, who has never voted for a tax increase and who has never, certainly, sponsored a bill with a tax increase, it is why I bring to the floor today President Clinton's $130 billion of tax increases and user fees back into this debate, because that needs to be here to show the differences between our two parties.

The bill before us this morning, the Clinton Democrat User Fee Act of 1998,

which contains over 100 pages of user fees and tax increases on the American people proposed by the President, Members ought to come down here and look at this, this is 100 pages of fee increases, 100 pages.

Listen to just a brief, I am not going to take the time to read 100 pages of these proposed fee increases, but listen to just this few of some of the 36 discretionary and mandatory user fees worth $25 billion.

Federal Aviation Administration fees, who do Members think is going to pay for that? It is going to be the American people. Bank examination fees; patent and trademark fees going to increase the cost of every product in America today; National Transportation Safety Board fees; farm service fees, going to pile more costs on America's farmers; grain inspection fees; administration licensing fees. I cannot figure out even what those things are, but all I know is it takes money out of the pockets of somebody.

Animal implant service fees; wetland permit fees. These are all increases now that are going to take effect. Fishery management fees; Social Security claimant fees. Here we are going to take more money from senior citizens. National park interests and concession fees are going to skyrocket. Pesticide registration fees, that is not even specified so I cannot tell what that really is. And then, worst of all, Medicare provider fees.

Mr. Speaker, the list goes on and on and on and on and on for 100 pages here.

If Members listened closely to what I have just been saying, they would have seen that the President proposed to increase user fees issued by eight different Cabinet departments, that is practically all of them out there, and three other major government agencies like the EPA and the Social Security Administration.

There are fee increases on farmers. There are fee increases on landowners, on fishermen, on entrepreneurs who are small businessmen with great ideas who start a business, and they are the ones that create 75 percent of all the new jobs in America every single year, not only for displaced Americans who have been caught up in downsizing, but it also includes young girls and boys coming out of high school and college today.

There are fees on physicians, on just plain employees, on emergency personnel. These are voluntary emergency personnel, people that volunteer their time, things that we Americans are noted for. There are more fees on banks. And what do you think that does? That is going to drive up the cost, again, of doing business with banks.

On national park users, I have got a series of national parks in my district, including the Saratoga National Battlefield, which was the turning point of the Revolutionary War.

Incidentally, while I am just speaking, we have got the Medal of Honor, the Congressional Medal of Honor Society convention with about 100 Medal of Honor recipients coming up to Saratoga Battlefield this weekend. We are going to give an award to a great American and his wife, and those great Americans are former Senator Bob Dole and his wife. I just hope we can get out of here in time for me to catch a plane to go up there and enjoy that dinner and see it tonight.

Mr. Speaker, the last one I did not mention was senior citizens, who just get socked with almost every one of these fees.

User fees are nothing more than a back-door hidden way to raise taxes. As a result, taxpayers have less money in their pockets, and the government has more money to spend. If Members believe in that, I guess they want to come over here and vote for this bill. The American people, in my opinion, contribute enough in taxes to the Federal Government; and imposing user fees is just another way, again, a back-door attempt to raise taxes to reach into their pockets.

□ 0915

What makes President Clinton's user fees especially objectionable? All of you, and I know you are all sincere, and you all were trying to work for this balanced budget, but what makes it especially objectionable is that he uses them as a budgetary gimmick to circumvent the intended discipline of the discretionary spending caps that were an essential part of the balanced budget agreement last year, that we all worked so hard to put together so we could end this further accumulation of this sea of red ink. The President had the opportunity to reform or terminate thousands of Federal programs. Yet out of a $1.7 trillion budget, there are practically no cutbacks there at all in his budget.

Without these fees and without these taxes, the President's discretionary spending would be $5 billion over the discretionary spending caps in fiscal year 1999, and it would be $42 billion over the spending caps over the next 5 years. That is probably hard for the average American person out there to understand when you start talking about spending caps, but it is very, very important because it puts a control on this Congress. It does not allow us to go and spend more. Now we are just throwing that out the window. This means that the President used these user fees as a way to avoid the spending caps established in law, and he can do it. In my opinion it is legal thievery, but he can do it. Mr. Speaker, this is not according to me. This is according to the Congressional Budget Office. Sometime later on today when we get back on the budget that we are debating, Members ought to get the Congressional Budget Office report and they will verify everything that I have just said.

Mr. Speaker, that is the bad news. Now, if you want to hear the worst news, it is the second part of the bill that I just introduced.

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

Mr. SOLOMON. I yield to the gentleman from California.

Mr. STARK. Mr. Speaker, in the Republican budget, there are still $11 billion of user fees, flood insurance, homebuyers for FHA, air travelers, barge traffic on inland waterways, veterans seeking housing, health insurance for civil servants. Would the gentleman join with me to remove those user fees that are in the Republican budget? I would like to help him.

Mr. SOLOMON. I sure would. Let us talk about it.

Now, let us get on to the worst part of the news, because these are real taxes. These are real tax increases. Mr. Speaker, for instance, this bill before us, which I took from the President's budget, every word, I have not added anything to it, so it is actually excerpts from the President's budget, contains the 41 different tax increases totaling $33 billion that was proposed by the President.

Let us just look at some of those. Eliminating the dividends received for certain stock. What did we do? We just reduced the capital gains stock which did more to spur this economy with people that have worked all their lives working for Sears Roebuck, a couple with not much salary all those years but they had some stock saved over that time. Now they can sell that stock, without giving it all to the Federal Government. They can keep 80 percent of it now and in some cases 90 percent and here we are fooling around with this thing again. Defer the interest deduction on convertible debt. Change life insurance rules. You ought to look at those, ladies and gentlemen. Changes in the estate and gift taxes. In other words, stick it to the heirs of the deceased. What did we just do? We just rewrote the laws so that people who have worked all their lives, like I intend to do, and I want to leave a little bit to my five children and my six grandchildren, and now you are going to take it back away again? It gets upsetting.

Reduce the depreciation method for tax-exempt property. What does that mean? That means churches, it means Boy Scouts, Girl Scouts, philanthropies. Increased taxes on real estate. We have just about ruined the real estate market in this country as it is. That hurts jobs. The gentleman from Ohio (Mr. TRAFICANT) sitting over there represents a blue collar district. We need to do all we can to create jobs,

especially in the construction and building industries. Here we are going to upset that.

Mr. Speaker, the list just goes on and on and on forever, like I said, more than 100 pages. These proposals would have significant impacts on real people, real American people. Take, for instance, one of these tax increases, the President's proposal to raise taxes on financial products which encourage long-term investment and savings. That is terrible.

It is incredible that the President, who is fully aware, he is no dummy, he is one of the most astute, smartest Presidents this country has ever had, he is a Rhodes scholar or one of those guys over there, sometimes they are too smart, but he is fully aware of the impending crisis in Social Security, that it would propose to hike taxes on the products that the American families and business use to plan their own retirements. I see some of you Ways and Means types over here who are grappling with that now. Here is one sitting over here. We need to do all we can to encourage savings by the American people. Millions of American families use these very life insurance products to save for their retirement. Surveys show that many moderate-income families use private sector retirement products such as annuities to plan for their future. This is so important. In fact, many of the owners of annuities are women, 55 percent of them are married, and 28 more percent of them are widowed. Here we are going to take away their savings? The President proposes to increase the tax burden on these same annuities, annuities that 85 percent of the owners intend to use as a fundamental source of their retirement savings. Why should the government discourage these families from saving their money?

We have to remember that every time an American puts a dollar into the bank or puts it into some kind of savings, that creates jobs, because it makes more money available for the private sector to be able to borrow in competition with all of these governments.

The Federal Government. We pay about $270 billion in interest on the accumulated Federal debt today. Then when we look at the State governments and we look at all the counties, towns, cities and villages and their debt, they are all in competition with the private sector. We should be doing everything we can to encourage the American people to save not only for their retirement but because it stimulates the economy.

Mr. Speaker, there is an old saying around this town, "Don't tax me, don't tax thee, tax that man behind the tree." President Clinton's budget enhances his legacy of tax increases with $130 billion in new user fees on taxes on everybody and everything, including that tree, Mr. Speaker.

Mr. Speaker, with the President's mid-session budget report issued just last week reporting that the tax burden as a percentage of the economy will reach an historic peacetime high of 20.5 percent and remain above 20 percent for as far as the eye can see, this House should resoundingly vote down President Clinton's tax increases right now, today, and shed the light on this President who cannot seem to take enough of Americans' hard-earned money.

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

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

Mr. Speaker, I really think that some of my Republican colleagues are very embarrassed because of the sham bill that is coming to the floor. The person who brought it to the floor readily admitted to everybody he is opposed to it. I am opposed to it. The President is opposed to it. So what is it doing here? It is just another way to try to embarrass the President.

Yesterday my colleague from New York introduced this bill which includes an assortment of revenue raisers, but it omits the programs from the President's budget. Under normal circumstances, Mr. Speaker, this bill would have been referred to six different committees for the consideration and, after research and hearings, possibly brought to the House floor for a vote.

But, Mr. Speaker, that did not happen on this bill. That did not happen because the gentleman from New York (Mr. SOLOMON) really does not want this bill to pass, and neither do I. In fact, my Republican colleagues want this half-a-bill to lose, and lose badly. Why? In order to deflect attention away from their heartless budget cuts.

My Republican colleagues are so embarrassed by their own budget that they needed to create an even worse one to hide behind for the evening news. My Republican colleagues do not want to stand behind their budget cuts because, and we have heard the litany of cuts, of the increases that the gentleman from New York (Mr. SOLOMON) talked about, their budget cuts Medicaid, their budget cuts their very own welfare-to-work program, their budget cuts Head Start, their budget cuts veterans' health care once again, and it cuts Superfund cleanups, it cuts children's health care and it cuts school lunches.

We do not talk about that. We just talk about what the President talked about but did not bring to the floor.

Mr. Speaker, these are very serious cuts. These are very serious cuts in the programs that the people of the United States of America really want. I can understand why my Republican colleagues are embarrassed by their budget, but today's bill is irresponsibility at its highest.

I would like to make something perfectly clear. President Clinton does not want this bill. In fact, this bill is such a perversion that President Clinton opposes this bill and quite truthfully, I would tell him to veto it if it were to pass.

I have just received a letter from the acting director of the Office of Management and Budget. The last paragraph, it says, "H.R. 3989," that is the bill we are talking about, "does not reflect the policies of the President's budget, and the Administration opposes its enactment. We regret that diversionary measures such as this one are being presented for consideration at a time when so much more important work remains for the Congress to complete." Signed Jack Lew, acting director, Office of Management and Budget.

Mr. Speaker, my Republican colleagues are so opposed to revenue raises, I wonder how they will bring themselves to support the Republican budget which itself contains $10 billion in user fees. That is right, Mr. Speaker, the Kasich budget imposes $10 billion in user fees on the same American people that the gentleman from New York is so concerned about.

In fact, Mr. Speaker, any budget that meets the requirements of last year's balanced budget agreement must contain provisions to pay for each program expansion.

Mr. Speaker, this bill is ridiculous. It is a sham. When the other side is talking about we have only got so much time to go, why do they bring these things to the floor? For one reason, to try to embarrass the President. This is a political action at its very best. It is being introduced to divert attention away from the Republican budget, not to be passed into law.

I for one give the American people a lot more credit than that. I urge my colleagues to give them more respect. I urge my colleagues to vote against this mockery of a bill, and I am sure the American people will see the diversion for what it really is, pure politics.

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,

Washington, DC, June 5, 1998.

Hon. JOE MOAKLEY,
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE MOAKLEY: Thank you for requesting the Administration's views on H.R. 3989, The User Fee Act of 1998. The President is serious about his commitment to fiscal discipline, and he has proven his commitment by reducing the deficit from $290 billion in 1992 to the first surplus in 29 years. Many Members of Congress have also shown their commitment to fiscal discipline by voting to approve comprehensive deficit reduction bills in 1993 and 1997.

H.R. 3989, however, does not represent serious fiscal discipline. It is instead a cynical diversion from the substantive debate about important budget issues, including the merits of user fees. The Administration's user fee proposal is based on the idea that user

fees bring good business practices to the Federal Government by ensuring that the beneficiaries of Government services—not the general taxpayer—pay for them. H.R. 3989 in many cases breaks this link by raising fees without regard to resources for related services.

H.R. 3989 does not reflect the policies in the President's budget, and the Administration opposes its enactment. We regret that diversionary measures such as this one are being presented for consideration at a time when so much important work remains for the Congress to complete.

Sincerely,

JACOB J. LEW,
Acting Director.

Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. STARK).

Mr. STARK. Mr. Speaker, I thank the distinguished ranking member for yielding me this time.

Mr. Speaker, the Republicans this morning are doing a rather silly exercise, I think. It is duplicitous, I guess, in its best light. They are trying to take out the user fees and revenue raisers for a separate vote, all except those which they have originated and left in. In other words, they are being selective. They will harm children, health care for the frail elderly, food for the poor. Their own user fees will pay for flood insurance and some homebuyers and air travelers, health insurance for civil servants. But not health insurance for people on Medicare, not health insurance for the poor, not health insurance for children.

It is the same duplicitousness that we heard yesterday, the right-wing religious wackos who were talking about praying. Many of them made a claim to be Christians. What kind of a Christian would harm small children? What kind of a Christian would deny health care to the indigent? What kind of a Christian would deny housing to the poor? I do not know if that is ever mentioned.

For the people on the Republican side whose plan is to destroy programs for the poor and to build their budget on the backs of the poor and then try to convince the American people they are Christians is a lie, it is duplicitous, and it is wrong.

□ 0930

So as it is this morning, we are wasting our time and the public's time with political posturing for a bankrupt program. Why are we not spending the time this morning to talk about managed care reform? Why not the Norwood bill which 90 Republicans have joined which would give the American public what they want, and that is protection from the unscrupulous insurance companies who are making huge profits by denying managed care to the people paying for it?

Where are the Republicans when it comes to protecting what 80 or 90 percent of the American people want? They are hiding. They are scared. They do not know what to do. They cannot organize to get the kinds of programs that we need.

What about early buying at no cost to the government for those seniors who retire early and will be without Medicare or without health insurance? Why are the Republicans not bringing that part of the President's program to the floor so we can vote on it? Because they do not dare. Because they know that the American public wants programs that will win.

Tobacco legislation; why are the Republicans burying tobacco legislation while we prattle about this silly bill which nobody wants? This is to distract the people from the fact that the Republican cuts in their own budget are so severe that program after program will be destroyed.

The Speaker's desire to see Medicare wither on the vine is being helped by this plan to destroy all assistance to the people who, through no reason of their own, need assistance for a job, for housing, to feed their children. Those will be dismantled, as the Republicans would like to do.

The Kasich budget does not provide the money to fight fraud and abuse. There is about $20 billion in improper payments under the Medicare program. Instead of providing us the funds to monitor that and save them money and cut those bills; 265 million is what it would take for the Medicare program to be able to save a good portion of that 20 billion; instead of cutting the error rate, we are cutting the budgets to the law enforcement people who could save that money.

This Republican budget is pro-fraud. It is on the side of the criminals. That is who the Republicans are coddling with this. Quality will suffer. Nursing homes will go uninspected. So that those of us who are retiring and may want to go to New York or California and seek succor in a nursing home may find them dirty and poorly managed and of low quality because the Republicans are cutting the budget for the people who inspect those and ensure that our parents and our retiring colleagues who will need care in their senior years will not get it.

The bills will be paid slower. Medicare beneficiaries will be unable to get questions answered about the new proposals the Republicans are sending out in the mail.

So that as we see a small amount of money being denied as a way to obfuscate the bankruptcy of the Republican budget, the problems of this country increase, and the leadership on the Republican side continues to do nothing about it.

PARLIAMENTARY INQUIRY

Mr. SOLOMON. Parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore (Mr. HEFLEY). What is the gentleman's inquiry?

Mr. SOLOMON. Mr. Speaker, in my opening remarks about President Clinton I tried to not be disparaging, and I just want to inquire is it appropriate in this House for a Member to accuse other Members, even without mentioning a name, of being religious wackos?

I am looking at a list of Democrats who are good, sincere Democrats that voted for that bill and participated in the debate and there are names like: BAESLER, BARCIA, BERRY, BISHOP, CLEMENT, CONDIT, CRAMER, and it goes on and on and on, and I just do not think that is appropriate or proper, and I hope we can get this debate on a little higher plain.

Is that appropriate or not?

The SPEAKER pro tempore. Members should avoid personalities in debate directed against other Members.

Mr. MOAKLEY. Mr. Speaker, I yield 10 seconds to the gentleman from California (Mr. STARK).

Mr. STARK. Mr. Speaker, I am sure that if any wacko in the House would like to raise to a point of personal privilege that the Speaker would be glad to recognize him for that purpose.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. TRAFICANT).

Mr. TRAFICANT. Mr. Speaker, I think we should take ourselves out of the fish bowl and think like everyone else. We talk about user fees, service fees, excise taxes, sales taxes, income taxes, estate taxes, capital gains taxes, property taxes, marriage taxes, school taxes, fuel taxes, aviation taxes, old taxes, new taxes, surtaxes and retroactive taxes, so it is no wonder the American people are, in fact, taxed off. How many ways can we tax our country, Congress?

Let us look at the local level, how screwed up this whole situation is:

If someone fixes up their home, they pay more taxes. If they let it go to hell, they get a tax break.

Now let us look at the Federal level:

If someone is single, divorced or they abandon their kids, they get a tax break. If they are married and live responsibly, they pay $1,400 a year more and get hit over the head for being a good citizen.

As my colleagues know, this is unbelievable to me.

Now, to make it even worse, the American people are looking back and reading the headlines today and saying, "With our money Uncle Sam now wants to give more MFN to China and another $10 billion, an additional $10 billion in foreign aid to Russia even though the Russian top financial officer says they stole the last American aid."

Beam me up here. I think it is time to make a common-sense statement to the Congress and the people of the country.

An America that rewards even Communists at the expense of mom and dad is an America that may seem to some

to be politically correct but, to me, I submit is downright stupid.

Now I am not voting for anybody's budget. There are more taxes in both budgets than I am for.

I think it is time to dramatize this. I want to see some reasonable trade policy in the country. I want to see a budget that starts rewarding good citizens and stops penalizing achievement.

Mr. Speaker, I think we are all screwed up. So I am opposing the Republican budget. I am opposing the Democrat budget. And in God's name I am asking when will we get a commonsense budget that the American people could all identify with, know where the money goes, why it is going and has a trail that we could monitor and audit?

I think it is very simple, so I am going to support this. I am against the taxes in the President's budget, but I am also going to oppose the taxes and user fees in the Republican budget.

With that, I yield back any common sense left in Congress.

Mr. MOAKLEY. Mr. Speaker, I yield 7 minutes to the gentleman from New York (Mr. RANGEL), the ranking minority member of the Committee on Ways and Means.

Mr. RANGEL. Mr. Speaker, all of us are going to miss my friend from New York and the chairman of the Committee on Rules. He is leaving this august body with his charm and his wisdom; certainly he is going to leave a vacuum. But I hope he does not put out the legislative lights before he leaves because since we have had a Republican majority the rules of the game as to how we legislate have dramatically changed.

I can understand why the gentleman from New York (Mr. SOLOMON) keeps yielding to the Democrats: Because hardly any Republican is willing to stand up to defend this thing that has come out of the Committee on Rules.

But I would like to say this, that there used to be a time in the olden, Democratic days where we had standing committees with chairmen and we had senior Republicans. We used to have something, and I forgot the name of it, but I think it was hearings? Yes, hearings. And we used to have witnesses and experts, and they used to testify.

And then along came the gentleman from Georgia (Mr. GINGRICH) and he says, "You don't need that. You only need one committee, the Committee on Rules. As a matter of fact, we don't need that. All you have to do is have a meeting in the Speaker's office, go upstairs in the middle of the night, find the most complex tax matters that you want, and forget the eight committees that have jurisdiction because, after all, no committees are meeting unless it is to attack the President of the United States. And then have the chairman of the committee introduce a bill in the middle of the night on a Wednesday and make certain that it comes on the floor when nobody is going to be awake in order to do it."

The only way that they can do this thing, the only way, the new Republican legislative way, they can do this thing is, first, get a budget, and the budget has to make certain that the first thing to do is get a great tax cut for the wealthy people of the United States. Once that is done, then the rest of it is easy.

What is the rest of it? The rest of it is that we will take $101 billion from the committees of jurisdiction. We will not tell them where its coming from. We will let them have the blood on the floor. But we will say, we will say that it should come from health, it should come from education. And, for God's sake, make certain that we do not miss the American veterans. Hit them, and if we miss them, make certain we hit them twice.

Now the gentleman from New York (Mr. SOLOMON) has indicated, what a modest man, that the tax laws are complicated. Well, it does not take a profile in courage to come to the floor and say that. As a matter of fact, here is the gentleman from New York's list of complicated tax laws. Did he ask the experts in tax laws on the Republican side to take a look at this?

Oh, my chairman is not here, Mr. ARCHER.

Are there any senior Republicans on the Joint Committee on Taxation?

Yes, they are talking.

There are two of them there. There are two Members.

Are we going to have hearings on this, Mr. SOLOMON?

Oh, no, this will not go to hearings.

Why?

It is too complex for the Joint Committee on Taxation to have hearings on it.

The wisdom in legislation is confined now to two areas; one to Speaker, and, God knows, any chairman knows that: Do not have hearings on anything that the Speaker does not want to have hearings on. And the second thing is the Committee on Rules.

I really believe that the gentleman from New York (Mr. SOLOMON) was not selected just because of his good looks and his wisdom but because of his name. The wisdom of Solomon shall prevail on the budget and on the taxes, and he will tell us estate taxes, real estate taxes, financial property, Social Security, woe, woe, woe, this heavy tax system. He figured it all out, my brothers and sisters, my Democrats and Republicans:

Go home, worry not. There is no legislation, there is no hearings, but, God knows, the Social Security of the United States, that, too, shall rest in the wisdom of Solomon on the Committee on Rules after this is over.

Mr. SOLOMON. Mr. Speaker, will the gentleman, my best friend, yield?

Mr. RANGEL. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, first of all, this bill, everything in it was before the gentleman's committee. He held hearings on it. He personally spoke on it. I have read his remarks.

Secondly, this did not come out of the Committee on Rules. Now wait a minute now. This came directly to the floor under unanimous consent agreed to by the gentleman from New York's minority leadership.

Mr. RANGEL. Mr. Speaker, I thank the gentleman from New York (Mr. SOLOMON) because, if this did not come out of the Committee on Rules, what in God's name are we doing here in the first place?

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

Mr. RANGEL. I yield to the gentleman from Massachusetts.

Mr. MOAKLEY. Mr. Speaker, the reason we did not go to the Committee on Rules is because we knew it was just a dilatory tactic, and we did not want to waste another hour on the rule so I gave the gentleman unanimous consent.

Mr. RANGEL. And so now we have really reached the epic in legislation without Members.

I made a mistake. I really thought it was just the Speaker and the Committee on Rules. It is just the Speaker and the Speaker, as a matter of fact. All that must be done is to tell the gentleman from New York (Mr. SOLOMON) "For God's sake don't let the members of the Committee on Rules see this. Just come to the floor. Put your name on it. They'll think it was a legitimate process, and we'll have some debate."

Oh, no. Listen. First of all, we all know this: that these are recommendations made by the President of the United States.

□ 0945

In the olden days, it was the Committee on Ways and Means that would really legislate and bring it to the floor because of the Constitution, which says that all revenue raisers would emanate from the House of Representatives, and not the Speaker's office and not the office of the gentleman from New York (Mr. SOLOMON).

Second, it does not surprise me that this is the way they would like to deal with the President's budget as it relates to paying for services because, God knows, we will never have hearings in talking about what is in the President's budget.

But I understand it all. They are in the majority, and the further away they can get from substantive legislation, the better they can enjoy the comfort that the President's budget and the surpluses have brought to us.

I am so glad to see that the distinguished chairman of the Committee on

Ways and Means, the man who possesses more knowledge on taxes than any Member in the House, has come to the floor, and I hope he is yielded to to explain this tax plan.

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

Mr. Speaker, I just cannot believe what I just heard, because the gentleman would indicate that this Congress never held hearings on the President's budget. I think we held numerous hearings.

Mr. Speaker, I yield 4½ minutes to the gentleman from Texas (Mr. ARCHER), one of the finest, most-respected Members of this body, the chairman of the Committee on Ways and Means, to maybe enlighten us on this.

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

Mr. Speaker, I remember over the years when we were in the minority and we had a Republican President in the White House, the Democrat leadership over and over again brought the Republican budget to the floor so we could have a chance to vote on it. Now I see that the leadership on the other side of the aisle does not seem to want us to have an opportunity to vote on the President's proposals, which we are going to give the House an opportunity to do today.

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

Mr. ARCHER. I yield to the gentleman from Massachusetts.

Mr. MOAKLEY. Mr. Speaker, the chairman is exactly right. We did. But he is not bringing the President's budget to floor, he is only bringing one piece of it. He is bringing the user fees, not the programs. This is not a fair presentation of the President's budget.

Mr. ARCHER. Mr. Speaker, reclaiming my time, I would say to the gentleman that this could well be the first step, but it is an important first step because no additional spending can occur unless these taxes and fees are approved.

Today the House of Representatives has a chance to stand with the taxpayers who want lower taxes, or with the Washington politicians who want higher taxes. It seems to me our choice is simple. The budget that President Clinton submitted to the Congress is a died-in-the-wool, regular old-fashioned, tried-and-true, liberal tax-and-spend scheme.

Today we will be able to vote on 77 of the President's proposed tax hikes and user fees. In total, they raise taxes and fees by more than $51 billion. Think about it, $51 billion. If one believes in big government and providing the means to make the government bigger, then I would say Members should vote for this bill and vote for the President's plan. If one believes in more spending, then vote today for this and vote for the President's plan.

But if one is like I am, and believes that the government is too big and spends too much, then join me in opposing the unnecessary presidential tax hikes. His budget raises taxes on people who are trying to save, especially women and widows who depend on life insurance policies to make ends meet. It penalizes small businesses that are struggling to get by, and it punishes companies that create jobs. It works against our ability to compete overseas in the global marketplace, which is an absolute essential to improving the standard of living of the American workers.

In an era of surpluses as far as we can see, why on earth is President Clinton proposing all these tax hikes? It is because the President still believes that a big government that spends more and does more is the best answer to the people's problems.

I remember the comments of Thomas Jefferson when he was in Paris during the writing of the Constitution, and he wrote to his friend, Madison, and he said, "Europeans are bred to desire a government that is energetic, that can be felt. Godsend that our Nation never have a government it can feel." But apparently the President wants more government that the people can feel.

I stand with Thomas Jefferson. President Clinton obviously believes that a big government that spends more and does more is the best answer to people's problems, a government that is energetic, a government the people can feel. Not so Thomas Jefferson, and not so I.

Mr. Speaker, I would say to my friends, if ever there was a reason for the Congress to be a different party than the President, this is it. If we are not here to stop the President from raising taxes again, who will be? We need to stop President Clinton before he taxes again. Join with me. Show you are on the side of overtaxed workers of America and vote "no" on Clinton's tax hikes.

Mr. MOAKLEY. Mr. Speaker, I yield 2½ minutes to the gentleman from Oregon (Mr. DEFAZIO).

Mr. DEFAZIO. Mr. Speaker, I am a bit puzzled by this debate. If I listened correctly to the other side, they are saying that all of the fees in this resolution are unwarranted.

Now, I guess I would be puzzled that they are saying that with regard to bank examination fees. Are they saying that the depositors who are getting miserable rates of interest and paying exorbitant credit card fees to the bank should also pay for the Federal regulation of the banks, or are they saying there should be no Federal regulation of the banks, like we tried with the savings and loan industry during the Reagan era?

There is a fee for the registration of pesticides. Are they saying that the American people, average taxpayers, should pay for the evaluation of and the registration of the safety of pesticides, or are they saying we should have a pesticide industry that is totally unregulated by the Federal Government, creating and applying whatever it wants, wherever it wants, however it wants, and putting it in our water supply?

I do not believe even the Republicans want to repeal those fees, nor do they believe average working Americans should pay fees for the profits of the pesticide industry or should pay fees for the profits of the banking industry.

But even beyond that, I am extraordinarily puzzled by the inclusion of one of the most onerous fees to come out of Congress and the administration, in my opinion, in the last five years, and that is the fee for those of us who live in the West. Any time we want to drive on, park on, or recreate in our federally owned forests and BLM lands, we have to pay a fee.

Now, the gentleman from New York is always fond of calling us to our consistency and talking about our past votes. I would like to know how the gentleman from New York voted on the two bills that created this fee, both passed by a Republican majority.

H.R. 3019, the balanced budget down payment act, April 25, 1996, I believe the gentleman voted for it, although he would say perhaps he opposed that part. And I believe again the gentleman in all probability voted for H.R. 3610, the Interior appropriations conference report, which I opposed.

Both of those bills created this onerous fee. They came from the proposal of the honorable gentleman from Ohio (Mr. REGULA) in this House of Representatives. This is an incredibly onerous fee on the people of the western United States, created by a Republican Congress, passed by a Republican Congress, never having been authorized by the committee on which I sit. That is an outrageous fee. So let us have some consistency around here.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume to just say to the previous speaker, boy, do I agree with him. We are going to defeat this bill that has got that fee in there.

Mr. Speaker, I yield 3 minutes to the very distinguished Member from Arizona (Mr. HAYWORTH).

Mr. HAYWORTH. Mr. Speaker, I thank the distinguished chairman of the Committee on Rules for yielding me time, and I welcome the remarks of my friend from Oregon, to the extent that he stands opposed to user fees in the parks. I very much appreciate that. Knowing his reputation for more and more spending and more and more government control, I am very grateful that he joins with me and others to share that concern about fees.

Now, it is very interesting that we take a look at this.

Mr. DEFAZIO. Mr. Speaker, will the gentleman yield on that mischaracterization of my record? The gentleman will not yield?

PARLIAMENTARY INQUIRY

Mr. HAYWORTH. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. HEFLEY). The gentleman will state it.

Mr. HAYWORTH. Mr. Speaker, is it proper for a Member to come to the well while one Member is addressing the House? He could also ask from back there.

The SPEAKER pro tempore. The gentleman from Arizona may decline to yield.

Mr. HAYWORTH. I thank the Speaker. We will try to restore some order.

Mr. Speaker, perhaps the reason why we see such vociferous protests is because, even in good conscience, my friends on the left cannot abide the fear and smear they are offering this morning.

Now, some of my friends on the left wonder aloud, why this is brought to the floor? Let me attempt to inform them. You see, friends, and Mr. Speaker, it is because words mean something. When the President of the United States came and spoke from the podium behind me here, he offered a budgetary plan that really, in terms of oratory, was a wonderfully crafted speech with all the poll data and all of the driven rhetorical phrases to offer empathy and concern for the American people.

But, you see, we are compelled to go beyond words to check the costs. And in the words of the chairman of the Committee on Appropriations, my friend from Louisiana, our President promised everything but stronger shoelaces in that State of the Union message. So if he is going to promise, he has got to follow through with a price tag.

Now my dear friend, the ranking member of the committee on which I sit, the Committee on Ways and Means, lamented what he claimed was an absence of hearings. I would direct his attention to an important date, not only in the Hayworth household, but also in this august body, February 25; not only our wedding anniversary at home, but the day we invited the administration in to defend the budget plan of the President.

I recall distinctly the fact that many of our colleagues on the left joined with us. Indeed our colleagues on the left, Mr. Speaker, were most vociferous in objecting to the revenue raisers that would have to come with the President's budget. So I would remind my friend of February 25.

It is just very interesting to take a look at the reality of what the President offered, almost $52 billion in new taxes.

Mr. MOAKLEY. Mr. Speaker I yield one minute to the gentleman from Texas (Mr. BENTSEN).

Mr. BENTSEN. Mr. Speaker, about eight hours ago in the middle of the night we debated the Republican budget resolution when nobody was around. I think people in Hawaii watched it, but every place else Americans were probably sleeping. The reason we debated it then is because they do not want to get up and defend it. They do not want to defend the $10 billion in user fees.

In my district they want to double insurance premiums on middle class homeowners, just like they wanted to in 1995 and 1996. They want to raise the user fees for the intercostal waterway, where working men and women move barges and product along the Gulf Coast, by 500 percent. That is a pretty big increase.

What is going on here? The process is broken. The Republican leadership in the House has failed in the budget. It is two months after we were supposed to have come up with a budget. We have ceded the process to the Committee on Transportation and Infrastructure. The gentleman who just spoke in the well speaks about big budget Democrats.

□ 1000

They were rushing to vote to spend $22 billion over the balanced budget agreement and take out of the pockets of the veterans 2 weeks ago. The process is broken. The Republican leadership has failed the House once again.

Mr. SOLOMON. Mr. Speaker, I yield 30 seconds to the very distinguished gentleman from Michigan (Mr. SMITH).

Mr. SMITH of Michigan. Mr. Speaker, very briefly, this debate is important, because the White House spins the President's budget as a glorious solution of how government can solve problems by spending money. Nobody has talked about where the money comes from. That is the purpose of this debate and vote. Everything in this bill is the President's budget proposal for tax and fee increases.

I think it is important that we look at where the money comes from because it comes out of the pockets of working families in this country. In the President's budget, it takes $129 billion out of those pockets.

I thank the gentleman for yielding to me.

Mr. MOAKLEY. Mr. Speaker, I yield 1¼ minutes to the gentleman from Florida (Mr. BOYD).

Mr. BOYD. Mr. Speaker, I guess I just have not been here long enough to be callous to this sort of shenanigans that is going on this morning. But I have to say that I was shocked when I turned on the television and saw that my Committee on Rules chairman, yes, my Committee on Rules chairman, because he is the Committee on Rules chairman of the United States House of Representatives, was bringing to the floor a bill under his name that nobody would vote for, including myself.

With leadership comes a certain amount of responsibility, and I do not understand why, last night, we debated after midnight a piece of legislation, a budget resolution brought to this floor that did not include the highway spending bill that we passed just 2 weeks ago. Now we have to find additional cuts.

Mr. Speaker, also, we were not allowed to work on the Blue Dog budget. I am a Blue Dog, and I vote with the Republican majority on many occasions when I think they are right. But absolutely they are wrong on this case. They did not allow a reasonable Blue Dog budget to be brought to the floor of this House, but today we are bringing this piece of legislation, and I think it is wrong.

I wish my friend, the gentleman from New York (Mr. SOLOMON), who was born and raised in Florida, well in his retirement; and I know he has a very, very tough job running the floor of this House. I happened to chair the Rules committee in the Florida House, and I think he has failed on this account.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. LEVIN).

Mr. LEVIN. Mr. Speaker, we are supposed to be talking about the budget this morning. The Republicans are afraid to bring it up and talk about it. They ran into a problem. They were taking $10 billion from Medicare. That was not working. They were afraid, so, instead, they decided to take it out of Function 600 and aim it at welfare reform. They were frantic. So they stabbed in the dark, grabbed for Function 600, but what they have done is to stab in the back welfare reform.

The National Conference of State Legislatures says this: This budget, the Republican budget abrogates an agreement reached between State Legislators, governors, and Congress in 1996 regarding welfare reform.

The National Governors Association, Governors Carper, Engler, Miller, Beasley, Chiles, Leavitt, O'Bannon, Romer, Ridge and Thompson say this about it: We urge you in the strongest terms possible to uphold the historic welfare agreement reached in 1996 and reject any cuts in TANF, Medicaid, or other welfare-related program as part of the budget resolution.

Mr. MOAKLEY. Mr. Speaker, I yield the remaining time, which I believe is 4¼ minutes, to the gentleman from California (Mr. MILLER), my final speaker.

Mr. MILLER of California. Mr. Speaker, it is very clear what is going on here this morning. The Republican budget process has failed. They cannot reach agreement among themselves, and they have now been forced to cut tens of billions of dollars out of programs serving the most vulnerable people in the United States.

They have chosen in their budget to protect every special interest in the

country. They have chosen to protect the chemical companies, the drug companies, the western irrigator water users, the grazers, the oil companies, the timber companies, and the mining companies.

The President thought it might be a better idea that the mining companies in this country pay the American people something, something for the use of their lands. They chose, rather, to cut nutrition programs.

The President thought it made sense that the big timber companies that cost the taxpayers millions of dollars to take the timber off of the public lands pay a little something. They chose, rather, to cut Medicaid.

The President thought it made sense that the oil companies that have been underpaying the taxpayers billions of dollars and admitting to it every day in court, he thought we ought to recover some of that money for the taxpayers. They chose instead to go after Medicaid. They chose instead to go after child nutrition. They chose instead to go after Title I. That is what is going on here, ladies and gentlemen. They have decided to protect the special interests.

The President thought maybe the concessionaires that have made millions of dollars running the concessions in the national parks ought to pay the taxpayers some fair rent for that right. The Republicans have chosen not to do that. They have chosen not to do that. They have chosen, instead, to cut education programs. They have chosen, instead, to cut veterans programs.

That is what their budget is. This is an effort to camouflage the vote that they will have to take later today on their budget that cuts billions of dollars, billions of dollars to the most vulnerable people in this country.

This is not about fees. This is not about the President's budget. This is about trying to get some cover for the Republicans who they have broken the arms to vote for a budget that is essentially bankrupt, a budget where they refuse to put in hard numbers, a budget where they change it in the middle of the night, a budget that is debated here at midnight, covered up by a bill that was never sent to the committee, never sent to the Committee on Rules, and was decided late last night to be brought to this floor.

Why have they done that? Why have they done that? Because, in their budget, they continue to protect the users of the FDA, the drug companies, and the chemical companies, the mining companies, people who are taking billions of dollars away from the taxpayers of this country, off resources owned by you, the American people. They pay no rents for billions of dollars in gold, billions of dollars in platinum, billions of dollars in silver.

The President thought maybe, just maybe, we ought to run the government like a business, and we are entitled to some rent. But the Republicans have chosen, instead, to say, why do we not go after Chapter 1, trying to help disadvantaged kids?

Republicans have said, instead, why do we not go after the income security in this country and have ways and means? Where are they going to take it out of? Unemployment, Medicaid, Social Security. We will leave it up to the Committee on Ways and Means.

This is about choices. This is about choices to be made.

Later today, the Republicans will have the glory of not only voting for the user fees in this bill but voting for all of their cuts also on the vulnerable populations in this country.

This bill ought to be rejected. It is a sham. It is a cheap attempt to camouflage, because the Republicans know they have a very difficult vote coming up this afternoon for their Members. They have been meeting around the clock trying to get enough people together so they could pass their budget. Maybe they have achieved that. Maybe that is why we are on the floor.

But what they do know, they need some diversion so Members can go home and say that somehow they engaged in some great scheme to protect the American people from fees.

These fees are about fees on special interests and people who are extracting wealth from the resources owned by the taxpayers. The fees on the Forest Service were put there by the Republicans last year when they decided every Tom, Dick, and Harry who wants to go out with his family and use the forest is going to have to pay, but not the timber companies. They have chosen the special interests.

The President chose to try to protect the people and make sure that those people who are using America's resources should pay something for that.

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

Mr. Speaker, the question was raised by a number of the Committee on Ways and Means Members, the gentleman from New York (Mr. RANGEL) and the gentleman from California (Mr. STARK) and others, about why did we bring this bill to the floor.

We bring it to the floor for two reasons. One is that the President of the United States, no matter who he is, cannot bring a budget or any portion of it to the floor of this House. It has to be brought by a Member of Congress representing a committee, and the Democrats have failed to do that.

We are attempting to show the difference between we Republicans, who are absolutely, with every fiber in our body, opposed to raising taxes and taking more money out of the pockets of the people, and as opposed to the Democrat view, as represented by President Clinton with more and more and more taxes and fees. That is exactly what this bill does.

The President is proposing $130 billion in new taxes, not to mention $150 billion in new spending. By focusing this debate on this issue this morning before we go to final passage, it is going to show the difference in division of our two parties. That is obvious to the American people.

I know that there is going to be a motion to recommit, and we will just have to wait and see what that is. But I would just hope that we would defeat the motion to recommit at the appropriate time and then defeat this bill.

Let us send a resounding message to the President that the American people, as represented by this Congress, overwhelmingly oppose tax increases and fee increases.

Mr. BLUMENAUER. Mr. Speaker, I am increasingly disappointed that Members of the House are presented on an ongoing basis with false legislative choices that distort problems rather than seek to solve them. H.R. 3989 is the latest example of this approach to policymaking, where serious policy questions are demoted to merely political ones. This vote is meaningless when devoid of the larger context of a budget resolution, and everyone here knows that. I refuse to participate in this legislative charade, and I urge my colleagues to do the same. Join me in voting "present" on H.R. 3989. The sooner we stop the pointless political gambits, the sooner we can deal with the people's business.

Mr. SOLOMON. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. All time has expired. Pursuant to the order of the House of Thursday, June 4, 1998, the previous question is ordered on the bill, as amended.

The question is on the engrossment and third reading of the bill.

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

MOTION TO RECOMMIT OFFERED BY MR. MOAKLEY

Mr. MOAKLEY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore (Mr. HEFLEY). Is the gentleman opposed to the bill?

Mr. MOAKLEY. Mr. Speaker, I am opposed to the bill, as everyone in the House is.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MOAKLEY moves to recommit the bill, H.R. 3989, to the Committee on Ways and Means to report back forthwith with an amendment:

Strike all after the enacting clause and insert the following:

"It is the sense of the House of Representatives that the following user fees should be enacted as soon as possible:

(1) HOUSING.—

(A) Increase cost to Federal Housing Administration borrowers by ending rebates after mortgage repayment.

(B) Increase National Flood Insurance premiums.

(C) Increase Federal Housing Administration premiums to cover the cost of the multifamily mortgage program.

(2) TRANSPORTATION.—

(A) Establish airport takeoff/landing slot charges.

(B) Increase Federal Inland Waterway System fees to fully recover the costs of operations, maintenance, and new construction.

(3) VETERANS.—

Extend for one year the loan fee for Veterans' Affairs housing loans.

(4) FEDERAL RETIREMENT.—

Raise Federal Employees Health Benefit premiums."

The SPEAKER pro tempore. The Chair recognizes the gentleman from Massachusetts (Mr. MOAKLEY) for 5 minutes on his motion.

Mr. MOAKLEY. Mr. Speaker, my motion to recommit is very simple. Instead of voting on the revenue provisions contained in the President's budget, let us take a vote on the user fees contained in the Kasich budget. We have heard our friends over there saying they are opposed to these fees. Well, let us see.

The Kasich budget contains almost $10.5 billion in user fees, fees on FHA homeowners, fees on airlines, fees on veterans housing loans, fees on inland water users, fees on Federal employees health benefits. There are fees on individuals who participate in the National Flood Insurance Program and, Mr. Speaker, as well as fees on the multifamily mortgage program at the FHA. All of these fees are contained in the Kasich budget.

One thing I have noticed this morning is there has been a lot of talk about revenue provisions that were ripped out of the President's budget. But, Mr. Speaker, the President's budget is not going to be voted on later this morning, the Kasich budget is.

Mr. Speaker, we should not be wasting Members' time by voting on parts of a budget proposal that the House is not even going to consider. The bill proposed by the gentleman from New York (Mr. SOLOMON) is objected to by the President and probably everybody else in the House. Instead, let us take a test vote on the user fees in the Kasich budget, $10.5 billion worth.

I find that ironic that the Republicans are beating their chests about the revenue raises in a bill that is not even going to be considered and strangely silent on the revenue raises that are included in the bill that will be voted on in a matter of hours.

Mr. Speaker, where is the righteous defense of the American taxpayers from the intrusive reach of the Federal Government contained in the Kasich budget? Where is the outrage over the $10.5 billion in user fees being imposed by the Kasich budget on homeowners and veterans?

I suppose it is just too much to expect consistency from my Republican colleagues on this. The desperate urge to score political points is just too strong. My motion to recommit, simply stated, substitutes the Kasich user fee for those proposed by the gentleman from New York (Mr. SOLOMON).

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Mr. MOAKLEY. Mr. Speaker, I yield the balance of my time to the gentleman from Mississippi (Mr. TAYLOR).

Mr. TAYLOR of Mississippi. Mr. Speaker, I rise in strong support of the motion to recommit. I also rise in opposition to the Republican budget.

Mr. Speaker, as my friend, the gentleman from Tennessee (Mr. JOHN TANNER) pointed out last night, the new Republican majority in 4 years has truly achieved the level of arrogance that it took the Democratic Party 40 years to have in this body. It did not even allow what is the most important vote of the year, the conservative Democratic alternative to be offered.

If Members have followed this session, they will know that every Tuesday has been spent commending this or condemning that, resolutions that have no effect whatsoever. One week out of every month we have not even been in session. Yet, we cannot find the time to debate and have an open amendment process for the most important thing, which is the budget of the United States, so those of us who would rather spend money getting soldiers off of food stamps can, say, maybe take it from things we do not think are as important, like foreign aid, like the $3 billion that a relatively wealthy Nation called Israel will get of our money, but we cannot find the money to get soldiers off of food stamps.

We will not even be given the opportunity to do so because the budget process, first under the Democrats and now under the Republicans, we cannot even offer an amendment on it. That is wrong.

This is still a democracy, Mr. Speaker. The Speaker may do what he wants to keep that from happening, but every one of us represents the same number of people. Every one of us was elected, and every one of us deserves the opportunity to try to set some priorities for this Nation, and not be handed a load of garbage by one side or the other and say vote on it, take it or leave it.

So I am going to vote against the Democratic budget, I am going to vote against the Republican budget, and I am going to hope for once that we will stick together and provide for this Nation an American budget.

But the only way we can do that is to first vote down the Republican budget, vote down the Democratic budget, vote for the motion to recommit, and let us try to get back to what the Founding Fathers truly had in mind, which is making this body a deliberative body of free expression, where the majority rules and not the lobbyists.

The SPEAKER pro tempore (Mr. HEFLEY). Does the gentleman from New York (Mr. SOLOMON) rise in opposition to the motion to recommit?

Mr. SOLOMON. I do, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from New York (Mr. SOLOMON) is recognized for 5 minutes.

Mr. SOLOMON. Mr. Speaker, the Moakley recommittal would prevent this House from casting a resounding vote against the President's tax and fee increases.

Mr. Speaker, I yield to the gentleman from Georgia (Mr. GINGRICH), the Speaker of the House, a man who personifies the Republican vision of no more tax increases.

Mr. GINGRICH. Mr. Speaker, let me say, first of all, that I was delighted to watch the impassioned pleas of my liberal friends for higher taxes. There was an intensity, a passion, an emotional commitment to higher taxes that I believe is sincere.

These are friends who voted for the 1993 tax increase, passed only with Democratic votes. These are friends for whom higher taxes is a legitimate moral cause, because the American people, in their judgment, are not smart enough to solve their own problems, and only bigger bureaucracy, more power in Washington, less takehome pay, will lead to the liberal utopia they believe in.

But I have to say to my good friends, I just checked two of the last three speakers on the gentleman's side. They voted against the welfare reform bill. It is not fair to get up here and protect the welfare reform bill we wrote, that we passed, working with our Governors, my good friend, John Engler of Michigan, who was in on Tuesday, when we chatted about what we can get done; my good friend, George Pataki, Governor of New York, with whom I have been talking about what we can get done; my dear friend, Tommy Thompson, Governor of Wisconsin, who was the original leader in the welfare reform movement, talking about what we can get done.

We have found that we on our side are the people who actually worked with Governors to write the welfare reform bill. So to have liberals who always vote for tax increases jump up in defense of a welfare reform plan they opposed, and cite Republican Governors to the Republican majority, is a wonderful piece of oratory, but it is not historically very accurate.

Let us talk about why we brought this vote up today. This is, frankly, a very important point. I would urge every Democrat, every Democrat who wants higher spending——

Mr. MILLER of California. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Speaker, I was just wondering, because I read in the paper this morning that those are the same Republican Governors who will be writing a letter against the budget and are concerned

about the money coming out of TANF, the welfare reform proposal I opposed.

Mr. GINGRICH. Let me say to my good friend that very often people around the country, when they read the newspaper version of reality, respond to it. But in a recent conference call with the very Governors the gentleman was talking about, they are quite satisfied with where we are going with welfare reform, and I think they will be quite happy with it.

Mr. MILLER of California. They accept the cuts in TANF?

Mr. GINGRICH. I appreciate the gentleman allowing me to clarify that inaccurate report.

Now that the gentleman knows they are not going to be worried about what we are doing, let us go to the heart of why we have raised this particular motion. I think this is a very important issue.

The President sent up $51.9 billion in higher taxes and fees, not counting the tobacco taxes. We took out all the tobacco taxes he sent up, so this is just a straightforward issue on everything else he wanted to raise, $51.9 billion. Later on this year the President is going to come to the Congress and say, I need higher spending. I know I agreed to the budget deal, I know it was a 5-year deal, but I need higher spending.

So I would urge every Democrat, if they want the President to get higher spending later on this fall, they need to vote no on this motion. They need to say, we want $51 billion in higher taxes. We are for bigger government and more taxes.

But if every Democrat votes with us against $51 billion in higher taxes, then I do not think President Clinton has a leg to stand on in coming to a negotiation later and saying, well, I am really for a balanced budget, but by the way, I need more government, I need more programs.

There are 77 tax hikes and user fees in this particular package, 77 tax hikes and user fees. Why? Because President Clinton is calling for 85 new spending programs, including 39 new entitlement programs.

Mr. Speaker, liberals who had the courage in 1993 to raise taxes may well want to vote with the President for higher taxes and bigger government. So I would urge all of my Democratic colleagues who truly want bigger government and higher taxes, vote no on this.

But for those who want to go home and join us and say the Federal Government is too big, it wastes too much money, we can find 1 percent waste, fraud, and error, we can find 1 percent mismanagement, we can find 1 percent unnecessary programs out of an entire Federal Government of $9 trillion, we can find 1 percent, vote with us.

Those who have a better idea, as our good friend, the gentleman from Mississippi (Mr. TAYLOR) suggested he did, then they get to vote against the President. They do not have to vote with us. But do not vote with us to kill these tax increases, and then come back later and say you really want the money, you just did not want to tell the American people.

We are opposed to tax increases. We think the Federal Government is too big, it wastes too much, it has too much power in Washington. We believe taxes are too high and take-home pay is too low.

I am very proud and very confident that the people who brought us welfare reform, the people who brought us a balanced budget, the people who brought us tax cuts, are in fact capable of finding 1 percent waste.

I urge our colleagues, vote no on their motion to recommit, and stop the Clinton tax increases from further burdening the American people.

The SPEAKER pro tempore. All time has expired.

Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. MOAKLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to the provisions of clause 5 of rule XV, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which the vote by electronic device, if ordered, will be taken on the question of passage.

The vote was taken by electronic device, and there were—yeas 0, nays 416, answered "present" 1, not voting 17, as follows:

[Roll No. 206]

NAYS—416

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Filner
Foley
Forbes
Ford
Fossella
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paul
Paxon
Payne
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Redmond
Regula
Riggs
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryun
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Scott
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)

Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Towns
Traficant
Turner
Upton
Velázquez
Vento
Visclosky
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Young (FL)

ANSWERED "PRESENT"—1

Blumenauer

NOT VOTING—17

Buyer
Cooksey
Furse
Gejdenson
Gonzalez
Harman
Houghton
Johnson, E. B.
Kennedy (MA)
Lewis (GA)
McDade
Mollohan
Pelosi
Reyes
Ros-Lehtinen
Schumer
Sessions

□ 1042

Messrs. BROWN of California, ROTHMAN, LEWIS of Kentucky, WATT of North Carolina, LARGENT, GUTKNECHT, HYDE, LANTOS and WATKINS changed their vote from "yea" to "nay."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

PARLIAMENTARY INQUIRY

Mr. HEFNER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. HEFNER. Mr. Speaker, for those of us who sat up last night and watched the interesting debate and slept late this morning on this, is this a sense of the Congress or is this a bill?

□ 1045

The SPEAKER pro tempore (Mr. HEFLEY). We are prepared for the question on final passage of the bill.

Mr. HEFNER. I thank the Chair very much.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. HAYWORTH. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This is a 15-minute vote.

The vote was taken by electronic device, and there were—yeas 0, nays 421, answered "present" 1, not voting 12, as follows:

[Roll No. 207]

NOES—421

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Filner
Foley
Forbes
Ford
Fossella
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paul
Paxon
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Riggs
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryun
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Towns
Traficant
Turner
Upton
Velázquez
Vento
Visclosky
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Young (FL)

ANSWERED "PRESENT"—1

Blumenauer

NOT VOTING—12

Furse
Gejdenson
Gonzalez
Houghton
Johnson, E. B.
Kennedy (MA)
Largent
Lewis (GA)
McDade
Mollohan
Ros-Lehtinen
Schumer

□ 1104

Mr. RIGGS changed his vote from "aye" to "no."

So the bill was not passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1999

The SPEAKER pro tempore (Mr. HOBSON). Pursuant to House Resolution 455 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution, House Concurrent Resolution 284.

□ 1105

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 284) revising the congressional budget for the United States Government for fiscal year 1998, establishing the congressional budget for the United States Government for fiscal year 1999, and setting forth appropriate budgetary levels for fiscal

years 2000, 2001, 2002, and 2003, with Mr. HEFLEY (Chairman pro tempore) in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN pro tempore. When the Committee of the Whole rose on the legislative day of Thursday, June 4, 1998, all time for general debate had expired.

Pursuant to House Resolution 455, the concurrent resolution is considered read for amendment under the 5-minute rule. The amendment in the nature of a substitute printed in part 1 of House Report 105–565 is considered as an original concurrent resolution for the purpose of amendment under the 5-minute rule and is considered read.

The text of the amendment in the nature of a substitute is as follows:

Resolved by the House of Representatives (the Senate concurring),

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1999.

The Congress declares that the concurrent resolution on the budget for fiscal year 1998 is hereby revised and replaced and that this is the concurrent resolution on the budget for fiscal year 1999 and that the appropriate budgetary levels for fiscal years 2000 through 2003 are hereby set forth.

SEC. 2. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years 1998, 1999, 2000, 2001, 2002, and 2003:

(1) FEDERAL REVENUES.—For purposes of the enforcement of this resolution:

(A) The recommended levels of Federal revenues are as follows:

Fiscal year 1998: $1,292,400,000,000.
Fiscal year 1999: $1,318,000,000,000.
Fiscal year 2000: $1,331,300,000,000.
Fiscal year 2001: $1,358,100,000,000.
Fiscal year 2002: $1,407,800,000,000.
Fiscal year 2003: $1,452,600,000,000.

(B) The amounts by which the aggregate levels of Federal revenues should be changed are as follows:

Fiscal year 1998: $0.
Fiscal year 1999: −$4,000,000,000.
Fiscal year 2000: −$10,000,000,000.
Fiscal year 2001: −$21,000,000,000.
Fiscal year 2002: −$28,100,000,000.
Fiscal year 2003: −$37,800,000,000.

(2) NEW BUDGET AUTHORITY.—For purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:

Fiscal year 1998: $1,359,500,000,000.
Fiscal year 1999: $1,408,900,000,000.
Fiscal year 2000: $1,443,700,000,000.
Fiscal year 2001: $1,477,500,000,000.
Fiscal year 2002: $1,502,800,000,000.
Fiscal year 2003: $1,571,200,000,000.

(3) BUDGET OUTLAYS.—For purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 1998: $1,343,100,000,000.
Fiscal year 1999: $1,401,000,000,000.
Fiscal year 2000: $1,435,900,000,000.
Fiscal year 2001: $1,463,700,000,000.
Fiscal year 2002: $1,473,300,000,000.
Fiscal year 2003: $1,540,700,000,000.

(4) DEFICITS.—For purposes of the enforcement of this resolution, the amounts of the deficits are as follows:

Fiscal year 1998: $50,700,000,000.
Fiscal year 1999: $83,000,000,000.
Fiscal year 2000: $104,600,000,000.
Fiscal year 2001: $105,600,000,000.
Fiscal year 2002: $65,500,000,000.
Fiscal year 2003: $88,100,000,000.

(5) PUBLIC DEBT.—The appropriate levels of the public debt are as follows:

Fiscal year 1998: $5,436,900,000,000.
Fiscal year 1999: $5,597,000,000,000.
Fiscal year 2000: $5,777,200,000,000.
Fiscal year 2001: $5,957,200,000,000.
Fiscal year 2002: $6,102,400,000,000.
Fiscal year 2003: $6,269,400,000,000.

SEC. 3. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority and budget outlays for fiscal years 1998 through 2003 for each major functional category are:

(1) National Defense (050):
Fiscal year 1998:
(A) New budget authority, $267,400,000,000.
(B) Outlays, $268,100,000,000.
Fiscal year 1999:
(A) New budget authority, $270,500,000,000.
(B) Outlays, $265,500,000,000.
Fiscal year 2000:
(A) New budget authority, $274,300,000,000.
(B) Outlays, $267,900,000,000.
Fiscal year 2001:
(A) New budget authority, $280,800,000,000.
(B) Outlays, $269,600,000,000.
Fiscal year 2002:
(A) New budget authority, $288,600,000,000.
(B) Outlays, $272,100,000,000.
Fiscal year 2003:
(A) New budget authority, $296,800,000,000.
(B) Outlays, $279,800,000,000.

(2) International Affairs (150):
Fiscal year 1998:
(A) New budget authority, $15,200,000,000.
(B) Outlays, $14,100,000,000.
Fiscal year 1999:
(A) New budget authority, $14,200,000,000.
(B) Outlays, $13,800,000,000.
Fiscal year 2000:
(A) New budget authority, $12,100,000,000.
(B) Outlays, $13,700,000,000.
Fiscal year 2001:
(A) New budget authority, $12,300,000,000.
(B) Outlays, $12,900,000,000.
Fiscal year 2002:
(A) New budget authority, $12,300,000,000.
(B) Outlays, $11,900,000,000.
Fiscal year 2003:
(A) New budget authority, $12,200,000,000.
(B) Outlays, $11,300,000,000.

(3) General Science, Space, and Technology (250):
Fiscal year 1998:
(A) New budget authority, $18,000,000,000.
(B) Outlays, $17,700,000,000.
Fiscal year 1999:
(A) New budget authority, $17,900,000,000.
(B) Outlays, $17,800,000,000.
Fiscal year 2000:
(A) New budget authority, $17,700,000,000.
(B) Outlays, $17,800,000,000.
Fiscal year 2001:
(A) New budget authority, $17,800,000,000.
(B) Outlays, $17,600,000,000.
Fiscal year 2002:
(A) New budget authority, $17,800,000,000.
(B) Outlays, $17,700,000,000.
Fiscal year 2003:
(A) New budget authority, $17,800,000,000.
(B) Outlays, $17,700,000,000.

(4) Energy (270):
Fiscal year 1998:
(A) New budget authority, $500,000,000.
(B) Outlays, $1,000,000,000.
Fiscal year 1999:
(A) New budget authority, $600,000,000.
(B) Outlays, $300,000,000.
Fiscal year 2000:
(A) New budget authority, −$300,000,000.
(B) Outlays, −$200,000,000.
Fiscal year 2001:
(A) New budget authority, −$1,300,000,000.
(B) Outlays, −$1,800,000,000.
Fiscal year 2002:
(A) New budget authority, −$6,100,000,000.
(B) Outlays, −$6,600,000,000.
Fiscal year 2003:
(A) New budget authority, −$700,000,000.
(B) Outlays, −$1,500,000,000.

(5) Natural Resources and Environment (300):
Fiscal year 1998:
(A) New budget authority, $24,200,000,000.
(B) Outlays, $23,000,000,000.
Fiscal year 1999:
(A) New budget authority, $22,600,000,000.
(B) Outlays, $22,800,000,000.
Fiscal year 2000:
(A) New budget authority, $21,000,000,000.
(B) Outlays, $22,400,000,000.
Fiscal year 2001:
(A) New budget authority, $20,500,000,000.
(B) Outlays, $21,600,000,000.
Fiscal year 2002:
(A) New budget authority, $20,500,000,000.
(B) Outlays, $20,800,000,000.
Fiscal year 2003:
(A) New budget authority, $20,500,000,000.
(B) Outlays, $20,500,000,000.

(6) Agriculture (350):
Fiscal year 1998:
(A) New budget authority, $11,800,000,000.
(B) Outlays, $10,800,000,000.
Fiscal year 1999:
(A) New budget authority, $12,200,000,000.
(B) Outlays, $10,500,000,000.
Fiscal year 2000:
(A) New budget authority, $11,700,000,000.
(B) Outlays, $10,100,000,000.
Fiscal year 2001:
(A) New budget authority, $10,600,000,000.
(B) Outlays, $9,000,000,000.
Fiscal year 2002:
(A) New budget authority, $10,400,000,000.
(B) Outlays, $8,800,000,000.
Fiscal year 2003:
(A) New budget authority, $10,700,000,000.
(B) Outlays, $9,100,000,000.

(7) Commerce and Housing Credit (370):
Fiscal year 1998:
(A) New budget authority, $7,300,000,000.
(B) Outlays, $700,000,000.
Fiscal year 1999:
(A) New budget authority, $4,400,000,000.
(B) Outlays, $2,800,000,000.
Fiscal year 2000:
(A) New budget authority, $14,900,000,000.
(B) Outlays, $9,800,000,000.
Fiscal year 2001:
(A) New budget authority, $14,500,000,000.
(B) Outlays, $10,900,000,000.
Fiscal year 2002:
(A) New budget authority, $14,800,000,000.
(B) Outlays, $11,400,000,000.
Fiscal year 2003:
(A) New budget authority, $14,200,000,000.
(B) Outlays, $11,000,000,000.

(8) Transportation (400):
Fiscal year 1998:
(A) New budget authority, $46,000,000,000.
(B) Outlays, $42,500,000,000.
Fiscal year 1999:
(A) New budget authority, $44,300,000,000.
(B) Outlays, $42,100,000,000.
Fiscal year 2000:
(A) New budget authority, $43,600,000,000.
(B) Outlays, $41,600,000,000.
Fiscal year 2001:
(A) New budget authority, $43,600,000,000.
(B) Outlays, $41,300,000,000.
Fiscal year 2002:
(A) New budget authority, $43,100,000,000.
(B) Outlays, $40,200,000,000.

Fiscal year 2003:
(A) New budget authority, $43,700,000,000.
(B) Outlays, $40,600,000,000.
(9) Community and Regional Development (450):
Fiscal year 1998:
(A) New budget authority, $8,700,000,000.
(B) Outlays, $11,200,000,000.
Fiscal year 1999:
(A) New budget authority, $8,700,000,000.
(B) Outlays, $10,600,000,000.
Fiscal year 2000:
(A) New budget authority, $7,300,000,000.
(B) Outlays, $9,100,000,000.
Fiscal year 2001:
(A) New budget authority, $6,800,000,000.
(B) Outlays, $8,200,000,000.
Fiscal year 2002:
(A) New budget authority, $6,200,000,000.
(B) Outlays, $7,400,000,000.
Fiscal year 2003:
(A) New budget authority, $6,200,000,000.
(B) Outlays, $6,600,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1998:
(A) New budget authority, $61,300,000,000.
(B) Outlays, $56,100,000,000.
Fiscal year 1999:
(A) New budget authority, $61,400,000,000.
(B) Outlays, $60,200,000,000.
Fiscal year 2000:
(A) New budget authority, $62,300,000,000.
(B) Outlays, $61,300,000,000.
Fiscal year 2001:
(A) New budget authority, $63,300,000,000.
(B) Outlays, $62,000,000,000.
Fiscal year 2002:
(A) New budget authority, $63,200,000,000.
(B) Outlays, $61,800,000,000.
Fiscal year 2003:
(A) New budget authority, $65,600,000,000.
(B) Outlays, $63,900,000,000.
(11) Health (550):
Fiscal year 1998:
(A) New budget authority, $136,200,000,000.
(B) Outlays, $132,000,000,000.
Fiscal year 1999:
(A) New budget authority, $143,800,000,000.
(B) Outlays, $142,300,000,000.
Fiscal year 2000:
(A) New budget authority, $149,900,000,000.
(B) Outlays, $149,500,000,000.
Fiscal year 2001:
(A) New budget authority, $155,900,000,000.
(B) Outlays, $155,600,000,000.
Fiscal year 2002:
(A) New budget authority, $162,800,000,000.
(B) Outlays, $163,600,000,000.
Fiscal year 2003:
(A) New budget authority, $171,200,000,000.
(B) Outlays, $172,000,000,000.
(12) Medicare (570):
Fiscal year 1998:
(A) New budget authority, $199,200,000,000.
(B) Outlays, $199,700,000,000.
Fiscal year 1999:
(A) New budget authority, $210,400,000,000.
(B) Outlays, $211,000,000,000.
Fiscal year 2000:
(A) New budget authority, $221,900,000,000.
(B) Outlays, $221,200,000,000.
Fiscal year 2001:
(A) New budget authority, $239,500,000,000.
(B) Outlays, $242,400,000,000.
Fiscal year 2002:
(A) New budget authority, $251,300,000,000.
(B) Outlays, $248,900,000,000.
Fiscal year 2003:
(A) New budget authority, $273,500,000,000.
(B) Outlays, $273,700,000,000.
(13) Income Security (600):
Fiscal year 1998:
(A) New budget authority, $229,500,000,000.
(B) Outlays, $234,700,000,000.
Fiscal year 1999:
(A) New budget authority, $243,100,000,000.
(B) Outlays, $247,400,000,000.
Fiscal year 2000:
(A) New budget authority, $255,300,000,000.
(B) Outlays, $257,000,000,000.
Fiscal year 2001:
(A) New budget authority, $265,200,000,000.
(B) Outlays, $264,800,000,000.
Fiscal year 2002:
(A) New budget authority, $274,900,000,000.
(B) Outlays, $271,500,000,000.
Fiscal year 2003:
(A) New budget authority, $284,300,000,000.
(B) Outlays, $280,400,000,000.
(14) Social Security (650):
Fiscal year 1998:
(A) New budget authority, $12,000,000,000.
(B) Outlays, $12,200,000,000.
Fiscal year 1999:
(A) New budget authority, $12,600,000,000.
(B) Outlays, $12,800,000,000.
Fiscal year 2000:
(A) New budget authority, $13,100,000,000.
(B) Outlays, $13,200,000,000.
Fiscal year 2001:
(A) New budget authority, $12,600,000,000.
(B) Outlays, $12,600,000,000.
Fiscal year 2002:
(A) New budget authority, $14,500,000,000.
(B) Outlays, $14,500,000,000.
Fiscal year 2003:
(A) New budget authority, $15,300,000,000.
(B) Outlays, $15,300,000,000.
(15) Veterans Benefits and Services (700):
Fiscal year 1998:
(A) New budget authority, $42,600,000,000.
(B) Outlays, $42,500,000,000.
Fiscal year 1999:
(A) New budget authority, $42,400,000,000.
(B) Outlays, $42,900,000,000.
Fiscal year 2000:
(A) New budget authority, $43,000,000,000.
(B) Outlays, $43,300,000,000.
Fiscal year 2001:
(A) New budget authority, $43,500,000,000.
(B) Outlays, $43,700,000,000.
Fiscal year 2002:
(A) New budget authority, $43,900,000,000.
(B) Outlays, $44,200,000,000.
Fiscal year 2003:
(A) New budget authority, $44,800,000,000.
(B) Outlays, $45,200,000,000.
(16) Administration of Justice (750):
Fiscal year 1998:
(A) New budget authority, $25,100,000,000.
(B) Outlays, $22,500,000,000.
Fiscal year 1999:
(A) New budget authority, $25,000,000,000.
(B) Outlays, $24,000,000,000.
Fiscal year 2000:
(A) New budget authority, $23,300,000,000.
(B) Outlays, $24,100,000,000.
Fiscal year 2001:
(A) New budget authority, $22,700,000,000.
(B) Outlays, $23,900,000,000.
Fiscal year 2002:
(A) New budget authority, $22,600,000,000.
(B) Outlays, $23,400,000,000.
Fiscal year 2003:
(A) New budget authority, $22,500,000,000.
(B) Outlays, $22,600,000,000.
(17) General Government (800):
Fiscal year 1998:
(A) New budget authority, $14,500,000,000.
(B) Outlays, $14,300,000,000.
Fiscal year 1999:
(A) New budget authority, $14,800,000,000.
(B) Outlays, $14,200,000,000.
Fiscal year 2000:
(A) New budget authority, $13,600,000,000.
(B) Outlays, $13,900,000,000.
Fiscal year 2001:
(A) New budget authority, $13,600,000,000.
(B) Outlays, $13,500,000,000.
Fiscal year 2002:
(A) New budget authority, $13,600,000,000.
(B) Outlays, $13,300,000,000.
Fiscal year 2003:
(A) New budget authority, $13,300,000,000.
(B) Outlays, $13,100,000,000.
(18) Net Interest (900):
Fiscal year 1998:
(A) New budget authority, $290,700,000,000.
(B) Outlays, $290,700,000,000.
Fiscal year 1999:
(A) New budget authority, $296,800,000,000.
(B) Outlays, $296,800,000,000.
Fiscal year 2000:
(A) New budget authority, $297,200,000,000.
(B) Outlays, $297,200,000,000.
Fiscal year 2001:
(A) New budget authority, $296,800,000,000.
(B) Outlays, $296,800,000,000.
Fiscal year 2002:
(A) New budget authority, $296,600,000,000.
(B) Outlays, $296,600,000,000.
Fiscal year 2003:
(A) New budget authority, $298,500,000,000.
(B) Outlays, $298,500,000,000.
(19) Allowances (920):
Fiscal year 1998:
(A) New budget authority, −$14,000,000,000.
(B) Outlays, −$14,000,000,000.
Fiscal year 1999:
(A) New budget authority, −$500,000,000.
(B) Outlays, −$500,000,000.
Fiscal year 2000:
(A) New budget authority, −$2,100,000,000.
(B) Outlays, −$900,000,000.
Fiscal year 2001:
(A) New budget authority, −$3,200,000,000.
(B) Outlays, −$2,900,000,000.
Fiscal year 2002:
(A) New budget authority, −$3,200,000,000.
(B) Outlays, −$3,200,000,000.
Fiscal year 2003:
(A) New budget authority, −$3,300,000,000.
(B) Outlays, −$3,200,000,000.
(20) Undistributed Offsetting Receipts (950):
Fiscal year 1998:
(A) New budget authority, −$36,700,000,000.
(B) Outlays, −$36,700,000,000.
Fiscal year 1999:
(A) New budget authority, −$36,300,000,000.
(B) Outlays, −$36,300,000,000.
Fiscal year 2000:
(A) New budget authority, −$36,100,000,000.
(B) Outlays, −$36,100,000,000.
Fiscal year 2001:
(A) New budget authority, −$38,000,000,000.
(B) Outlays, −$38,000,000,000.
Fiscal year 2002:
(A) New budget authority, −$45,000,000,000.
(B) Outlays, −$45,000,000,000.
Fiscal year 2003:
(A) New budget authority, −$35,900,000,000.
(B) Outlays, −$35,900,000,000.

SEC. 4. RECONCILIATION.

(a) SUBMISSIONS.—Not later than June 26, 1998, the House committees named in subsection (b) shall submit their recommendations to the House Committee on the Budget. After receiving those recommendations, the House Committee on the Budget shall report to the House a reconciliation bill carrying out all such recommendations without any substantive revision.

(b) INSTRUCTIONS TO HOUSE COMMITTEES.—

(1) COMMITTEE ON AGRICULTURE.—The House Committee on Agriculture shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $30,400,000,000 in outlays for fiscal year 1999 and $157,400,000,000 in outlays in fiscal years 1999 through 2003.

(2) COMMITTEE ON BANKING AND FINANCIAL SERVICES.—The House Committee on Banking and Financial Services shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: −$8,200,000,000 in outlays for fiscal year 1999 and −$35,100,000,000 in outlays in fiscal years 1999 through 2003.

(3) COMMITTEE ON COMMERCE.—The House Committee on Commerce shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $417,900,000,000 in outlays for fiscal year 1999 and $2,437,900,000,000 in outlays in fiscal years 1999 through 2003.

(4) COMMITTEE ON EDUCATION AND THE WORKFORCE.—The House Committee on Education and the Workforce shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $18,700,000,000 in outlays for fiscal year 1999 and $100,400,000,000 in outlays in fiscal years 1999 through 2003.

(5) COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT.—The House Committee on Government Reform and Oversight shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $71,600,000,000 in outlays for fiscal year 1999 and $384,000,000,000 in outlays in fiscal years 1999 through 2003.

(6) COMMITTEE ON THE JUDICIARY.—The House Committee on the Judiciary shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $5,200,000,000 in outlays for fiscal year 1999 and $26,500,000,000 in outlays in fiscal years 1999 through 2003.

(7) COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE.—The House Committee on Transportation and Infrastructure shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $16,200,000,000 in outlays for fiscal year 1999 and $78,900,000,000 in outlays in fiscal years 1999 through 2003.

(8) COMMITTEE ON VETERANS' AFFAIRS.—The House Committee on Veterans' Affairs shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $23,800,000,000 in outlays for fiscal year 1999 and $125,000,000,000 in outlays in fiscal years 1999 through 2003.

(9) COMMITTEE ON WAYS AND MEANS.—(A) The House Committee on Ways and Means shall report changes in laws within its jurisdiction such that the total level of direct spending for that committee does not exceed: $411,100,000,000 in outlays for fiscal year 1999 and $2,374,800,000,000 in outlays in fiscal years 1999 through 2003.

(B) The House Committee on Ways and Means shall report changes in laws within its jurisdiction such that the total level of revenues for that committee is not less than: $1,278,500,000,000 in revenues for fiscal year 1999 and $6,637,700,000,000 in revenues in fiscal years 1999 through 2003.

SEC. 5. BUDGETARY TREATMENT OF COMPENSATION AND PAY FOR FEDERAL EMPLOYEES.

In the House, for purposes of enforcing the Congressional Budget Act of 1974, any bill or joint resolution, or amendment thereto or conference report thereon, establishing on a prospective basis compensation or pay for any office or position in the Government at a specified level, the appropriation for which is provided through annual discretionary appropriations, shall not be considered as providing new entitlement authority or new budget authority.

SEC. 6. SENSE OF CONGRESS ON SOCIAL SECURITY.

It is the sense of Congress that the Secretary of the Treasury, in consultation with the trustees of the social security trust funds, should consider issuing marketable interest-bearing securities to the trust funds for fiscal years beginning after September 30, 1998.

SEC. 7. SENSE OF CONGRESS ON THE ASSETS FOR INDEPENDENCE ACT.

(a) FINDINGS.—The Congress finds that—

(1) 33 percent of all American households have no or negative financial assets and 60 percent of African-American households have no or negative financial assets;

(2) 47 percent of all children in America live in households with no financial assets, including 40 percent of Caucasian children and 75 percent of African-American children;

(3) in order to provide low-income families with more tools for empowerment in lieu of traditional income support and to assist them in becoming more involved in planning their future, new public-private relationships that encourage asset-building should be undertaken;

(4) individual development account programs are successfully demonstrating the ability to assist low-income families in building assets while partnering with community organizations and States in more than 40 public and private experiments nationwide; and

(5) Federal support for a trial demonstration program would greatly assist the creative efforts of existing individual development account experiments.

(b) SENSE OF CONGRESS.—It is the sense of Congress that legislation should be considered to encourage low-income individuals and families to accumulate assets through contributions to individual development accounts as a means of achieving economic self-sufficiency.

SEC. 8. SENSE OF CONGRESS ON A DEMONSTRATION PROJECT ON CLINICAL CANCER TRIALS.

It is the sense of Congress that legislation should be considered that provides medicare coverage for beneficiaries' participation in clinical cancer trials.

SEC. 9. SENSE OF CONGRESS ON THE INTERIM PAYMENT SYSTEM FOR HOME HEALTH BENEFITS UNDER MEDICARE.

It is the sense of Congress that—

(1) there is concern that the interim payment system for home health service has adversely affected some home health care agencies;

(2) the Administration should ensure that the implementation of the interim payment system does not adversely affect the availability of home health services for medicare beneficiaries;

(3) Congress should carefully examine the Adminstration's implementation of the home health payment system and make any necessary changes to ensure that the needs of medicare beneficiaries are being met; and

(4) the Health Care Financing Administration should quickly implement the prospective payment system that was enacted into law last year.

SEC. 10. SENSE OF CONGRESS ON SPECIAL EDUCATION.

(a) FINDINGS.—The Congress finds that—

(1) Federal courts have found that children with disabilities are guaranteed an equal opportunity to an education under the Fourteenth Amendment to the Constitution;

(2) Congress responded to these court decisions by enacting the Individuals with Disabilities Education Act (IDEA) to ensure free and appropriate public education for children with disabilities;

(3) IDEA authorizes the Federal Government to provide 40 percent of the average per pupil expenditure for children with disabilities;

(4) the Federal Government has not fully funded IDEA at its authorized levels; and

(5) if the Federal Government fully funds IDEA, then local school districts will have the flexibility to invest in new technology, hire additional teachers, and purchase books and supplies.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Federal Government should fully fund programs authorized under IDEA and that such funding is of the highest priority among Federal education programs.

SEC. 11. SENSE OF CONGRESS ON BUDGETARY RULES AND TAX CUTS.

(a) FINDINGS.—The Congress finds that—

(1) in 1990, pay-as-you-go (PAYGO) requirements were enacted to prevent Congress and the President from increasing the deficit;

(2) under PAYGO requirements, tax legislation must be offset by legislation increasing revenues or reducing entitlement spending;

(3) these requirements prevent Congress from offsetting tax cuts with discretionary savings or budget surpluses;

(4) the Balanced Budget Act of 1997 will produce the first surplus in the unified budget in 29 years;

(5) under current trends, the Federal Government could run an on-budget surplus (which excludes social security and the postal service) as early as fiscal year 1999; and

(6) while these requirements were useful during a period of chronic deficit spending, they now limit the ability of Congress to allow taxpayers to retain more of their own money.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the reconciliation bill to be considered pursuant to the reconciliation instructions in section 4—

(1) should permit discretionary savings to be used to offset tax cuts; and

(2) may make on-budget surpluses available to offset tax cuts.

SEC. 12. SENSE OF CONGRESS ON TAX RELIEF.

It is the sense of Congress that the revenue levels set forth in this resolution are predicated on—

(1) eliminating the marriage penalty over an appropriate period of time; and

(2) providing tax relief targeted at relieving the tax burden on families, estates, and wages, as well as incentives to stimulate job creation and economic growth.

The CHAIRMAN pro tempore. No amendment to the amendment in the nature of a substitute is in order except the amendments printed in part 2 of that report. Each amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered read, shall be debatable for 1 hour, equally divided and controlled by the proponent and an opponent, and shall not be subject to amendment.

The Chairman of the Committee of the Whole may postpone a request for a recorded vote on any amendment and may reduce to a minimum of 5 minutes

the time for voting on any postponed question that immediately follows another vote, provided that the time for voting on the first question shall be a minimum of 15 minutes.

It is now in order to consider amendment number 1 printed in part 2 of House Report 105–565.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. NEUMANN

Mr. NEUMANN. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Part 2 amendment No. 1 in the nature of a substitute offered by Mr. NEUMANN:

Strike all after the resolving clause and insert the following:

TITLE I—LEVELS AND AMOUNTS

SECTION 101. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1999.

The Congress declares that this is the concurrent resolution on the budget for fiscal year 1999 and that the appropriate budgetary levels for fiscal years 2000 through 2003 are hereby set forth.

SEC. 102. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years 1999, 2000, 2001, 2002, and 2003:

(1) FEDERAL REVENUES.—For purposes of the enforcement of this resolution:

(A) The recommended levels of Federal revenues are as follows:

Fiscal year 1999: $1,304,000,000,000.
Fiscal year 2000: $1,314,300,000,000.
Fiscal year 2001: $1,348,100,000,000.
Fiscal year 2002: $1,399,900,000,000.
Fiscal year 2003: $1,452,300,000,000.

(B) The amounts by which the aggregate levels of Federal revenues should be changed are as follows:

Fiscal year 1999: −$18,000,000,000.
Fiscal year 2000: −$27,000,000,000.
Fiscal year 2001: −$31,000,000,000.
Fiscal year 2002: −$36,000,000,000.
Fiscal year 2003: −$38,000,000,000.

(2) NEW BUDGET AUTHORITY.—For purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:

Fiscal year 1999: $1,385,200,000,000.
Fiscal year 2000: $1,409,100,000,000.
Fiscal year 2001: $1,448,000,000,000.
Fiscal year 2002: $1,426,000,000,000.
Fiscal year 2003: $1,545,600,000,000.

(3) BUDGET OUTLAYS.—For purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 1999: $1,377,700,000,000.
Fiscal year 2000: $1,401,700,000,000.
Fiscal year 2001: $1,433,800,000,000.
Fiscal year 2002: $1,443,400,000,000.
Fiscal year 2003: $1,513,100,000,000.

(4) DEFICITS.—For purposes of the enforcement of this resolution, the amounts of the deficits are as follows:

Fiscal year 1999: $73,700,000,000.
Fiscal year 2000: $87,400,000,000.
Fiscal year 2001: $85,700,000,000.
Fiscal year 2002: $43,500,000,000.
Fiscal year 2003: $60,800,000,000.

(5) PUBLIC DEBT.—The appropriate levels of the public debt are as follows:

Fiscal year 1999: $5,596,800,000,000.
Fiscal year 2000: $5,777,100,000,000.
Fiscal year 2001: $5,957,100,000,000.
Fiscal year 2002: $6,102,300,000,000.
Fiscal year 2003: $6,269,300,000,000.

SEC. 103. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority and budget outlays for fiscal years 1999 through 2003 for each major functional category are:

(1) National Defense (050):
Fiscal year 1999:
(A) New budget authority, $278,100,000,000.
(B) Outlays, $273,000,000,000.
Fiscal year 2000:
(A) New budget authority, $283,600,000,000.
(B) Outlays, $277,000,000,000.
Fiscal year 2001:
(A) New budget authority, $301,000,000,000.
(B) Outlays, $289,000,000,000.
Fiscal year 2002:
(A) New budget authority, $315,000,000,000.
(B) Outlays, $297,000,000,000.
Fiscal year 2003:
(A) New budget authority, $324,600,000,000.
(B) Outlays, $306,000,000,000.

(2) International Affairs (150):
Fiscal year 1999:
(A) New budget authority, $13,500,000,000.
(B) Outlays, $13,100,000,000.
Fiscal year 2000:
(A) New budget authority, $11,000,000,000.
(B) Outlays, $12,400,000,000.
Fiscal year 2001:
(A) New budget authority, $11,600,000,000.
(B) Outlays, $12,200,000,000.
Fiscal year 2002:
(A) New budget authority, $12,000,000,000.
(B) Outlays, $11,600,000,000.
Fiscal year 2003:
(A) New budget authority, $12,000,000,000.
(B) Outlays, $11,100,000,000.

(3) General Science, Space, and Technology (250):
Fiscal year 1999:
(A) New budget authority, $16,900,000,000.
(B) Outlays, $16,800,000,000.
Fiscal year 2000:
(A) New budget authority, $16,100,000,000.
(B) Outlays, $16,200,000,000.
Fiscal year 2001:
(A) New budget authority, $16,200,000,000.
(B) Outlays, $16,000,000,000.
Fiscal year 2002:
(A) New budget authority, $16,100,000,000.
(B) Outlays, $16,000,000,000.
Fiscal year 2003:
(A) New budget authority, $16,000,000,000.
(B) Outlays, $15,900,000,000.

(4) Energy (270):
Fiscal year 1999:
(A) New budget authority, −$1,400,000,000.
(B) Outlays, −$700,000,000.
Fiscal year 2000:
(A) New budget authority, −$1,900,000,000.
(B) Outlays, −$1,300,000,000.
Fiscal year 2001:
(A) New budget authority, −$2,500,000,000.
(B) Outlays, −$3,500,000,000.
Fiscal year 2002:
(A) New budget authority, −$6,100,000,000.
(B) Outlays, −$6,600,000,000.
Fiscal year 2003:
(A) New budget authority, −$1,400,000,000.
(B) Outlays, −$3,100,000,000.

(5) Natural Resources and Environment (300):
Fiscal year 1999:
(A) New budget authority, $19,800,000,000.
(B) Outlays, $20,000,000,000.
Fiscal year 2000:
(A) New budget authority, $17,700,000,000.
(B) Outlays, $18,900,000,000.
Fiscal year 2001:
(A) New budget authority, $17,300,000,000.
(B) Outlays, $18,200,000,000.
Fiscal year 2002:
(A) New budget authority, $16,800,000,000.
(B) Outlays, $17,000,000,000.
Fiscal year 2003:
(A) New budget authority, $17,200,000,000.
(B) Outlays, $17,200,000,000.

(6) Agriculture (350):
Fiscal year 1999:
(A) New budget authority, $11,200,000,000.
(B) Outlays, $9,600,000,000.
Fiscal year 2000:
(A) New budget authority, $10,200,000,000.
(B) Outlays, $8,800,000,000.
Fiscal year 2001:
(A) New budget authority, $10,000,000,000.
(B) Outlays, $8,500,000,000.
Fiscal year 2002:
(A) New budget authority, $9,600,000,000.
(B) Outlays, $8,100,000,000.
Fiscal year 2003:
(A) New budget authority, $9,400,000,000.
(B) Outlays, $8,000,000,000.

(7) Commerce and Housing Credit (370):
Fiscal year 1999:
(A) New budget authority, $3,900,000,000.
(B) Outlays, $2,500,000,000.
Fiscal year 2000:
(A) New budget authority, $8,700,000,000.
(B) Outlays, $5,700,000,000.
Fiscal year 2001:
(A) New budget authority, $8,700,000,000.
(B) Outlays, $6,500,000,000.
Fiscal year 2002:
(A) New budget authority, $9,100,000,000.
(B) Outlays, $7,000,000,000.
Fiscal year 2003:
(A) New budget authority, $10,300,000,000.
(B) Outlays, $8,000,000,000.

(8) Transportation (400):
Fiscal year 1999:
(A) New budget authority, $45,700,000,000.
(B) Outlays, $43,400,000,000.
Fiscal year 2000:
(A) New budget authority, $48,300,000,000.
(B) Outlays, $46,100,000,000.
Fiscal year 2001:
(A) New budget authority, $50,600,000,000.
(B) Outlays, $47,900,000,000.
Fiscal year 2002:
(A) New budget authority, $51,900,000,000.
(B) Outlays, $48,400,000,000.
Fiscal year 2003:
(A) New budget authority, $53,900,000,000.
(B) Outlays, $50,100,000,000.

(9) Community and Regional Development (450):
Fiscal year 1999:
(A) New budget authority, $8,700,000,000.
(B) Outlays, $10,600,000,000.
Fiscal year 2000:
(A) New budget authority, $7,300,000,000.
(B) Outlays, $9,100,000,000.
Fiscal year 2001:
(A) New budget authority, $6,800,000,000.
(B) Outlays, $8,200,000,000.
Fiscal year 2002:
(A) New budget authority, $6,200,000,000.
(B) Outlays, $7,400,000,000.
Fiscal year 2003:
(A) New budget authority, $6,200,000,000.
(B) Outlays, $6,600,000,000.

(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1999:
(A) New budget authority, $60,000,000.
(B) Outlays, $58,800,000,000.
Fiscal year 2000:
(A) New budget authority, $60,200,000,000.
(B) Outlays, $59,200,000,000.
Fiscal year 2001:
(A) New budget authority, $60,600,000,000.
(B) Outlays, $59,400,000,000.

Fiscal year 2002:
(A) New budget authority, $61,500,000,000.
(B) Outlays, $60,100,000,000.
Fiscal year 2003:
(A) New budget authority, $65,700,000,000.
(B) Outlays, $64,000,000,000.
(11) Health (550):
Fiscal year 1999:
(A) New budget authority, $139,200,000,000.
(B) Outlays, $137,700,000,000.
Fiscal year 2000:
(A) New budget authority, $141,800,000,000.
(B) Outlays, $141,400,000,000.
Fiscal year 2001:
(A) New budget authority, $144,500,000,000.
(B) Outlays, $144,200,000,000.
Fiscal year 2002:
(A) New budget authority, $146,500,000,000.
(B) Outlays, $147,200,000,000.
Fiscal year 2003:
(A) New budget authority, $151,700,000,000.
(B) Outlays, $152,400,000,000.
(12) Medicare (570):
Fiscal year 1999:
(A) New budget authority, $209,600,000,000.
(B) Outlays, $210,100,000,000.
Fiscal year 2000:
(A) New budget authority, $220,500,000,000.
(B) Outlays, $219,800,000,000.
Fiscal year 2001:
(A) New budget authority, $237,500,000,000.
(B) Outlays, $240,400,000,000.
Fiscal year 2002:
(A) New budget authority, $248,700,000,000.
(B) Outlays, $246,300,000,000.
Fiscal year 2003:
(A) New budget authority, $270,200,000,000.
(B) Outlays, $270,400,000,000.
(13) Income Security (600):
Fiscal year 1999:
(A) New budget authority, $236,700,000,000.
(B) Outlays, $240,400,000,000.
Fiscal year 2000:
(A) New budget authority, $245,700,000,000.
(B) Outlays, $247,700,000,000.
Fiscal year 2001:
(A) New budget authority, $254,200,000,000.
(B) Outlays, $254,000,000,000.
Fiscal year 2002:
(A) New budget authority, $214,600,000,000.
(B) Outlays, $259,000,000,000.
Fiscal year 2003:
(A) New budget authority, $271,900,000,000.
(B) Outlays, $268,300,000,000.
(14) Social Security (650):
Fiscal year 1999:
(A) New budget authority, $12,600,000,000.
(B) Outlays, $12,800,000,000.
Fiscal year 2000:
(A) New budget authority, $13,100,000,000.
(B) Outlays, $13,200,000,000.
Fiscal year 2001:
(A) New budget authority, $12,600,000,000.
(B) Outlays, $12,600,000,000.
Fiscal year 2002:
(A) New budget authority, $14,500,000,000.
(B) Outlays, $14,500,000,000.
Fiscal year 2003:
(A) New budget authority, $15,300,000,000.
(B) Outlays, $15,300,000,000.
(15) Veterans Benefits and Services (700):
Fiscal year 1999:
(A) New budget authority, $42,400,000,000.
(B) Outlays, $42,900,000,000.
Fiscal year 2000:
(A) New budget authority, $43,000,000,000.
(B) Outlays, $43,300,000,000.
Fiscal year 2001:
(A) New budget authority, $43,500,000,000.
(B) Outlays, $43,700,000,000.
Fiscal year 2002:
(A) New budget authority, $43,900,000,000.
(B) Outlays, $44,200,000,000.
Fiscal year 2003:
(A) New budget authority, $44,800,000,000.
(B) Outlays, $45,200,000,000.
(16) Administration of Justice (750):
Fiscal year 1999:
(A) New budget authority, $24,800,000,000.
(B) Outlays, $23,800,000,000.
Fiscal year 2000:
(A) New budget authority, $22,700,000,000.
(B) Outlays, $23,500,000,000.
Fiscal year 2001:
(A) New budget authority, $22,300,000,000.
(B) Outlays, $23,500,000,000.
Fiscal year 2002:
(A) New budget authority, $21,700,000,000.
(B) Outlays, $22,500,000,000.
Fiscal year 2003:
(A) New budget authority, $21,500,000,000.
(B) Outlays, $21,600,000,000.
(17) General Government (800):
Fiscal year 1999:
(A) New budget authority, $14,400,000,000.
(B) Outlays, $13,800,000,000.
Fiscal year 2000:
(A) New budget authority, $13,100,000,000.
(B) Outlays, $13,400,000,000.
Fiscal year 2001:
(A) New budget authority, $12,900,000,000.
(B) Outlays, $12,800,000,000.
Fiscal year 2002:
(A) New budget authority, $12,200,000,000.
(B) Outlays, $11,900,000,000.
Fiscal year 2003:
(A) New budget authority, $11,800,000,000.
(B) Outlays, $11,600,000,000.
(18) Net Interest (900):
Fiscal year 1999:
(A) New budget authority, $244,000,000,000.
(B) Outlays, $244,000,000,000.
Fiscal year 2000:
(A) New budget authority, $238,000,000,000.
(B) Outlays, $238,000,000,000.
Fiscal year 2001:
(A) New budget authority, $230,800,000,000.
(B) Outlays, $230,800,000,000.
Fiscal year 2002:
(A) New budget authority, $223,500,000,000.
(B) Outlays, $223,500,000,000.
Fiscal year 2003:
(A) New budget authority, $217,400,000,000.
(B) Outlays, $217,400,000,000.
(19) Allowances (920):
Fiscal year 1999:
(A) New budget authority, −$3,700,000,000.
(B) Outlays, −$3,700,000,000.
Fiscal year 2000:
(A) New budget authority, −$4,600,000,000.
(B) Outlays, −$4,600,000,000.
Fiscal year 2001:
(A) New budget authority, −$9,100,000,000.
(B) Outlays, −$,100,000,000.
Fiscal year 2002:
(A) New budget authority, −$9,200,000,000.
(B) Outlays, −$9,200,000,000.
Fiscal year 2003:
(A) New budget authority, −$6,000,000,000.
(B) Outlays, −$6,000,000,000.
(20) Undistributed Offsetting Receipts (950):
Fiscal year 1999:
(A) New budget authority, −$44,000,000,000.
(B) Outlays, −$44,000,000,000.
Fiscal year 2000:
(A) New budget authority, −$44,400,000,000.
(B) Outlays, −$44,400,000,000.
Fiscal year 2001:
(A) New budget authority, −$46,900,000,000.
(B) Outlays, −$46,900,000,000.
Fiscal year 2002:
(A) New budget authority, −$54,600,000,000.
(B) Outlays, −$54,600,000,000.
Fiscal year 2003:
(A) New budget authority, −$46,300,000,000.
(B) Outlays, −$46,300,000,000.

TITLE II—SENSE OF HOUSE PROVISIONS

SEC. 201. SENSE OF THE HOUSE REGARDING SOCIAL SECURITY.

(a) FINDINGS.—The House finds the following:

(1) The social security program currently collects more in taxes than it pays out in benefits to our country's senior citizens.

(2) Taxes collected exclusively for the social security program should not be spent on any other program.

(3) Social security benefits are expected to consistently exceed social security payroll taxes starting in 2013.

(4) Congress should avoid increasing taxes, increasing borrowing, raising the retirement age, or cutting social security cost-of-living adjustments to pay social security benefits.

(5) Negotiable treasury bonds are safe, real assets that can be sold for cash when income to the social security trust funds is not sufficient to pay benefits for seniors in 2013.

(b) SENSE OF THE HOUSE.—It is the sense of the House that—

(1) the amount by which social security payroll taxes exceed social security benefits paid shall be invested in negotiable treasury bonds issued by the United States Government and should not be counted as surplus dollars; and

(2) such negotiable Treasury bonds should be redeemable at any time at the purchase price.

SEC. 202. SENSE OF THE HOUSE REGARDING TAX RELIEF.

(a) FINDINGS.—The House finds that this concurrent resolution dedicates $150,000,000,000 over 5 years to reduce the tax burden on American families.

(b) SENSE OF THE HOUSE.—It is the sense of the House that these funds should be used to—

(1) provide across-the-board tax relief by expanding the 15 percent tax bracket by 15 percent for married individuals (whether filing a joint or separate return), heads of households, and unmarried individuals;

(2) eliminate the marriage penalty by making the joint income threshold exactly double that of the individual income threshold in all tax brackets and by making the standard deduction for joint filers exactly double that of individual filers;

(3) restore the 12-month holding period on capital gains; and

(4) eliminate the "death tax".

SEC. 203. SENSE OF THE HOUSE REGARDING THE BUDGET SURPLUS.

(a) FINDINGS.—The House finds the following:

(1) The Congressional Budget Office in its Spring projections has underestimated the revenues collected by the Federal Government for the last 3 years.

(2) The United States is experiencing remarkable economic growth with no signs of an economic slowdown because the Federal Government is borrowing less from the private sector.

(3) Revenues to the Federal Government are growing at an annual rate far greater than projected by the Congressional Budget Office in March 1998.

(4) The Federal Government will likely receive significantly more revenues in fiscal years 1999 through 2003 than projected by the Congressional Budget Office in March 1998.

(5) Revenues received above and beyond those projected by the Congressional Budget Office in March 1998 should not be spent to create more ineffective Washington programs.

(6) Additional revenues come from American families who are forced to give far too

much of their hard-earned income to the Federal Government.

(7) Working Americans deserve to keep more of their income instead of sending it to Washington, D.C., for Congress to spend.

(8) Congress irresponsibly spent more than it received over the last 30 years, creating $5,500,000,000,000 Federal debt.

(9) The Congress and the President have a basic moral and ethical responsibility to future generations to repay the Federal debt, including money borrowed from the social security trust funds.

(b) SENSE OF THE HOUSE.—It is the sense of the House that—

(1) any additional revenues collected by the Federal Government above and beyond the Congressional Budget Office March 1998 projections for fiscal years 1999 through 2003 should be divided equally and used to reduce taxes on American families and to pay off the $5,500,000,000,000 Federal debt, prioritizing social security;

(2) such tax reductions should be enacted in the following order—

(A) expand education individual retirement accounts;

(B) index capital gains to the rate of inflation;

(C) immediate 100 percent deduction for health insurance premiums for employees and self-employed;

(D) eliminate social security earnings limit;

(E) repeal 1993 tax increase on social security benefits;

(F) repeal the alternative minimum tax for individuals and corporations; and

(G) permanently extend the research and development tax credit; and

(3) efforts to repay the Federal debt should begin by replacing the nonnegotiable Treasury bonds, in the social security trust fund with marketable Treasury bills redeemable at any time for the purchase price.

SEC. 204. SENSE OF THE HOUSE REGARDING TAXES AND DISCRETIONARY SPENDING.

(a) FINDINGS.—The House finds the following:

(1) American taxpayers pay too much in taxes to support a Federal Government which is too large.

(2) Taxpayers should benefit from any changes in law which reduce Federal Government spending.

(3) Current law prohibits savings from reduced discretionary spending from being passed along to the American people through a reduction in their tax burden.

(b) SENSE OF THE HOUSE.—It is the sense of the House that budget laws should be changed to allow discretionary spending reductions to be dedicated to tax relief.

SEC. 205. SENSE OF THE HOUSE REGARDING PUTTING SOCIAL SECURITY FIRST.

(a) FINDINGS.—The House finds the following:

(1) The President has encouraged the Congress to put social security first by not spending expected unified budget surpluses, though the Congressional Budget Office estimates that the President's budget for fiscal year 1999 does spend unified budget surpluses.

(2) The Congress currently has no method for dedicating savings from amendments to appropriation bills for the purpose of putting social security first.

(b) SENSE OF THE HOUSE.—It is the sense of the House that the Congress should establish a procedure that would allow amendments to appropriation bills to dedicate all budget savings to the President's plan to put social security first.

SEC. 206. SENSE OF THE HOUSE REGARDING EDUCATION.

(a) FINDINGS.—The House finds the following:

(1) Children in the United States should be the best students in the world.

(2) Quality education for our children will ensure the United States can compete effectively in the global marketplace.

(3) Today's students must learn the knowledge and skills which will lead the world in the next century.

(4) Involving parents in the education of their children increases children's success at school.

(5) Recent studies by the National Institute of Child Health and Human Development show that increased parental involvement in children's lives leads to fewer teen pregnancies, less drug use, lower crime rates, and improved learning.

(6) Education is, and should remain, primarily a State and local responsibility.

(7) It is important to let community members offer suggestions to improve academic achievement within local schools.

(8) The Federal role in education has failed to produce the desired results.

(9) Federal regulations and paperwork consume too much of teachers' and administrators' time and energy, as well as taxpayer dollars which could be used to improve education.

(10) Creating a national testing program would increase the Federal burden on local schools.

(11) State, local, and private schools deserve flexibility which will allow them to meet the educational needs of children.

(12) Increasing the role of parents, teachers, and local community members will improve local schools.

(13) There is not a significant relationship between Federal education spending and academic achievement.

(b) SENSE OF THE HOUSE.—It is the sense of the House that—

(1) the Department of Education, States, and local educational agencies should spend at least 95 percent of Federal education tax dollars in our children's classrooms;

(2) the Goals 2000 program should be terminated, and funds should be given directly to States and local school districts;

(3) the Congress should enact legislation to prevent the development and administration of a national testing program; and

(4) the Department of Education should limit its role in education to functions which cannot be performed by State or local school officials.

SEC. 207. SENSE OF THE HOUSE REGARDING SCHOOL CHOICE FOR THE CHILDREN OF THE DISTRICT OF COLUMBIA.

(a) FINDINGS.—The House finds the following:

(1) Children in our Nation's capital deserve to have the best education available.

(2) Many parents in the District of Columbia would prefer to send their children to the school of their choice, whether public, private, religious, or home.

(3) Allowing parents to evaluate and choose the proper school for their children gives them an invested interest in helping their children succeed.

(4) Giving children an opportunity to attend the school which best meets their needs will best prepare them for the future.

(5) Letting parents choose a school which reflects the moral or religious beliefs of their children will enhance the children's character and learning experience.

(b) SENSE OF THE HOUSE.—It is the sense of the House that there should be a Federal pilot program to provide low-income children in the District of Columbia with the opportunity to attend the public, private, religious, or home school of their parents' choice.

SEC. 208. SENSE OF THE HOUSE REGARDING PARTIAL-BIRTH ABORTIONS.

(a) FINDINGS.—The House finds the following:

(1) Partial-birth abortions allow a child to be delivered until only its head remains in the birth canal.

(2) Partial-birth abortions involve piercing the child's skull and removing its brain.

(3) A large majority of Americans object to partially delivering a child and then killing it.

(4) Both Houses of Congress have consistently supported legislation to ban partial-birth abortions.

(b) SENSE OF THE HOUSE.—It is the sense of the House that partial-birth abortions should be banned in the United States unless such a procedure is needed to save the life of the mother.

SEC. 209. SENSE OF THE HOUSE REGARDING FEDERAL GOVERNMENT-SPONSORED PROMOTION OF ABORTION.

(a) FINDINGS.—The House finds the following:

(1) Title X of the Public Health Service Act was enacted to help reduce the unplanned pregnancy rate, especially among teenagers.

(2) Title X has not only failed to reduce the teenage pregnancy rate, out-of-wedlock births, and sexually transmitted diseases, it has made these problems worse.

(3) Taxpayer-funded title X family planning clinics are currently required to counsel pregnant girls and women about all of their "pregnancy management options", including abortion.

(4) Title X clinics also require clinic staff, following such "counseling," to refer girls and women who want an abortion to clinics that perform them.

(5) Many of these abortion clinics are operated by the same organizations that operate title X clinics.

(6) The United States Government through title X is using taxpayer dollars to subsidize activities destructive to human life.

(b) SENSE OF THE HOUSE.—It is the sense of the House that taxpayer dollars should not be used to subsidize abortion or organizations that promote or perform abortions.

SEC. 210. SENSE OF THE HOUSE REGARDING TITLE X FUNDING.

(a) FINDINGS.—The House finds the following:

(1) The title X of the Public Health Service Act family planning program provides contraceptives, treatment for sexually transmitted diseases, and sexual counseling to minors without parental consent or notification.

(2) Almost 1,500,000 American minors receive title X family planning services each year.

(b) SENSE OF THE HOUSE.—It is the sense of the House that organizations or businesses which receive funds through Federal programs should obtain parental consent or confirmation of parental notification before contraceptives are provided to a minor.

SEC. 211. SENSE OF THE HOUSE REGARDING INTERNATIONAL POPULATION CONTROL PROGRAMS.

(a) FINDINGS.—The House finds the following:

(1) There is international consensus that under no circumstances should abortion be promoted as a method of family planning.

(2) The United States provides the largest percentage of population control assistance among donor nations.

(3) The activities of private organizations supported by United States taxpayers are a reflection of United States priorities in developing countries, and United States funds allow these organizations to expand their programs and influence.

(4) The United Nations Population Fund (UNFPA) recently signed a 4-year, $20,000,000 contract with the People's Republic of China (PRC) which persists in coercing its people to obtain abortions and undergo involuntary sterilizations.

(b) SENSE OF THE HOUSE.—It is the sense of the House that—

(1) United States taxpayers should not be forced to support international family planning programs;

(2) if the Congress is unwilling to stop supporting international family planning programs with taxpayer dollars, the Congress should limit such support to organizations that certify they will not perform, or lobby for the legalization of, abortions in other countries; and

(3) United States taxpayers should not be forced to support the United Nations Populations Fund (UNFPA) if it is conducting activities in the People's Republic of China (PRC) and the PRC's population control program continues to utilize coercive abortion.

SEC. 212. SENSE OF THE HOUSE REGARDING HUMAN EMBRYO RESEARCH.

(a) FINDINGS.—The House finds the following:

(1) Human life is a precious resource which should not be created or destroyed simply for scientific experiments.

(2) A human embryo is a human being that must be accorded the moral status of a person from the time of fertilization.

(b) SENSE OF THE HOUSE.—It is the sense of the House that Congress should prohibit the use of taxpayer dollars for the creation of human embryos for research purposes and research in which human embryos are knowingly destroyed.

SEC. 213. SENSE OF THE HOUSE REGARDING HUMAN CLONING.

(a) FINDINGS.—The House finds the following:

(1) Scientists around the world are actively participating in experiments which attempt to clone animals.

(2) Several of these experiments have succeeded in creating genetic clones of animals.

(3) The technology used in such experiments could be used to create genetically identical human beings;

(4) It is unethical and immoral to experiment with the creation of human life.

(b) SENSE OF THE HOUSE.—It is the sense of the House that any research on the cloning of humans should by prohibited by Federal law.

SEC. 214. SENSE OF THE HOUSE REGARDING TRADITIONAL MARRIAGES.

(a) FINDINGS.—The House finds the following:

(1) Traditional marriages consist of one man and one woman.

(2) Strong families are the cornerstone of our society and our country.

(3) Children benefit from strong families.

(4) The Congress passed and the President signed into law legislation defining marriage as the union between one man and one woman for purposes of Federal programs.

(b) SENSE OF THE HOUSE.—It is the sense of the House that future legislation and regulations should recognize the importance of the traditional family in the United States.

SEC. 215. SENSE OF THE HOUSE REGARDING THE NATIONAL ENDOWMENT FOR THE ARTS.

(a) FINDINGS.—The House finds the following:

(1) The Federal Government's involvement in funding for the arts has become increasingly controversial.

(2) Millions of United States taxpayers have been forced to support both artists and organizations to which they object.

(3) The National Endowment for the Arts, despite congressional instructions to avoid controversial subject matters, continues to subsidize offensive art.

(4) More than 99 percent of funding for the arts is obtained from private sources.

(b) SENSE OF THE HOUSE.—It is the sense of the House that funding for the National Endowment for the Arts should be eliminated.

SEC. 216. SENSE OF THE HOUSE REGARDING FOREIGN AID.

(a) FINDINGS.—The House finds the following:

(1) The nation of Israel has been a reliable and dependable ally to the United States.

(2) The United States' support for Israel is vital to achieving peace in the Middle East.

(b) SENSE OF THE HOUSE.—It is the sense of the House that aid to Israel should not be reduced.

SEC. 217. SENSE OF THE HOUSE REGARDING RELIGIOUS PERSECUTION.

(a) FINDINGS.—The House finds the following:

(1) One of the most basic human rights is the right to religious freedom.

(2) The United States has a strong history of protecting individuals' right to religious liberty and encouraging other countries to do the same.

(3) Recent reports indicate that several countries continue to persecute individuals based on their religious beliefs.

(b) SENSE OF THE HOUSE.—It is the sense of the House that the United States should encourage other countries to protect religious freedom and allow their citizens to practice the faith that they choose without retribution.

Amend the title so as to read: "A concurrent resolution establishing the congressional budget for the United States Government for fiscal year 1999 and setting forth appropriate budgetary levels for fiscal years 2000, 2001, 2002, and 2003.".

The CHAIRMAN pro tempore. Pursuant to House Resolution 455, the gentleman from Wisconsin (Mr. NEUMANN) and the gentleman from South Carolina (Mr. SPRATT) each will control 30 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. NEUMANN).

Mr. NEUMANN. Mr. Chairman, I yield 6 minutes to the gentleman from Indiana (Mr. MCINTOSH).

Mr. MCINTOSH. Mr. Chairman, the Conservative Action Team, or CATs, was founded to get this Congress back on track with the agenda the American people sent us to achieve in 1994. Today we bring before this House a budget that does exactly that. In fact the CATs budget proposal which the gentleman from Wisconsin (Mr. NEUMANN) and the gentleman from Texas (Mr. SAM JOHNSON) and others in CATs have worked so hard on is the only conservative budget before this House today. It is the only budget to hold the line on government spending to at or below inflation. It is the only budget that returns $150 billion in tax relief to all Americans, to families and to small businesses. It is the only budget which preserves and protects Social Security by putting real assets into the trust fund, and the only budget that strengthens our national defense.

The American people want us to hold the line on spending. In a recent poll conducted by Kellyanne Fitzpatrick, 90 percent of Americans believe that we should hold the rate of growth of government to inflation or below the rate of inflation. The CATs budget, as this chart shows, is the only budget that holds spending below the rate of inflation, the only balanced budget that reflects that priority of 90 percent of Americans.

The CATs budget saves $280 billion in spending off of the projected levels of spending. Many in Washington call that a cut. However, when you are increasing by 2.6 percent, although it is below the rate of inflation, only in Washington would that be referred to as a cut.

The CATs budget is the only budget to cut taxes. We have $150 billion in tax cuts. It is the only budget that will cut it by that amount. President Clinton in his budget raises taxes by $120 billion. This Congress in the last vote rejected that budget overwhelmingly. The Committee on the Budget cuts taxes by $100 billion. But the CATs budget would provide $150 billion in tax cuts, relief for all Americans, including total elimination of the marriage penalty, an across-the-board tax cut for all Americans by increasing the 15 percent bracket, a cut in capital gains, and elimination of the death taxes.

If the economy continues to grow, the CATs budget will be able to have $480 billion in tax cuts, allowing us full deductibility of health insurance, indexing of capital gains, repealing of the alternative minimum tax, providing for educational savings accounts, and repealing President Clinton's tax increase on Social Security.

The way we do this is by designating 50 percent of any additional revenue collected beyond that projected so that if the economy continues to grow, 50 percent of that extra revenue will go to tax cuts, 50 percent will go to pay off the $5.5 trillion national debt.

The CATs budget addresses the moral imperative of protecting Social Security. One of Washington's dirty little secrets is that Social Security tax surpluses are being set aside and saved for future generations. In reality, for 20 years they have been spent on government programs. The CATs budget puts real assets into the Social Security trust fund by purchasing negotiable Treasury bonds. We put $275 billion in real assets into Social Security.

National security is also a priority in the CATs budget. We make our national defense a priority, because today

we read about China being given national security secrets so that they can develop nuclear weapons that will hit every State in the union. India and Pakistan are becoming nuclear powers. Saddam Hussein has been able to thumb his nose at President Clinton who cannot re-create the Gulf War to stop him because we have cut our defenses too much. In fact, President Clinton's defense budget request, $270 billion for next year, represents a 1.1 percent decrease in real terms for defense spending. This is a 39 percent drop from the spending levels of the 1980s. As a result, we hear about jet fighters not able to fly because their parts are being cannibalized, about soldiers training without bullets because there are no supplies, about men and women in our armed forces being sent out on active duty twice as long as during the Cold War because there are not enough ships in our Navy, not enough divisions in our Army, not enough battalions in our Marines and not enough air wings in our Air Force. So critical is this problem that it is now questionable whether we are able to meet our global responsibilities or counter hostile powers in an increasingly unstable and dangerous world. The CATs budget increases defense spending by 56 percent over the budget agreement. This is the amount equal to inflation and would allow America to continue to be the preeminent superpower.

Mr. Chairman, while all of us are pleased with the committee's budget, specifically its commitment to eliminate the marriage penalty, we can do more and we must do more. The CATs budget demonstrates that this is very possible. We make government smaller, we provide overdue tax relief for Americans, we protect Social Security, and we increase spending on national defense.

I urge all of my colleagues and certainly all of my colleagues who wish to call themselves a conservative, vote for the Conservative Action Team budget so that we can put this Congress back on track the way the American people want us to go in this year, 1998. I commend the members of the CATs team who worked on this budget.

□ 1115

Mr. SPRATT. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, I have not had the opportunity to read the Neumann substitute, but I have read the Kasich resolution, and I have read the report that accompanied that resolution, dated May 12, which amplified where the cuts he was proposing might come from.

I would like to pose some questions to the gentleman from Wisconsin (Mr. NEUMANN), the sponsor of this substitute, which I will allow him to answer on his time because I do not have enough myself to grant him, but here are the questions:

I am concerned, interested, curious to know if the gentleman's substitute corrects what I view as some serious faults, defects, shortcomings, inequities in the Kasich resolution. Does he correct these problems or in his zeal for a bigger tax cut does he actually make them worse?

First issue raised on the floor last night: The Kasich resolution delivers America's veterans a double whammy. They have already suffered a $10 to $17 billion extinguishment of their disability rights when in the transportation bill we wiped out their rights to smoking-related disability benefits. And, Mr. Chairman, I will yield at the end, and I will give the gentleman from Wisconsin a list of these things so he can respond to it because it is a rather lengthy list.

The Kasich resolution, despite the fact that the transportation bill has already extinguished those benefits, the Kasich resolution has reconciliation directions in it to the Committee on Veterans' Affairs which calls on the Committee on Veterans' Affairs to cut veterans' benefits by another $10 billion. I would like to know if the gentleman's resolution does the same thing or does he correct this gross inequity?

Another point: The gentleman from Ohio (Mr. KASICH) in a last-minute move shifted $10 billion in cuts from Medicare over to the account known as income security, and we all know where that cut is coming out of. It is coming out of the welfare block grant, the so-called TANF block grant.

The gentleman's governor, Governor Tommy Thompson, wrote a stinging letter yesterday with nine other governors calling that deduction, $10 billion out of the TANF block grant, a breach of the agreement that the Governors made with the Federal Government when they signed off on welfare reform. He and Governor Tom Ridge and Governor Tom Carper and Governor John Engler, 10 governors altogether, have written opposition to that in a stinging letter. Does the gentleman from Wisconsin correct this problem?

Now just a minute ago, another point, the House voted overwhelmingly to denounce the President of the United States for including user fees of various kinds in his budget. As a matter of fact, if my colleagues read the Kasich budget closely, they will find that the gentleman from Ohio (Mr. KASICH) has seven new user fees in his budget. These user fees altogether cost $11 billion. Here is a list of them. I will let my colleague look at them, $11 billion in user fees.

In light of the resolution we just adopted, in light of the motion to recommit, the resolution that we just defeated, does the gentleman include these fees in his budget also, or does he plan to exclude those fees since the House has overwhelmingly said it disapproves of them?

Another point: The Kasich budget cuts energy. It is hard to tell where those cuts are coming from. He wants to abolish the Energy Department. But one of the things he wants to do, according to the May 12 report, is sell at least three power marketing administrations: Southwest and Southeast. And these power marketing administrations have a one-time return to the government of about $3 billion.

Since the gentleman is seeking an additional $50 billion in cuts, does he want to sell not just three power marketing administrations but five or six or all of them? Does he want to sell Bonneville? TVA?

The Kasich resolution also cuts law enforcement, incredibly cuts law enforcement. Here we are seeing a reduction in violent crime persistently over the last 3 to 4 years, and the Kasich budget would cut law enforcement by $8 billion. This would whack the FBI; it would whack the Drug Enforcement Administration. It would mean the end of community policing, a very popular program that has put 80,000 police on the streets of America.

Crimes rates are coming down. Does my colleague want to pull a bunch on crime? Is he going to take $8 billion out of the crime program?

Medicaid. Last year one of the greatest things we did in the balanced budget agreement was balance the budget but show that we could still promote a few priorities, and one of those priorities was children's health care. We created the children's health insurance plan at a cost of about $16 billion.

But the Kasich budget comes along and whacks Medicaid by $12 billion, whacks the health account by that amount. Does that mean we are not going to have a children's health insurance plan? Does the gentleman correct that? Does he provide for children's health insurance? Does the gentleman also want the acute care under Medicaid to be block granted, as Mr. KASICH would, or has he corrected that in his resolution?

There is a gaping hole, in addition, in the Kasich resolution, a black hole, because he does not specify where the increases in the highway spending bill which this House and the Senate have already enacted $48.8 billion in budget authority, $23.3 billion in outlays over the next 5 years. We do not know how that is going to be accommodated. What gets bumped? Displaced? Does the gentleman's resolution clarify this black hole or does he only deepen it? In his zest to go for a $50 billion tax cut, do we now have a $75 billion black hole instead of a $25 billion black hole?

And what about cuts in the environment? That was a protected priority. We listed the amount of money we were spending on environment each year in the balanced budget agreement. Mr. KASICH cuts the environment and natural resources by $4.6 billion. Does

the gentleman restore that, or do we also take that out?

And what about education? That was a protected priority. The gentleman from Ohio (Mr. KASICH) would cut education and training, would cut education by $5 billion. One of the truly cockamamie ideas, if my colleagues will, in this May 12 document was the notion of taking title I, one of the most successful programs we have got, a program which takes 95 percent of its money and puts it in the classroom, a program that helps individual kids keep pace with other kids in their peer group, would take that program and convert it from a school grant to a student grant, voucherize the title I program. Would the gentleman do that, or does he correct that particular deficiency?

And basically what I would like to know, the gentleman from Ohio (Mr. KASICH) would in effect add about 6 percent of additional cuts to discretionary spending, nondefense discretionary spending, meaning that overall it would be cut by about 18 percent by the year 2003. Since the gentleman is going for an additional $50 billion in tax cuts, will that be a 30 percent cut in discretionary spending? A 35 percent cut in discretionary spending? Or has the gentleman somehow figured out a way to mitigate cuts that I do not believe will ever be made?

So the bottom line in my request to the gentleman from Wisconsin (Mr. NEUMANN) is does his resolution improve or correct these problems, these discrepancies, in the Kasich resolution, or does he worsen them?

Mr. NEUMANN. Mr. Chairman, I yield myself 30 seconds to respond briefly.

The gentleman from South Carolina (Mr. SPRATT) leveled 8 attacks against the Kasich budget and somehow implied they are about the Neumann budget. First of all, they are not. Let me respond to all eight:

False, false, false, false, false, false, false and false.

And let me respond specifically to the first one as it goes to veterans. The Kasich plan, as written, has $6.5 billion more for veterans benefits in the spending category than what was called for in last year's budget agreement that passed through the House and was signed into law.

Mr. Chairman, I yield 3 minutes to my good friend, the gentleman from Texas (Mr. SAM JOHNSON).

Mr. SAM JOHNSON of Texas. Mr. Chairman, if my colleagues believe their constituents are overtaxed, then they ought to vote for this budget. This budget is the only one that we will debate that puts taxpayers first and stops wasting their money in Washington.

Each year the average American works until May of each year just to pay their taxes. If we add State, local and Federal taxes together, and the average family of four pays almost 40 percent of their income in taxes, that is more than we pay for food, clothing and housing combined.

The American people deserve to have that corrected, and this budget does that.

This conservative action team budget will return to the American people more than $150 billion in their tax money providing across-the-board tax relief, eliminating the marriage penalty, eliminating the estate or death tax and restoring a 12-month holding period on capital gains. The American people need real reform from the crushing burden of taxes, and this budget provides it.

Now we have been talking about defense. This is the only budget that increases our Nation's defense spending by $56 billion in order to just keep up with inflation. No other budget does it.

Recent events in India and Pakistan remind us what history has taught us. Americans cannot ensure economic security for our families unless we have real security in our defense of the Nation. In order to provide security we have got to invest in our Nation's defense. A strong defense is the only way America can remain the No. 1 leader in the world, and this budget is the only one that just barely maintains the defense at just inflation level. It is our duty, in fact it is our primary function, I believe, in this Congress to ensure the security of these United States. Let us do it. It is imperative to our survival. This budget plan returns the most money to hard-working American families, helps preserve the Social Security and shores up our national defense.

As my colleagues know, Americans want, need and deserve tax relief. This is an all American budget and deserves my colleagues' votes.

Mr. SPRATT. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland (Mr. CARDIN).

Mr. CARDIN. Mr. Chairman, I rise in opposition to the Neumann CAT budget and the Kasich Republican budget and in support of the bipartisan Balanced Budget Act of 1997 which is incorporated in the Spratt substitute.

Last year we worked together, Democrats and Republicans. We produced a balanced budget and a surplus this year, the growth in our economy. Since 1993 we brought the deficits down from $300 billion to now we have a $40 billion plus surplus.

The Republican Kasich budget is a partisan blowup of that agreement. It would return us to large deficits and/or irresponsible, extreme budget cuts.

My Republican friends claim this is just a 1 percent cut in the budget, yet when we look at what they are trying to fund, the hundred billion dollars tax cut, the transportation bill that has already been passed, other spending that the Republicans would increase and the fact that 2 out of every $3 in the Federal budget are exempt from any of these cuts, then most programs are looking at cuts of up to 30 percent and higher. We do not have to guess about that. We have Mr. KASICH's list, which shows us how we need to cut the budget in order to achieve the Kasich budget.

Let me just give my colleagues a sampling of some of the cuts that would be required:

Eliminate the Department of Commerce, and yet at this time when we are trying to increase U.S. products in foreign markets; eliminate the Department of Energy when we are trying to become more energy self-sufficient, and some of us still remember the gasoline lines; jeopardize title I funding for our disabled children, our most vulnerable in our population; cut the Environmental Protection Agency by 15 percent. These are on Mr. KASICH's list. It is not a 1 percent cut.

The welfare-to-work program is jeopardized. Two years ago we successfully worked a partnership with our States and returned the administration of welfare to our States in welfare-to-work, in partnership with the Federal Government helping provide the dollars so people could get off of welfare to work. This budget reneges on that commitment. It is welfare to nowhere if this budget became law.

To our veterans: Look at the budget document. They take $10 billion out and they do not fund it. We are not meeting our commitments to our veterans today. We should be doing more, not less. The Kasich budget would take $10 billion more unaccountable.

The elimination of the Corporation for Public Broadcasting. We have already had that battle here. It has not been agreed to, but yet it is on the Kasich list.

Cops on the beat. I have Democrat and Republican county execs in the Baltimore area applauding our efforts to put more cops on the beat. The Kasich budget would decimate that program, a $6 billion cut in law enforcement, jeopardizing the progress that we have already made in this area.

And the list goes on and on.

This is not a 1 percent cut. If the budget became law, it would destroy many of the programs that are so important. We would be returning to Republican extremism that led to the shutdown of our government.

□ 1130

Do not take my word for it. We have the comments of the Republican leaders in the other body. Chairman DOMENICI said the budget would make a mockery of the process. Chairman STEVENS said Congress could not function under the plan. These are our Republican leaders in the other body.

Fortunately, we have an alternative. We have the Spratt substitute. I urge my colleagues to vote for the Spratt substitute.

Mr. NEUMANN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, since my colleagues from the other side seem to have aimed their attacks against the Kasich budget, rather than against our plan, I assume that means they are basically in support of our plan.

Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from Ohio (Mr. KASICH), the chairman of the Committee on the Budget.

Mr. KASICH. Mr. Chairman, any way they want to try to cook it, they can cook it. But the fact is, think about this for a second, Federal spending is going to go from $7.8 trillion over the last five years to $9.1 trillion over the next five years, and we are arguing that we ought to be able to find a penny out of a dollar from this government.

The American family had a chance to vote on whether the Federal Government can live with $9 trillion, rather than $9.1 trillion. We could help the families to get more, and not cave in to the Washington culture, and not cave in to all the special interest groups that want to keep taking from families.

Then, you know, you actually have to vote against mine. And I am not surprised that the people who for many years have supported running America from the top down, taking more and more money from families to give to government, would oppose this. But it is patently absurd when you even watch the news at night, "The Fleecing of America," to think that we could not squeeze one penny out of a dollar out of this inefficient government.

Let me further say to my colleague who just spoke and some of them who spoke, the President has a budget that increases taxes by $130 billion and increases spending by $150 billion, and they love that plan. They love it, because when the President's man came up to the Committee on the Budget, they supported him.

The fact is, if you think that this biggest, most bloated institution on the face of the Earth can save one penny on a dollar and live with only $9 trillion in spending over the next five years, so we can take those savings and help the family and eliminate the marriage penalty, vote for my resolution. If you cannot, frankly, you are living in the past.

Mr. SPRATT. Mr. Chairman, I yield two minutes to the gentleman from Minnesota (Mr. MINGE).

Mr. MINGE. Mr. Chairman, we have had a great deal of rhetoric this year about the optimistic surplus forecasts for the Federal budget. It is truly a great day if we can say that there is a surplus. But the truth of the matter is that we do not have a surplus, we still have a deficit; we are still in an era of deficit spending.

Why is this? The chart that is right to my right here indicates what is happening. The red line shows the surplus in the Social Security trust account each year. It continues to grow because the baby-boom generation is paying in record amounts for Social Security.

At the same time, that lower line shows the rhetoric, the expectation that we actually have some sort of a surplus in the budget, down here, as much as $4, $5, $8 billion.

The truth of the matter is, this line shows what is actually happening. That is the deficit that we are running.

What does this mean? It means that the attractive, the appealing, and to a certain extent the deceptive promises that we can have new programs, that we can cut taxes, that this will be painless, that somehow the political system will accept these sacrifices that are necessary to achieve these ends, all of this is illusive.

We have worked through the political process here in Congress. We know what the constraints are. We know what our colleagues will accept. Some say we will cut defense; others say we will cut agriculture; others say we will cut education; some say we will just cut waste, fraud and abuse.

But the fact of the matter is, we have to live with the political reality that exists in this Nation, and the fact of the matter is that if we are going to stop deficit spending, if we are going to stop relying on the Social Security Trust Fund to finance other programs of the Federal Government, we are going to have to make some very, very tough decisions.

We are going to have to decide, is it more important to have tax cuts, which all of us want, now, or to defer the gratification? We are going to have to decide, are we going to expand and inaugurate new programs, which almost all of us would like to have, or are we going to defer the gratification?

I submit, Mr. Chairman, that what we need to do is face up to the hard, cold reality that exists. We are still under these budgets borrowing from Social Security, and we are not addressing the very important task of actually bringing our budget into balance.

Mr. NEUMANN. Mr. Chairman, it is my privilege to yield 3½ minutes to the gentleman from South Carolina (Mr. SPENCE), the distinguished chairman of the Committee on National Security.

Mr. SPENCE. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I rise today in support of the Neumann substitute, mainly because it is the only budget we are considering today which increases defense spending. Really, it does not increase defense spending; it just barely keeps up with inflation. I want to repeat that. It barely keeps up with inflation. We need more than that.

We are here debating all these various budget proposals, discussing cutting things and increasing things and all the rest, and the very top priority of our government, any Federal Government, protecting our people, the security of our Nation, is the only thing that is left out. We have our priorities mixed up.

Let me remind Members of something. If you are not aware of it, people need to be reminded: We are at this very minute, not tomorrow, not in the future, at this very minute we are faced with devastating threats from all over this world, and we are unprepared to defend against these threats which threaten our people, our constituents, our troops stationed throughout the world, our allies all over the world. At this very minute we are faced with these threats.

We are faced with threats from China, ICBM's, intercontinental ballistic missiles, with nuclear warheads. We cannot defend against one of them. Even one launched accidentally from somewhere in the world, we cannot defend against it. It would destroy millions of lives in this country and puts the very survival of our Nation at risk, and we cannot defend against it.

In this day and time we have the proliferation of weapons of mass destruction throughout the world. They can be put together in laboratories in inexpensive and low-tech ways. They can be used as warheads on short range missiles or cruise missiles. Cruise missiles can be launched from various platforms, bringing everyone within range of weapons of mass destruction, chemical, biological, bacteriological weapons. Can you imagine what it is like to defend against these? We do not have a defense against them.

Can you conceive of what these things mean to the lives of our people and the very survival of our nation?

Can you conceive of losing 1–3 million people in Washington, DC if 200 pounds of anthrax is released in the air above us?

We have cut our military too much—this is already the 14th consecutive year of budget deductions. Spending for defense has been cut 33%—all other spending, however, has increased.

We have done to our own military what no foreign power has been able to do—tear down the greatest defense of freedom to the extent that it cannot properly defend this country.

I will say this, and I mean what I am saying, and I want people to listen to it: The people who put this Kasich budget together that puts our country at risk are guilty of dereliction of duty.

Mr. SPRATT. Mr. Chairman, I yield one minute to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, the Republican budget claims to cut $100 billion below last year, and this amendment would add $50 billion to it. Yet I have in my hand a sheet of requests from Members to the Committee on Appropriations asking us to add 7,000 items

totaling $353 billion above the President's request.

In energy and water, for instance, there are at least 120 Members of the Republican Caucus who have written us asking us for spending above the President's request. In transportation, at least 40 Members on that side of the aisle are asking us to spend money above the President's request. Yet in the generic, they pretend they are going to cut $100 billion here today.

I have just one question, Mr. Chairman. Is that kind of hypocrisy learned, or does it come naturally?

Mr. NEUMANN. Mr. Chairman, I yield 1 minute to my good friend, the gentleman from Florida (Mr. STEARNS).

Mr. STEARNS. Mr. Chairman, I come here to support the Conservative Action Team's budget. Let me say, first of all, there are perhaps three reasons why all Members should consider it. First of all, it has the lowest increase relative to inflation of all the budgets. Second of all, for those folks who want higher defense spending, this budget has it. The third reason is it has a lockbox, a lockbox dealing with the Social Security Trust Fund. As I understand it, it is the only one that has the lockbox, which means any savings in this budget are going right back to the Social Security Trust Fund.

Of course, lastly, for those of us concerned about user fees and taxes, this budget has the most amount of reduction in user fees and taxes. For all of those reasons, I urge my colleagues to support the Conservative Action Team.

We have had a lot of rhetoric on this side, but this budget in fact brings it down home. So you have less taxes, higher defense spending, and, at the same time, a lockbox for Social Security.

Mr. Chairman, the debt is going up in this country. Every year the debt is going up. Yet we talk about a balanced budget. How can the debt go up if we are balancing the budget? Because we are not. We are taking funds from the Social Security Trust Fund, and that is not right. A lockbox and the Conservative Action Team will stop that.

Mr. Chairman. I want to compliment my colleague from Ohio, Chairman KASICH, for his tremendous efforts in bringing his FY '99 budget to the floor today.

While I agree with him that we need to continue placing restraints on spending and provide additional tax relief, I find that the alternative offered by Representatives NEUMANN, MCINTOSH, and JOHNSON, the conservative action team (CAT substitute) is a better way to achieve these goals.

Thomas Jefferson stated: "The same prudence which in private life would forbid our paying our own money for unexplained projects, forbids it in the dispensation of the public money."

The CAT's budget continues to honor our pledge to reduce Government spending without increasing taxes.

This budget alternative chooses family over big Government spending programs.

If Government were forced to pay its bills in the same manner as the citizens who finance it, the bill collectors would be knocking down our doors.

The CAT's budget offers us the opportunity to continue what we started last year by holding down spending and cutting taxes. Together, these two components will ensure that our Nation's economy will continue to experience the growth it is currently enjoying well into the next century.

There is one area of the budget that has me particularly perplexed. That is the way in which we use our Social Security trust fund to pay for other programs. The CAT's substitute doesn't just offer rhetoric when it comes to saving the Social Security trust fund, it provides the necessary safeguards to achieve that goal.

The trust fund is projected to be running a surplus of $100 billion for FY '99, I would hope that we will stop using this fund to mask our Nation's deficit. Instead, let's use a portion of the surplus to replenish the money borrowed from the Social Security trust fund and as the CAT's budget does, let's create a Social Security "lock box" that would prevent any future raiding of the fund.

The Social Security trust fund's surplus shouldn't be used to fund other programs. And it should not be used to mask our Nation's debt.

Mr. Chairman, I am firmly convinced that our Nation's future is tied to the restoration of traditional family values. The Neumann budget addresses this by standing up for human life, increasing the role of the family in education, by cutting taxes, and by increasing our defense budget to keep up with inflation.

There is one additional area that I would like to mention. I want to echo Chairman KASICH's remarks when he stated at the Budget Committee markup that he hoped the appropriators could give the NIH an even bigger boost than the budget recommended. I want to thank him and I appreciate all the excellent efforts of the House Budget Committee members to increase the NIH funding. I respectfully urge them to recede to the Senate Budget resolution on NIH funding for FY '99 when they go to conference. Only progress through health research will truly reduce the costs of programs such as Medicare and Medicaid.

I would be remiss if I didn't mention my commitment to ensuring that our Nation's veterans also receive the necessary funding so that we fulfill the pledge we made to them.

To sum it up, the Neumann budget taxes less, spends less, places restraints on Government growth, provides for a strong defense, restores family values, and dedicates the surpluses to reducing taxes, preserving Social Security and repaying the debt.

Mr. SPRATT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would say to the gentleman, we keep the surplus intact to save Social Security, and we do not have $11 billion in user fees, as the Kasich resolution does.

Mr. Chairman, I yield two minutes to the gentleman from Florida (Mr. DAVIS).

Mr. DAVIS of Florida. Mr. Chairman, I rise in opposition to the Neumann amendment and to the Kasich budget resolution. We would like to talk about the budget resolution offered by the gentleman from Ohio (Mr. KASICH).

As has been pointed out already today, without any disagreement to the contrary, there is approximately $25 billion in the Kasich budget that is unaccounted for because it has already been spent to pay for the transportation bill. This is the same grave omission that caused many Democrats and Republicans to vote against the transportation bill when it left the House, because it threatened to spend the surplus. That is the grave sin we commit here today. The budget resolution offered by the gentleman from Ohio (Mr. KASICH) takes us down the road of spending the surplus.

Now, the argument has been made this amounts to a 1-percent cut in spending. There has also been an admission that we are going to spare defense and Medicare. There has been absolutely no response to the very specific points made about how deep the cuts will have to be made in Medicaid, education and other important core functions because of the way the budget resolution has been written.

This is not a day for speeches. This is our day to put a very detailed plan on the floor of the House, and those details are not forthcoming. There is a reason why Republican and Democratic governors are opposing this budget resolution, because those details are missing and because the best work we do here when we are balancing the budget is working with the States. We are ignoring them.

□ 1145

One of the important lessons we should have learned from 1995 is that we are not just talking about numbers here today. We are talking about people's lives, and we are failing to address the impacts these cuts could have on the lives of the people we represent at home.

One thing is perfectly clear, whether this budget resolution passes or not, and that is, it is going to leave us rudderless. We have chosen not to work with the Senate, not to work with the President. As a result, this budget resolution becomes irrelevant.

What is the price we are going to pay for that? The price we are going to pay is, as the pressure begins to rise to spend money and to cut taxes, we are going to do it without regard to protecting the surplus which we should be using to pay off this massive Federal debt and prepare Social Security for the future. We have an opportunity to protect that surplus. We are going to blow it, and that is why we need to defeat the budget resolution.

Mr. NEUMANN. Mr. Chairman, could I inquire of the Chair, please, the remaining time.

The CHAIRMAN pro tempore (Mr. HEFLEY). The gentleman from Wisconsin (Mr. NEUMANN) has 15½ minutes

remaining, and the gentleman from South Carolina (Mr. SPRATT) has 15 minutes remaining.

Mr. NEUMANN. Mr. Chairman, it is my privilege to yield 2 minutes to the distinguished gentleman from Florida (Mr. YOUNG), chairman of the Subcommittee on National Security of the Committee on Appropriations.

Mr. YOUNG of Florida. Mr. Chairman, for those of us who recognize the constitutional responsibility of the Congress, to protect ourselves against things like India's nuclear capability, Pakistan's nuclear capability, China's ability, not only with nuclear but the ability to deliver a nuclear weapon or weapon of mass destruction, we say to them today, and they will be hearing from most of us who have that specific responsibility, the Neumann substitute is the only proposal before us today that even helps us keep our head level with the water. It does not get us out of the water where we ought to be.

Just yesterday my subcommittee completed the markup on the defense appropriations committee. As we went through that markup, I was convinced more and more of this one thought, that when we talk about national defense, if we have enough national defense, if we have what we need and do not have to use it, that is good. That is deterrence. But if we do not have enough, that is bad. That is disaster.

I can tell my colleagues that the President's budget does not provide enough, and the only measure before us today is the Neumann substitute because it does give us enough to at least try to keep level with inflation.

We cannot do more with less. I do not care how good we are, we cannot do more with less. We have had more deployments in the last 5 years, other than war, than any other President. It has cost us a lot of money. We are wearing out our troops. We are wearing out our equipment. We are cutting down the size of the force but extending their deployments more and more. We just cannot continue to do more with less.

The Neumann substitute gives us the opportunity to have more, to do more things that we need to do. In 2 minutes it is difficult to talk about this entire problem. Today, the size of our active duty force has been cut by 36 percent in the last 10 years. Army overseas deployments are up 300 percent from the rates that we sustained during the Cold War.

For the Navy today, on any given day 57 percent of our ships are at sea on deployment. In 1992 the figure was only 37 percent. The list goes on and on.

If we have enough, that is good. If we do not have enough, that is disaster.

Mr. Chairman, this member of Congress takes a back seat to no one when it comes to casting the tough votes to balance our federal budget and reduce the size of our federal government. However, this member of Congress also knows that each and every member of this House takes an oath of office to uphold the Constitution of the United States.

One of the principle responsibilities given Congress under our Constitution is to provide for our common defense, to raise and support armies and to maintain a navy. Today I am here to tell you that we are on the verge of abrogating this constitutional responsibility because we are on the verge of returning to a hollow military.

As the Chairman of the Appropriations Subcommittee on National Security, I visit on a regular basis with officers and enlisted personnel from all branches of the service. From four star flag officers to new recruits, there is widespread concern that we are overextending our troops and wearing out our equipment to the point that our readiness could soon be compromised.

For 13 years in a row, our national security budget has declined in terms of what we can buy for each dollar we spend. During that time, real spending on our national security has declined by 40 percent.

The budget President Clinton has sent Congress for our national security in Fiscal Year 1999, which is reflected in the budget resolution reported to this House by the Budget Committee, provides for the lowest level of spending in constant dollars in more than 40 years. And over the next five years, the President's budget reduces spending on our national security by $54 billion.

Already there are 700,000 fewer troops in the field, in the air, and at sea than there were 10 years ago. This is a 36 percent cut in our active duty forces.

Not only are the number of uniformed personnel falling, but so is their morale. Every service chief tells us that they are finding it difficult to retain the best and brightest of our officers and enlisted men and women. The reasons are many. Military pay is not keeping pace with pay in the private sector and as a result I am ashamed to say that we have members of our all volunteer force who need food stamps to try and make ends meet for their families. Base housing is aging to the point where some is virtually uninhabitable.

And we are asking our troops, during a time of peace, to deploy more often and for longer periods of time than at any other peaceful period in our nation's history. Since taking office in 1992, President Clinton has sent our troops on more overseas deployments than any other president. Many of these deployments are for reasons of questionable national importance.

Army overseas deployments are up 300 percent from those rates sustained during the Cold War. This year, on any given day one of every three Army soldiers is deployed abroad.

For the Navy today, on any given day 57 percent of its ships are at sea. This is 25 percent higher than 1992.

For the Air Force, the number of Air Force personnel deployed away from home today is four times higher than in 1989—yet the Air Force is one-third smaller.

For too many years now, we have been asking our men and women in uniform to do more with less. Well guess what—the Secretary of Defense estimates the President's five year budget proposal, which further shrinks our nation's defense, will require a reduction in end strength of 54,000 active duty personnel and 49,000 reservists. So while this President continues to deploy our troops on more missions around the world, he continues to shrink the size of our forces, and jeopardizes our overall readiness.

Is it any wonder that pilot retention in the Air Force is down significantly. Just a few years ago, the re-enlistment rate for pilots was 75 percent. Today it is 36 percent, well below the Air Force's target of 58 percent.

Both the Navy and Air Force tell me that they are well below their reenlistment targets for first term sailors and airmen. The Air Force is 18 percent below its re-enlistment goal and the Navy 7 percent. The Navy Times newspaper recently reported that 75 percent of the sailors surveyed plan on leaving the service as early as possible.

Not only are we wearing out our troops and their families, but we are wearing out our equipment. Mission capable rates for our Air Force and Navy aircraft have fallen every year since 1991. There are increasing shortages of spare parts and cannibalization of existing aircraft is on the rise. Remember the hangar queens of the Carter Administration? Well they're back in the Clinton Administration and the situation will only become worse.

Last year my committee had to add $600 million to the President's budget to pay for the additional need for spare parts. Still, the Commander in Chief for the Pacific region tells me cannibalization rates have doubled in just the past two years.

Stop to consider that our principal Air Force fighter aircraft were designed in the early 1970's. The President's budget calls for the procurement of only two fighters this year. This would be the lowest number in the history of the Air Force.

Stop to consider that the average age of the Army's medium truck fleet is 25 years old. More than half of those trucks qualify for antique plates. Under the President's budget, this fleet will not be replaced for another 30 years.

Stop to consider that under the President's budget, the Navy proposes to build only six new ships next year. This is far below the 10 ships per year that would be required to sustain the current fleet of 326 ships.

Since Desert Storm, we have cut our active-duty Army from 18 divisions to 10, our combat tactical aircraft by 40 percent, our bomber fleet by 59 percent, and our combat ships by 35 percent.

Don't just take my word for it. Listen to our service chiefs.

The Commandant of the Marine Corps told me he is $500 million, or half a billion dollars, short of what he needs in the 1999 budget for equipment procurement alone. He said the cumulative effect of year after year of these shortages will be devastating to the Corps.

The Chief of Staff of the Army told me just a few weeks ago that under the current budget scenarios the Army could go under.

A frustrated Navy Commander told a newspaper reporter that his F–14 squadron was a hazard to operations because the unit has only averaged two mission capable aircraft instead of the usual 14.

And Secretary Cohen, who is President Clinton's top civilian adviser on national defense matters, just testified before Congress

saying with regard to readiness that "We are starting to see signs of some erosion, certainly on the edges of things."

Mr. Chairman, this past weekend, my wife Beverly and I had the honor of participating in commissioning ceremonies for U.S.S. *Pearl Harbor* (LSD 52). More than 1,500 Pearl Harbor survivors came from all over the nation to be a part of these ceremonies.

As I told all those veterans gathered there in San Diego, as well as the first crew to bring U.S.S. *Pearl Harbor* to life, we can never repay our debt of gratitude to those who have served our nation in uniform and to those who have paid the ultimate price. We can however, dedicate ourselves to ensuring that in their honor and memory we do all within our power as members of Congress to maintain the strongest, most ready national defense.

Mr. Chairman, I close with this thought. When dealing with national defense, to have it and not need it is good. That is deterrence. But to need it and not have it is a disaster.

Every one of us in this Congress today should decide it's time to stop the decline in our commitment to a strong national defense and begin the steady progress to modernize our force, boost the morale of our troops, and prepare for whatever threat may present itself to our nation and our national interests in the coming century. That is our sworn constitutional responsibility.

Mr. SPRATT. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Michigan (Ms. STABENOW).

Ms. STABENOW. Mr. Chairman, I thank our leader who is leading this debate for us.

Mr. Chairman, two years ago I watched this kind of debate on my television set at home in Michigan. Last night, as I went home and watched the very end of the debate again on my television in my little apartment, I had deja vu all over again, as they say.

What I saw was a replay of the 104th Congress talking about the potential for dramatic cuts and threats to Medicare, education, the environment, and a focus on providing tax breaks for the wealthy and trying and essentially to blow up a balanced budget agreement that we came to in historic fashion just a year ago. It was extremely disheartening.

My constituents asked me to come here during this session to do away with that. They do not want the days of possible government shutdowns or threats to those things that affect their lives every day.

Last year we passed a historic balanced budget agreement. I rise today to support that by rejecting the Neumann substitute, the Kasich budget, and supporting the Spratt budget that allows us to continue the balanced budget that we agreed to in a bipartisan way, truly protect Social Security, and stand up for those things that affect our families every day.

We need to focus on those priorities that people care about in the context of balancing the budget. I can assure my colleagues that the only way we truly effect Social Security protection and preserve it is through the Spratt budget.

Mr. Chairman, I urge a "no" vote on this amendment and a "yes" vote on the Spratt amendment.

Mr. NEUMANN. Mr. Chairman, it is my privilege to yield 2 minutes to the distinguished gentleman from California (Mr. HUNTER), chairman of the Subcommittee on Military Procurement.

Mr. HUNTER. Mr. Chairman, let me add my strong support to that of the gentleman from Florida (Mr. YOUNG) and the gentleman from South Carolina (Mr. SPENCE), and on behalf, I think, of the men and women who wear the uniform of the United States in all the services, for the Neumann budget.

We asked the service leaders to tell us what they needed, what they were short this last year. They were pretty gutsy. Even though their commander in chief, I am sure, was not happy, they came forward and said, "This is the list of things that we need," and they gave us a list of things like ammunition, spare parts, components for systems that cannot fly now. All of those things added up to $58 billion.

The Neumann substitute stops the slight in national defense. It does not give us a lot of things, no new systems, but at least allows us to have enough ammunition so we can carry out the two-war scenario.

If we really care about the mothers and fathers of this country, the best service we can give to them is to make sure that their youngsters come home alive in the time of a conflict. The Neumann substitute is the only vehicle we have here that keeps, as the gentleman from Florida (Mr. YOUNG) said, the head of our military above the water. Please vote for the Neumann substitute.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes and 40 seconds to the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Mr. Chairman, these are some mighty strange cats. They offer the opportunity to fatten up the fat cats, and they offer a little cat chow for everybody else. They call it conservative, but when it comes to conserving our resources and seeing that every penny of the budget surplus that was achieved this year in historic terms is allocated to reducing the debt and protecting Social Security, they say no way.

They do not give our public schools very much to meow about either, because they really do not believe in any Federal commitment to public education. What a change it was to go from this Congress home to Texas and to see the enthusiasm for learning of young people, the determination of our professional educators, and the involvement of parents to see their young people graduate this spring. How incredibly contradictory at the very time we are celebrating learning and the struggle of American families that these Republicans in one budget called one thing and one called another do the same thing, and that is, to rip the heart out of American public education.

I had a blue ribbon school winner, the kind of principal who is there turning a gang-infested area around into a success story for young people. I asked her about this Kasich budget to rip out Title I and in her words, she said "We would die without those Federal funds." That is what is at stake here, not just some rhetoric about who can be more conservative than someone else.

In my community we are turning the corner on crime. It has not hurt a bit to have 200 new officers on our streets to help deal with the problem of juvenile violence. These folks say forget that, we want to cut what is there now, not help to do more about juvenile violence.

They say they can do it with just a penny across the board. Well, they could not find one penny, one $400 hammer out of the Defense Department bureaucracy to cut. Not a penny do they cut there. They say they have got to have more money in order to succeed.

Mr. Chairman, they say there is more than one way to skin a cat, but I maintain that, under either of these Republican budgets, it is only the American people that are going to get skinned.

Mr. NEUMANN. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I would just like to make a point that when the cats are making their case, they are never going to dog it.

Then I would like to correct a couple of the minor misstatements. The budget that we are currently considering that I have presented here puts more money aside for Social Security than any other budget that has been considered in Washington, D.C. this year. It is offensive for anyone to get on this floor and somehow say this budget is not the best budget for Social Security, because anybody who looks at the numbers will realize that there is more money for Social Security in this budget than anything else under consideration here.

Education. Education has got inflationary increases in spending. We do not increase the role of Federal Government; we leave that to the parents, families and communities.

Mr. Chairman, it is my privilege to yield 2 minutes to my good friend, the gentleman from Oklahoma (Mr. COBURN).

Mr. COBURN. Mr. Chairman, let me first of all say I am disheartened by what I just heard. The misstatement of fact is inappropriate for this body.

Should the size of this government grow? That is the question we need to ask. Should this government get bigger? There is only one budget that says

no, we will grow it right with inflation and not let it get bigger, and that is this budget.

Is there any budget that truly puts teeth in protecting Social Security? There is only one. It is Nuemann. We put it in negotiable bonds. It is not paper anymore. It is truly bonds.

Do we really save Social Security? You bet. Is the money that goes into the trust fund really put into something that matters, not just more paperwork that we can flip around with the transportation bill and use?

We heard the gentleman from Texas (Mr. DOGGETT) talk about education. This budget, the Neumann budget, sends the money to the classrooms. It sends 95 percent of the education dollars to the local classrooms and lets them do it: the teachers, the principals, the local school board. So that is another reason that it is better than any proposal.

Number five, it cuts taxes. You bet. It eliminates the marriage penalty. It expands the 15-percent tax bracket, which happens to be where most people are in this country. It eliminates the death tax on the farmers and the ranchers and those that can least afford to pay it.

Finally, yes, it reduces the holding period on capital gains, because for once we now can prove that lowering that actually generates more revenue for the country.

Finally, it dedicates 50 percent of everything that comes in above excess revenues for reduction in the debt.

It is unfortunate that we hear rhetoric that does not match the facts. It is unfortunate that this body is abused in that manner. I am sorry that we have to hear that. But if the American public does not want this government to grow any larger, then they should, in fact, insist on the Neumann budget. It does what the American people ask.

Mr. SPRATT. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Chairman, this is a bad budget. It is a bad amendment to a bad budget. We Democrats are grateful that our Republican colleagues would bring up something like this, because it makes clear the differences between the parties: cuts in education, cuts for senior citizens, cuts in health, cuts for the environment, cuts for the protection of natural resources, cuts for things that are important to the little people of this country. That is what is in the budget that comes from over here, and that is what is in the substitute.

It is only 51 days that we are late bringing this up. I can understand my Republican colleagues were probably ashamed to put this kind of travesty before this body. It is, however, something which makes very clear the difference between the two parties. It shows where our Republican friends are coming from.

They are not interested in maintaining the agreement which we had last time on the budget, which has helped give us perhaps the greatest level of prosperity which we have had. They are not interested in preserving programs which are helpful and of value to the little people of this country. They want to cut the things which are investments in the future of this country, like education, protection of our natural resources, and things of this kind.

We have not worked very hard this session. I think, perhaps, given the way this budget reflects the behavior of my Republican colleagues, that is probably a very good thing.

There are a lot of things that we could be doing which would be helping the people. We could deal with the managed care problem. We could address the problem in Superfund. But, no, we are out here today cutting programs which are important to the people.

Mr. NEUMANN. Mr. Chairman, it is my privilege to yield 1 minute to the gentleman from Illinois (Mr. WELLER).

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Mr. WELLER. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, one fact is very clear today. Two out of three are not bad. The gentleman from South Carolina (Mr. SPRATT) offers a budget alternative that increases spending and increases taxes. The gentleman from Wisconsin (Mr. NEUMANN) and the gentleman from Ohio (Mr. KASICH) offer budgets which spend less and tax less. Clearly the budget of the gentleman from Wisconsin (Mr. NEUMANN) is the budget which is best for Social Security.

Mr. Chairman, let us remember what the number one goal of this year should be. That is to eliminate the marriage tax penalty, because the most fundamental question we should be answering is, is it right, is it fair, that 21 million married working couples pay on the average $1,400 more just because they are married? That is wrong. The Neumann budget and the Kasich budget make their centerpiece the elimination of the marriage tax penalty.

We have two opportunities out of three votes today to eliminate the marriage tax penalty. Let us vote aye on Neumann, let us vote aye on Kasich. Mr. Chairman, they both deserve bipartisan support.

Mr. SPRATT. Mr. Chairman, I yield 2½ minutes to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Chairman, I am not here to speak about the CATS' meow. Mr. Chairman, here we go again. To placate the extremists, the Republican leadership has brought to the floor a budget which is so extreme that the Republican Senate Committee on the Budget chairman has called it a mockery. Republican Governors say that this Republican budget violates the agreements that were made with the States. The chairman of the Committee on Appropriations in the Senate says that Congress cannot function with this Republican budget.

Mr. Chairman, budgets are not just about numbers, budgets are about values. Budgets are about priorities, and they are about who we are as a Nation.

Let us take a look at the Republican values, as illustrated in the Kasich budget, the Republican budget. The budget fails to preserve Social Security. It would cut health services to seniors, to pregnant women and children who cannot afford health insurance. It would cut an additional $10 billion out of veterans' health care services, and it shortchanges our future by killing investments in child care and in education. I ask the Members, are these the kinds of values that we are about in the United States of America?

This budget eliminates the investment in improving the quality of early childhood education, to help children start school ready to learn. It eliminates child care assistance to the working poor, so they can leave welfare, go to work, and be able to know that their kids are safe. I ask Americans, does this budget reflect their values?

It eliminates Title I funds to help our most disadvantaged children catch up to their peers in school. Does this really reflect our values? It eliminates funds to help teachers update their curriculum, to teach our youngsters to the highest standards. It eliminates funds to modernize schools, and to put computers in every classroom. I ask the Members, does this budget reflect American values?

The budget eliminates funds to increase the number of qualified teachers in the early grades. Mr. Chairman, this does not reflect our values.

The Republican budget walks away from the needs of children, it walks away from the needs of American families, it walks away from American values. We ought to oppose it. The papers in the last few days have characterized this as budget baloney, budget theatrics, budget mockery. Let us defeat the Kasich budget. It is wrong for the values of the United States of America.

Mr. NEUMANN. Mr. Chairman, it is my privilege to yield 2 minutes to my good friend, the gentleman from Indiana (Mr. JOHN HOSTETTLER).

Mr. HOSTETTLER. Mr. Chairman, I rise in strong support of the Neumann CATs budget, in that it maintains a commitment to our national defense. The United States Constitution declares, "We, the people of the United States, in order to provide for the common defense, do ordain and establish this Constitution."

The Neumann CATs budget merely maintains defense spending at the rate

of inflation. It does not even increase defense spending, when we put into account inflation. This budget does what liberal Democrat Congresses have not done in the past. It merely maintains inflation.

If Members agree with the leader of that party who, in his formative years, in a December 3, 1969 letter to a Colonel Holmes said that he "loathes the military," Members will vote against the Neumann CATs budget. If Members believe that we should maintain our commitment to the military, if they love the men and women in uniform and they believe that we should maintain the rate of inflation and they do not loathe the United States military, I suggest Members vote for the Neumann budget and support our men and women in uniform.

Mr. SPRATT. Mr. Chairman, I yield 3½ minutes to the gentleman from North Carolina (Mr. HEFNER).

Mr. HEFNER. Mr. Chairman, I yield to nobody on my support for the military. On military construction, we have had hundreds of calls for add-ons to the military construction budget, but our allocation is so low we are not able to do it. There were calls from Republicans and Democrats.

We rewrite history around here pretty regularly. I remember when Ronald Reagan was President, a group of us went up to Camp David and we were talking about budgets. I said, Mr. President, what is going to happen to us if the economy does not operate like you think and we get down to the point where we have these tremendous deficits? God bless his heart, he said, we will just have to face that when we get to it. The gentleman from Texas (Mr. CHARLIE STENHOLM) was there.

Our distinguished chairman of the Committee on the Budget, my good friend, the gentleman from Ohio (Mr. JOHN KASICH) and the gentleman from Georgia (Mr. NEWT GINGRICH), the Speaker, this morning, talked about, and the gentleman with the belt last night, talking about we can only cut one penny, one penny.

Mr. NEUMANN. Mr. Chairman, will the gentleman yield?

Mr. HEFNER. I yield to the gentleman from Wisconsin.

Mr. NEUMANN. Mr. Chairman, that gentleman referred to was the gentleman from Minnesota (Mr. GUTKNECHT), my good friend.

Mr. HEFNER. He wears that big a belt?

Mr. NEUMANN. Nine feet.

Mr. HEFNER. He said we can cut one penny, but they do not cut 1 percent. We have two-thirds of the budget that is untouchable. Members know that. We have been around here a long while.

The Speaker asked this morning if Members cannot find 1 percent, but that is not 1 percent they are going to find. In 1993, and one of the gentlemen last night, and I will not call names, he got up and said that was a disaster, that the only thing that got this economy moving again was when we elected the new Republicans. That is not true. In 1993, without one single Republican vote in the House or the Senate, we passed a package that got this economy moving, with interest rates down, low unemployment. Members can talk whatever they like about it, but something made it happen. That is the only thing we did, and that is what made it happen to make this possible for us to even have a surplus to talk about.

But at that time, let me just quote what some of the folks in the Republican Party said about that package that we passed. In fact, when it passed, a woman that voted for it, they stood on that side and said, "Bye-bye, bye-bye, you are going to lose because of that." So they go out and spread the stuff that we had raised taxes on low-income people, which we did not.

Mr. Chairman, we raised taxes on 2 percent of the wealthiest people in this country, and Ronald Reagan said 50 percent of Social Security, that was to be taxed. We raised that, but we also raised the threshold of what people could make before there was a tax, so there was no tax on working people.

Here is what some of the Republicans said when we passed that package. The gentleman from Georgia (Mr. NEWT GINGRICH) said, "The tax increase will kill jobs and lead to a recession, and the recession will force people off of work and onto unemployment," and the deficit will actually increase.

Our distinguished chairman of the Committee on the Budget said, "We're going to find out whether we have higher deficits, we're going to find out whether we have a slower economy, we're going to find out what's going to happen to interest rates, and it's our bet that this is a job killer." And the unemployment rate is lower than it has been in decades.

Here is something else our chairman said. "It's like a snake bite. The venom is going to be injected into the body of this economy, in our judgment, and it's going to spread throughout the body and it's going to begin to kill the jobs that Americans now have."

I maintain that the Republican budget will do exactly that.

Mr. NEUMANN. Mr. Chairman, it is my privilege to yield 2 minutes to my good friend, the gentleman from Arizona (Mr. SHADEGG).

Mr. SHADEGG. Mr. Chairman, I rise in strong support of the Neumann budget, because it sets the right priorities.

But before I begin my remarks, let me just comment on the mystifying debate on this floor which continues to use the word cut, cut, cut, cut. There is not a single cut in this budget. This budget grows spending. It grows it from $1,705 billion in the first year to $1,894 billion in the last year. Over the last 5 years we have grown spending by $7.8 trillion. In the next we are going to grow it by $8.9 trillion. There is no cut.

This debate raises the fundamental question, should government grow at 2 to 3 times the rate of the growth in salaries of the American people? Because make no mistake about it, that is what that side wants. Government has an insatiable appetite for more money and more spending, and that is what they want.

What does that mean to the American people? For the last 8 years, the average American has seen his or her salary go up 3.4 percent, a 3.4 percent increase in their compensation. But government, government has grown at almost double that rate. Domestic discretionary spending in 1991 went up by 6.9 percent, in 1992 by 9.6 percent, in 1993 by 6.64 percent, in 1994 by 6.1 percent, in 1995 by 4.6 percent.

Over the period, while Americans have seen their wages go up only 3.4 percent, government has grown at double that rate, 5.2 percent in domestic discretionary spending. But what has happened in mandatory spending? Means-tested entitlements have grown at three times the rate of the growth in the income of the average American family. Total mandatory spending is growing at double the rate, 5.3 percent versus 3.4 percent.

This budget sets the right priorities for Americans. While defense spending is declining, it makes up that. Defense spending has gone down during this time period by 11.6 percent. We must set the right priorities and protect defense spending, and reduce the rate of growth in discretionary spending.

Mr. SPRATT. Mr. Chairman, I yield 1 minute to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, as we continue to talk about the budget, and I have listened intently, it seems to me that we have some strange priorities in this country. I hear us talking about how well the economy is doing. We are continuing to grow and expand, and then at the same time, I hear us talk about taking away entitlement opportunities for the needy, taking away programs for those who are not a part of the expanding economy; talking about retrenching public housing.

Under this budget, there is a possibility that 1 million low-income families could lose public housing vouchers and certificates over the next 5 years. If this is the budget of priority for the American people, then I certainly hope it can be realigned, changed, and realtered. Let us come with a budget that helps all of the people of America, as opposed to only those who are most affluent and at the top.

Mr. Chairman, it is my understanding that budgets are not only instruments and tools of

management; but they are also indicators of direction and priorities. If this is indeed the case, then I have some grave concerns and reservations about the budget resolution which has been put before us by the majority in this House.

At a time when we are experiencing vast economic expansion and growth, the majority resolution seeks to place deep cuts in programs designed to assist the needy and working class in this country. The resolution cuts Medicare by $10.1 billion, and Medicaid—the program that provides health care for the poor by $12 billion over five years. In addition, the Republican resolution cuts funding for education and child care, and eliminates direct federal funding to school districts by repealing Title I grants and other non-defense discretionary programs by $45 billion over a five year period.

The Republican budget turns its back on seniors, children and Social Security, and focuses on cuts, and more cuts to those who need help the most. While at the same time it rewards the rich and more affluent with private retirement accounts at the expense of Social Security, and provides $101 billion in new tax cuts. Under this proposal, 1 million households could lose federal housing vouchers and certificates by the year 2003.

The Democratic alternative on the other hand preserves Social Security, Medicare, Medicaid, and Education. It invests in the future of our children. The Democratic alternative is good for working families, senior citizens, children, and for the average person. It strengthens America. I urge that we oppose the Republican budget resolution and support the democratic alternative. It is better for all America.

Mr. NEUMANN. Mr. Chairman, it is my privilege to yield 30 seconds to my good friend, the gentleman from Michigan (Mr. SMITH).

Mr. SMITH of Michigan. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, very briefly, each one of these bars represents how much money has been spent by the Federal Government for each one of these years, 1994 through 2003.

In 1994 we started out at $1.4 trillion. We are ending up in the committee's budget at $1.9 trillion. What happens? I am going to draw a line here. The budget of the gentleman from Wisconsin (Mr. MARK NEUMANN) suggests that we stay with inflation, and we actually reduce very slightly the spending over the next 5 years. The Democrat or the Spratt budget actually suggests that we increase spending. It is important to know that we have to live within inflation.

Mr. SPRATT. Mr. Chairman, I yield 1 minute to the gentleman from Tennessee (Mr. FORD).

Mr. FORD. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, Senator DOMENICI has called it a mockery, and Senator STEVENS has asked us where will we get the $45 billion in discretionary cuts. My Republican colleagues, many in the Committee on the Budget, have all said these cuts are not desirable or attainable.

I say to my friends in Memphis, in Cummings and Winchester and Goodland, and at Idlewilde Elementary who are graduating today, I apologize for not being there, but I assure the Members my Republican colleagues who raised this budget resolution issue last night, at 11:30 last night, is the reason I am not home.

With schools crumbling around our Nation, our Republican colleagues and, I might add, even some of my Democratic colleagues are to blame as well, but we have to point the finger where the finger ought to be pointed. Republican friends of mine in the Congress, despite the fact that a Democratic President balanced the budget, lowered interest rates, lowered inflation, and lowered unemployment, instead of working together to save Social Security, to preserve those initiatives, which many of my colleagues, I look at the gentleman from California (Mr. DUKE CUNNINGHAM), who serves so ably, he will move on from this Congress one day and benefit from Medicaid and Social Security. Let us preserve that first.

□ 1215

I say to the gentleman from Michigan (Mr. HOEKSTRA) who said that we spend too much here in Washington on education, 95 percent of the funding and policy decisions in education in America are made at the local level. Let us do more at the Federal level to rebuild our schools, hire teachers, develop after-school programs, and prepare the next generation of Americans.

Mr. NEUMANN. Mr. Chairman, I yield 30 seconds to the gentleman from Oklahoma (Mr. WATTS).

Mr. WATTS of Oklahoma. Mr. Chairman, I rise to support a budget that will provide America's families with $150 billion in tax cuts and also take a big whack out of our national debt. I also rise today to support a budget that will make national defense once again a national priority by taking less of families' hard-earned income and paychecks, taking a bite out of our national debt and strengthening our national defense.

The Neumann budget will strengthen our families, our economy, and our Nation. I appeal to my colleagues to support this legislation because America's families deserve nothing less.

Mr. Chairman, I rise today to support a budget that will provide America's families with $150 billion in tax cuts and also take a big whack out of the national debt. I also rise today to support a budget that will make national defense, once again, a national priority. That legislation is the substitute budget offered by my friend from Wisconsin, Rep. MARK NEUMANN, and I urge my colleagues to support this measure.

Mr. Chairman, last year, the average income for a family in which both parents worked was $55,000 a year. Of that money, roughly half of that family's income went to pay federal, state and local taxes. My friends, how can we expect a family to take care of themselves and their children when the government takes half of what they earn? It just doesn't make any sense.

That's why I support the Neumann substitute budget, because it would provide America's families with $150 billion in tax relief, so families can keep more of their hard-earned paychecks. The Neumann budget would also eliminate the so-called marriage penalty, which is basically a tax increase couples must pay once they become married.

But that's not all. The Neumann budget realizes that we can't give our kids a $5.5 trillion national debt and expect them to have a better future. So it calls for 50 percent of any remaining budget surplus to go toward reducing the national debt, so we can give our kids a clean financial slate for the future.

The Neumann budget also seeks to increase defense spending by an additional $56 billion over last year's budget. With threats to our national security in Iraq and all across the world, we cannot afford to be lax in the maintenance of our military. The Neumann budget gives our troops the resources they need to be successful in any mission they might undertake.

By taking less of families' hard-earned paychecks, taking a bite out of the national debt and strengthening our national defense, the Neumann budget will strengthen our families, our economy and our nation. I appeal to my colleagues to support this legislation, because the families of America deserve nothing less.

Mr. SPRATT. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the gentleman from South Carolina (Mr. SPRATT), the ranking member, very much for yielding me this time, and I rise to vigorously oppose this budget which destroys our commitment to the families of America and the children of America.

Mr. SPRATT. Mr. Chairman, I reserve the balance of my time.

Mr. NEUMANN. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I would like to set this discussion in proper perspective today. Recently one of the polling companies from here in Washington, D.C., asked 2,000 American adults, "Do you think the United States Government should increase faster than the rate of inflation, faster than the family budget; at the same rate as the family budget; or slower than the family budget?" It was a 90-to-3 answer. Ninety percent of Americans believe that the United States Government should not increase faster than the family budget or faster than the rate of inflation.

So we decided we were going to put together a proposal that met the wishes and the demands of the American people. This black line on this chart

that I have here shows inflation. That is how fast the family budgets are going up across America.

The farthest column, that shows how fast the CAT's budget is increasing spending out here in the government. And I would point out that it is the only proposal that we are considering, the President's, the Senate, the House, the Democrat alternative, it is the only proposal that we are considering out here today that allows government spending to go up at a slower rate than the rate of inflation.

Mr. Chairman, 90 percent of the American people believe that the Federal Government should not increase its spending faster than the family budget, and this is the only opportunity we have today to keep that and to meet that wish.

The House budget, the Kasich budget, if we take Social Security out of the picture, it also meets that. With Social Security in the picture, it goes up slightly faster than the rate of inflation but it is the second closest to meeting the wishes of the American people.

I have heard a lot of rhetoric about preserving Social Security. Baloney. The only budget out here that puts more money aside for Social Security is the budget we are about to vote on. The CAT's budget puts $275 billion aside to preserve and protect Social Security.

I believe every senior citizen in the United States of America has a right to get up tomorrow morning knowing that their Social Security is safe and secure. So in the CAT's budget we put more money aside for Social Security than any other budget being considered.

So let us cut through the rhetoric out here and let us get down to the facts of what is actually being considered. The CAT's budget puts aside $275 billion for Social Security; the House budget, $223 billion; the Senate proposal, $149 billion; and the President's proposal just under $100 billion.

So if Members are serious about preserving Social Security for our senior citizens in this country, the CAT's budget is the right vote.

What about the tax burden on American workers? The tax burden is too high. A generation ago 25 cents out of every dollar that workers earned went to taxes. Today that number is 37 cents out of every dollar they earned. Let us translate that into what it means. It means that American workers have to take second and third jobs in order to pay that extra tax burden from this government. That is wrong.

That is why the CAT's budget proposes $150 billion in additional tax reductions. Eliminate the marriage tax penalty. Across-the-board tax cuts. And, shoot, the inheritance tax, we have already paid taxes on it once. I believe every American in this country after working hard should have the opportunity to pass their inheritance on to their children, not to the United States Government. That is why we have proposed extensive tax relief.

How are we able to set aside money for Social Security and provide additional tax relief? That really goes back to the first chart, and again this first chart shows it emphatically. This is the only budget that holds spending increases in this government at or below the rate of inflation. These others that are going up faster than the rate of inflation will say good-bye to the tax cuts, will say good-bye to that money that is supposed to be set aside for Social Security, because every nickel over the rate of inflation, that is money that should be set aside to preserve and protect Social Security and reduce the tax burden on our American families.

Let me close with what I believe the priorities of this Nation are, because we have been hearing about these priorities and where we place our priorities in this country. I believe our priorities should be to defend our Nation. I believe it is the number one role of this government, to make sure that this Nation is safe and secure for our children.

I think our responsibility is to return the control of education back to the parents and the teachers and the community. Control of education should not be out here at the United States Government. And just for the record, this budget allows inflationary increases in education.

Preserve Social Security and reduce the tax burden. Those are the priorities of the CAT's budget.

Mr. SPRATT. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, the Neumann substitute is an amendment and its main failing is that it fails to amend, correct, fix the many defects that are in the Kasich budget. In fact, it worsens them.

At the outset I read a long bill of particulars to ask the gentleman from Wisconsin (Mr. NEUMANN) if any of these problems in the Kasich budget had been cured or corrected in his substitute, and I have yet to hear an answer.

He wants to go 50 percent further with spending reduction beyond Mr. KASICH. In income security, where the Kasich resolution would take $10 billion out of TANF, we already have a letter from the gentleman's governor, the governor of Wisconsin, a stinging rebuke saying this is a repudiation of the governors' agreement with respect to welfare reform. Presumably the gentleman from Wisconsin (Mr. NEUMANN) would go further, $15 billion out of the TANF block grant.

Law enforcement, Kasich cuts law enforcement by $8 billion. If the gentleman from Wisconsin wants to go 50 percent further, presumably he will take $12 billion out of law enforcement.

Section 8 housing, which has just been raised by the gentleman from Illinois (Mr. DAVIS), the Kasich budget claims to provide the outlays to renew 1 million section 8 contracts. Presumably the gentleman from Wisconsin would put 1.5 billion people out of housing. Kasich is bad enough. Neumann is worse. It is ultrabad. Vote it down.

The CHAIRMAN pro tempore (Mr. HEFLEY). The question is on the amendment in the nature of a substitute offered by the gentleman from Wisconsin (Mr. NEUMANN).

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SPRATT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 158, noes 262, not voting 13, as follows:

[Roll No. 208]

AYES—158

Aderholt
Archer
Armey
Bachus
Baker
Barr
Bartlett
Barton
Bateman
Bliley
Blunt
Boehner
Bonilla
Brady (TX)
Bryant
Burr
Burton
Callahan
Calvert
Camp
Cannon
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Crane
Cubin
Cunningham
Deal
DeLay
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehrlich
Emerson
Ensign
Everett
Ewing
Foley
Fowler
Fox
Gallegly
Gibbons
Gillmor
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Hall (TX)
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hilleary
Hoekstra
Hostettler
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson, Sam
Jones
Kasich
Kingston
Klug
Knollenberg
LaHood
Largent
Lewis (CA)
Lewis (KY)
Livingston
Lucas
Manzullo
McCollum
McCrery
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Myrick
Nethercutt
Neumann
Norwood
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Portman
Radanovich
Redmond
Riggs
Riley
Rogan
Rohrabacher
Royce
Ryun
Salmon
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sessions
Shadegg
Shimkus
Shuster
Smith (MI)
Smith (OR)
Smith (TX)
Snowbarger
Solomon
Spence
Stearns
Stump
Sununu
Talent
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Wamp
Watkins
Watts (OK)
Weldon (PA)
Weller
White
Wicker
Young (AK)
Young (FL)

NOES—262

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci

Barcia
Barrett (NE)
Barrett (WI)
Bass
Becerra
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Blumenauer
Boehlert
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Bunning
Buyer
Campbell
Canady
Capps
Cardin
Carson
Castle
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crapo
Cummings
Danner
Davis (FL)
Davis (IL)
Davis (VA)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Ehlers
Engel
English
Eshoo
Etheridge
Evans
Farr
Fattah
Fawell
Fazio
Filner
Forbes
Ford
Fossella
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Ganske
Gekas
Gephardt
Gilchrest
Gilman
Gordon
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hefner
Hill
Hilliard
Hinchey
Hinojosa
Hobson
Holden
Hooley
Horn
Houghton
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (CT)
Johnson (WI)
Kanjorski
Kaptur
Kelly
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kleczka
Klink
Kolbe
Kucinich
LaFalce
Lampson
Lantos
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lipinski
LoBiondo
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McHugh
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Moran (VA)
Morella
Murtha
Nadler
Neal
Ney
Northup
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pickett
Pomeroy
Porter
Poshard
Price (NC)
Pryce (OH)
Quinn
Rahall
Ramstad
Rangel
Regula
Reyes
Rivers
Rodriguez
Roemer
Rogers
Rothman
Roukema
Roybal-Allard
Rush
Sánchez
Sanders
Sandlin
Sawyer
Schumer
Scott
Sensenbrenner
Serrano
Shaw
Shays
Sherman
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (NJ)
Smith, Adam
Smith, Linda
Snyder
Souder
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stupak
Tauscher
Tauzin
Thompson
Thurman
Tierney
Torres
Towns
Traficant
Turner
Upton
Velázquez
Vento
Visclosky
Walsh
Waters
Watt (NC)
Waxman
Weldon (FL)
Wexler
Weygand
Whitfield
Wise
Wolf
Woolsey
Wynn
Yates

NOT VOTING—13

Ballenger
Furse
Gejdenson
Gonzalez
Johnson, E.B.
Kennedy (MA)
Lewis (GA)
Linder
McDade
Mollohan
Ros-Lehtinen
Sabo
Tanner

□ 1242

Mr. NEY changed his vote from "aye" to "no."

Mr. PACKARD, and Mr. BARR of Georgia changed their vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore (Mr. HEFLEY). It is now in order to consider amendment No. 2 printed in part 2 of House Report 105–565.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. SPRATT

Mr. SPRATT. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Part 2 amendment No. 2 in the nature of a substitute offered by Mr. SPRATT of South Carolina:

Strike out all after the resolving clause and insert the following:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1999.

The Congress declares that this is the concurrent resolution on the budget for fiscal year 1999 and that the appropriate budgetary levels for fiscal years 2000 through 2003 are hereby set forth.

SEC. 2. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years 1999, 2000, 2001, 2002, and 2003:

(1) FEDERAL REVENUES.—For purposes of the enforcement of this resolution:

(A) The recommended levels of Federal revenues are as follows:

Fiscal year 1999: $1,321,200,000,000.
Fiscal year 2000: $1,341,200,000,000.
Fiscal year 2001: $1,379,200,000,000.
Fiscal year 2002: $1,436,200,000,000.
Fiscal year 2003: $1,491,000,000,000.

(B) The amounts by which the aggregate levels of Federal revenues should be changed are as follows:

Fiscal year 1999: −$900,000,000.
Fiscal year 2000: −$200,000,000.
Fiscal year 2001: $100,000,000.
Fiscal year 2002: $300,000,000.
Fiscal year 2003: $700,000,000.

(2) NEW BUDGET AUTHORITY.—For purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:

Fiscal year 1999: $1,420,200,000,000.
Fiscal year 2000: $1,463,600,000,000.
Fiscal year 2001: $1,503,800,000,000.
Fiscal year 2002: $1,537,200,000,000.
Fiscal year 2003: $1,611,200,000,000.

(3) BUDGET OUTLAYS.—For purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 1999: $1,403,700,000,000.
Fiscal year 2000: $1,445,600,000,000.
Fiscal year 2001: $1,484,100,000,000.
Fiscal year 2002: $1,501,100,000,000.
Fiscal year 2003: $1,578,300,000,000.

(4) DEFICITS.—For purposes of the enforcement of this resolution, the amounts of the deficits are as follows:

Fiscal year 1999: $82,500,000,000.
Fiscal year 2000: $104,400,000,000.
Fiscal year 2001: $104,900,000,000.
Fiscal year 2002: $64,900,000,000.
Fiscal year 2003: $87,300,000,000.

(5) PUBLIC DEBT.—The appropriate levels of the public debt are as follows:

Fiscal year 1999: $5,582,500,000,000.
Fiscal year 2000: $5,756,600,000,000.
Fiscal year 2001: $5,926,600,000,000.
Fiscal year 2002: $6,059,000,000,000.
Fiscal year 2003: $6,211,100,000,000.

SEC. 3. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority and budget outlays for fiscal years 1999 through 2003 for each major functional category are:

(1) National Defense (050):
Fiscal year 1999:
(A) New budget authority, $270,500,000,000.
(B) Outlays, $265,500,000,000.
Fiscal year 2000:
(A) New budget authority, $274,300,000,000.
(B) Outlays, $268,000,000,000.
Fiscal year 2001:
(A) New budget authority, $280,800,000,000.
(B) Outlays, $269,700,000,000.
Fiscal year 2002:
(A) New budget authority, $288,600,000,000.
(B) Outlays, $272,100,000,000.
Fiscal year 2003:
(A) New budget authority, $296,800,000,000.
(B) Outlays, $279,800,000,000.

(2) International Affairs (150):
Fiscal year 1999:
(A) New budget authority, $14,600,000,000.
(B) Outlays, $14,200,000,000.
Fiscal year 2000:
(A) New budget authority, $14,300,000,000.
(B) Outlays, $14,800,000,000.
Fiscal year 2001:
(A) New budget authority, $15,100,000,000.
(B) Outlays, $14,500,000,000.
Fiscal year 2002:
(A) New budget authority, $15,200,000,000.
(B) Outlays, $14,400,000,000.
Fiscal year 2003:
(A) New budget authority, $15,200,000,000.
(B) Outlays, $14,500,000,000,000.

(3) General Science, Space, and Technology (250):
Fiscal year 1999:
(A) New budget authority, $18,200,000,000.
(B) Outlays, $17,900,000,000.
Fiscal year 2000:
(A) New budget authority, $17,800,000,000.
(B) Outlays, $17,800,000,000.
Fiscal year 2001:
(A) New budget authority, $17,600,000,000.
(B) Outlays, $17,600,000,000.
Fiscal year 2002:
(A) New budget authority, $17,700,000,000.
(B) Outlays, $17,700,000,000.
Fiscal year 2003:
(A) New budget authority, $17,700,000,000.
(B) Outlays, $17,700,000,000.

(4) Energy (270):
Fiscal year 1999:
(A) New budget authority, $600,000,000.
(B) Outlays, $700,000,000.
Fiscal year 2000:
(A) New budget authority, $100,000,000.
(B) Outlays, $0.
Fiscal year 2001:
(A) New budget authority, −$100,000,000.
(B) Outlays, −$600,000,000.
Fiscal year 2002:
(A) New budget authority, −$200,000,000.
(B) Outlays, −$1,000,000,000.
Fiscal year 2003:
(A) New budget authority, −$100,000,000.
(B) Outlays, −$1,000,000,000.

(5) Natural Resources and Environment (300):
Fiscal year 1999:

(A) New budget authority, $23,200,000,000.
(B) Outlays, $23,300,000,000.
Fiscal year 2000:
(A) New budget authority, $23,000,000,000.
(B) Outlays, $23,400,000,000.
Fiscal year 2001:
(A) New budget authority, $22,800,000,000.
(B) Outlays, $23,200,000,000.
Fiscal year 2002:
(A) New budget authority, $22,700,000,000.
(B) Outlays, $22,700,000,000.
Fiscal year 2003:
(A) New budget authority, $22,700,000,000.
(B) Outlays, $22,700,000,000.
(6) Agriculture (350):
Fiscal year 1999:
(A) New budget authority, $12,300,000,000.
(B) Outlays, $10,600,000,000.
Fiscal year 2000:
(A) New budget authority, $11,900,000,000.
(B) Outlays, $10,300,000,000.
Fiscal year 2001:
(A) New budget authority, $10,800,000,000.
(B) Outlays, $9,100,000,000.
Fiscal year 2002:
(A) New budget authority, $10,700,000,000.
(B) Outlays, $9,000,000,000.
Fiscal year 2003:
(A) New budget authority, $10,900,000,000.
(B) Outlays, $9,300,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1999:
(A) New budget authority, $4,100,000,000.
(B) Outlays, $3,000,000,000.
Fiscal year 2000:
(A) New budget authority, $14,600,000,000.
(B) Outlays, $9,800,000,000.
Fiscal year 2001:
(A) New budget authority, $14,900,000,000.
(B) Outlays, $10,800,000,000.
Fiscal year 2002:
(A) New budget authority, $15,300,000,000.
(B) Outlays, $11,600,000,000.
Fiscal year 2003:
(A) New budget authority, $14,600,000,000.
(B) Outlays, $11,500,000,000.
(8) Transportation (400):
Fiscal year 1999:
(A) New budget authority, $51,100,000,000.
(B) Outlays, $42,500,000,000.
Fiscal year 2000:
(A) New budget authority, $52,100,000,000.
(B) Outlays, $44,700,000,000.
Fiscal year 2001:
(A) New budget authority, $53,500,000,000.
(B) Outlays, $46,400,000,000.
Fiscal year 2002:
(A) New budget authority, $54,200,000,000.
(B) Outlays, $46,700,000,000.
Fiscal year 2003:
(A) New budget authority, $56,200,000,000.
(B) Outlays, $48,900,000,000.
(9) Community and Regional Development (450):
Fiscal year 1999:
(A) New budget authority, $8,600,000,000.
(B) Outlays, $10,900,000,000.
Fiscal year 2000:
(A) New budget authority, $7,700,000,000.
(B) Outlays, $9,700,000,000.
Fiscal year 2001:
(A) New budget authority, $7,500,000,000.
(B) Outlays, $8,900,000,000.
Fiscal year 2002:
(A) New budget authority, $7,400,000,000.
(B) Outlays, $8,100,000,000.
Fiscal year 2003:
(A) New budget authority, $7,300,000,000.
(B) Outlays, $8,100,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1999:
(A) New budget authority, $63,900,000,000.
(B) Outlays, $61,100,000,000.
Fiscal year 2000:
(A) New budget authority, $64,100,000,000.
(B) Outlays, $63,400,000,000.
Fiscal year 2001:
(A) New budget authority, $65,500,000,000.
(B) Outlays, $64,800,000,000.
Fiscal year 2002:
(A) New budget authority, $66,100,000,000.
(B) Outlays, $64,900,000,000.
Fiscal year 2003:
(A) New budget authority, $69,700,000,000.
(B) Outlays, $68,700,000,000.
(11) Health (550):
Fiscal year 1999:
(A) New budget authority, $145,700,000,000.
(B) Outlays, $143,600,000,000.
Fiscal year 2000:
(A) New budget authority, $151,900,000,000.
(B) Outlays, $151,900,000,000.
Fiscal year 2001:
(A) New budget authority, $159,500,000,000.
(B) Outlays, $159,500,000,000.
Fiscal year 2002:
(A) New budget authority, $166,600,000,000.
(B) Outlays, $167,600,000,000.
Fiscal year 2003:
(A) New budget authority, $177,600,000,000.
(B) Outlays, $178,600,000,000.
(12) Medicare (570):
Fiscal year 1999:
(A) New budget authority, $209,800,000,000.
(B) Outlays, $210,400,000,000.
Fiscal year 2000:
(A) New budget authority, $221,510,000,000.
(B) Outlays, $220,900,000,000.
Fiscal year 2001:
(A) New budget authority, $239,200,000,000.
(B) Outlays, $242,000,000,000.
Fiscal year 2002:
(A) New budget authority, $251,000,000,000.
(B) Outlays, $248,600,000,000.
Fiscal year 2003:
(A) New budget authority, $273,200,000,000.
(B) Outlays, $273,400,000,000.
(13) Income Security (600):
Fiscal year 1999:
(A) New budget authority, $246,000,000,000.
(B) Outlays, $247,700,000,000.
Fiscal year 2000:
(A) New budget authority, $259,300,000,000.
(B) Outlays, $258,300,000,000.
Fiscal year 2001:
(A) New budget authority, $270,200,000,000.
(B) Outlays, $268,600,000,000.
Fiscal year 2002:
(A) New budget authority, $280,700,000,000.
(B) Outlays, $278,000,000,000.
Fiscal year 2003:
(A) New budget authority, $291,400,000,000.
(B) Outlays, $288,900,000,000.
(14) Social Security (650):
Fiscal year 1999:
(A) New budget authority, $12,600,000,000.
(B) Outlays, $12,800,000,000.
Fiscal year 2000:
(A) New budget authority, $13,100,000,000.
(B) Outlays, $13,100,000,000.
Fiscal year 2001:
(A) New budget authority, $12,500,000,000.
(B) Outlays, $12,500,000,000.
Fiscal year 2002:
(A) New budget authority, $14,500,000,000.
(B) Outlays, $14,500,000,000.
Fiscal year 2003:
(A) New budget authority, $15,300,000,000.
(B) Outlays, $15,300,000,000.
(15) Veterans Benefits and Services (700):
Fiscal year 1999:
(A) New budget authority, $43,100,000,000.
(B) Outlays, $43,600,000,000.
Fiscal year 2000:
(A) New budget authority, $44,300,000,000.
(B) Outlays, $44,600,000,000.
Fiscal year 2001:
(A) New budget authority, $45,700,000,000.
(B) Outlays, $46,000,000,000.
Fiscal year 2002:
(A) New budget authority, $47,100,000,000.
(B) Outlays, $47,400,000,000.
Fiscal year 2003:
(A) New budget authority, $49,400,000,000.
(B) Outlays, $49,800,000,000.
(16) Administration of Justice (750):
Fiscal year 1999:
(A) New budget authority, $25,400,000,000.
(B) Outlays, $24,600,000,000.
Fiscal year 2000:
(A) New budget authority, $24,400,000,000.
(B) Outlays, $24,900,000,000.
Fiscal year 2001:
(A) New budget authority, $24,500,000,000.
(B) Outlays, $25,100,000,000.
Fiscal year 2002:
(A) New budget authority, $24,700,000,000.
(B) Outlays, $24,500,000,000.
Fiscal year 2003:
(A) New budget authority, $25,600,000,000.
(B) Outlays, $24,600,000,000.
(17) General Government (800):
Fiscal year 1999:
(A) New budget authority, $14,100,000,000.
(B) Outlays, $13,400,000,000.
Fiscal year 2000:
(A) New budget authority, $13,500,000,000.
(B) Outlays, $13,600,000,000.
Fiscal year 2001:
(A) New budget authority, $13,500,000,000.
(B) Outlays, $13,500,000,000.
Fiscal year 2002:
(A) New budget authority, $13,400,000,000.
(B) Outlays, $13,400,000,000.
Fiscal year 2003:
(A) New budget authority, $13,400,000,000.
(B) Outlays, $13,400,000,000.
(18) Net Interest (900):
Fiscal year 1999:
(A) New budget authority, $296,700,000,000.
(B) Outlays, $296,700,000,000.
Fiscal year 2000:
(A) New budget authority, $297,000,000,000.
(B) Outlays, $297,000,000,000.
Fiscal year 2001:
(A) New budget authority, $296,400,000,000.
(B) Outlays, $296,400,000,000.
Fiscal year 2002:
(A) New budget authority, $296,100,000,000.
(B) Outlays, $296,100,000,000.
Fiscal year 2003:
(A) New budget authority, $297,800,000,000.
(B) Outlays, $297,800,000,000.
(19) Allowances (920):
Fiscal year 1999:
(A) New budget authority, −$2,600,000,000.
(B) Outlays, −$600,000,000.
Fiscal year 2000:
(A) New budget authority, −$1,800,000,000.
(B) Outlays, −$1,100,000,000.
Fiscal year 2001:
(A) New budget authority, −$2,700,000,000.
(B) Outlays, −$600,000,000.
Fiscal year 2002:
(A) New budget authority, −$3,300,000,000.
(B) Outlays, −$3,900,000,000.
Fiscal year 2003:
(A) New budget authority, −$800,000.
(B) Outlays, $1,000,000,000.
(20) Undistributed Offsetting Receipts (950):
Fiscal year 1999:
(A) New budget authority, −$37,700,000,000.
(B) Outlays, −$37,700,000,000.
Fiscal year 2000:
(A) New budget authority, −$39,500,000,000.
(B) Outlays, −$39,500,000,000.
Fiscal year 2001:
(A) New budget authority, −$43,400,000,000.
(B) Outlays, −$43,300,000,000.
Fiscal year 2002:
(A) New budget authority, −$51,300,000,000.

(B) Outlays, −$51,300,000,000.

Fiscal year 2003:

(A) New budget authority, −$42,700,000,000.

(B) Outlays, −$42,700,000,000.

SEC. 4. RECONCILIATION.

(a) SUBMISSIONS.—Not later than 30 days after the date of adoption of this resolution, the House committees named in subsection (b) shall submit their recommendations to the House Committee on the Budget. After receiving those recommendations, the House Committee on the Budget shall report to the House a reconciliation bill carrying out all such recommendations without any substantive revision.

(b) INSTRUCTIONS TO HOUSE COMMITTEES.—

(1) COMMITTEE ON AGRICULTURE.—The House Committee on Agriculture shall report changes in laws within its jurisdiction that provide direct spending to decrease outlays by $0 for fiscal year 1999 and decrease outlays by $40,000,000 for fiscal years 1999 through 2003.

(2) COMMITTEE ON BANKING AND FINANCIAL SERVICES.—The House Committee on Banking and Financial Services shall report changes in laws within its jurisdiction that provide direct spending to decrease outlays by $212,000,000 for fiscal year 1999 and decrease outlays by $1,045,000,000 for fiscal years 1999 through 2003.

(3) COMMITTEE ON COMMERCE.—The House Committee on Commerce shall report changes in laws within its jurisdiction that provide direct spending to decrease outlays by $707,000,000 for fiscal year 1999 and decrease outlays by $2,765,000,000 for fiscal years 1999 through 2003.

(4) COMMITTEE ON EDUCATION AND THE WORKFORCE.—The House Committee on Education and the Workforce shall report changes in laws within its jurisdiction that that provide direct spending to decrease outlays by $86,000,000 for fiscal year 1999 and increase outlays by $3,443,000,000 for fiscal years 1999 through 2003.

(5) COMMITTEE ON RESOURCES.—The House Committee on Resources shall report changes in laws within its jurisdiction that that provide direct spending to decrease outlays by $3,000,000 for fiscal year 1999 and decrease outlays by $381,000,000 for fiscal years 1999 through 2003.

(6) COMMITTEE ON WAYS AND MEANS.—The House Committee on Ways and Means shall report changes in laws within its jurisdiction that provide direct spending to decrease outlays by $437,000,000 for fiscal year 1999 and decrease outlays by $892,000,000 for fiscal years 1999 through 2003.

SEC. 5. BUDGETARY TREATMENT OF COMPENSATION AND PAY FOR FEDERAL EMPLOYEES.

In the House, for purposes of enforcing the Congressional Budget Act of 1974, any bill or joint resolution, or amendment thereto or conference report thereon, establishing on a prospective basis compensation or pay for any office or position in the Government at a specified level, the appropriation for which is provided through annual discretionary appropriations, shall not be considered as providing new entitlement authority or new budget authority.

SEC. 6. SENSE OF CONGRESS ON TOTAL BUDGET SURPLUSES AND SOCIAL SECURITY.

It is the sense of Congress that:

(1) The total budget surplus should be reserved until the Congress and the President enact comprehensive measures providing for the long-term solvency of Social Security, while preserving its core protections for present and future generations of American families.

(2) There should be established within the Treasury a "Save Social Security First Reserve Fund" to be used to save budget surpluses until a reform measure is enacted to ensure the long-term solvency of the Old-Age, Survivors, and Disability Insurance Trust Funds. The Secretary of the Treasury should pay into the account at the end of each fiscal year an amount equal to the surplus, if any, in the total budget of the United States Government for that fiscal year. Balances in that account should be invested in Treasury securities and interest earnings should be credited to the account.

SEC. 7. RESERVE FUND FOR POTENTIAL TOBACCO LEGISLATION.

(a) IN GENERAL.—Budget authority and outlays may be allocated to a committee or committees for legislation that increases funding to promote smoking prevention and cessation, curbs cigarette smoking among teenagers, makes payments to the States to mitigate the costs incurred of treating smoking-related illnesses, provides support to tobacco farmers, makes payments to other claimants against tobacco companies, or funds Federal medical research, within such a committee's jurisdiction, if such a committee or the committee of conference on such legislation reports such legislation, and if, to the extent that the costs of such legislation are not included in this concurrent resolution on the budget, the enactment of such legislation will not increase (by virtue of either contemporaneous or previously passed legislation) the deficits in this resolution for—

(1) fiscal year 1999; and

(2) the period of fiscal years 1999 through 2003.

(b) REVISED ALLOCATIONS.—Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chairman of the Committee on the Budget of the House of Representatives may file with the House appropriately revised allocations under section 302(a) of the Congressional Budget Act of 1974 and revised functional levels and aggregates to carry out this subsection. Such revised allocations, functional levels, and aggregates shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations, functional levels, and aggregates contained in this concurrent resolution on the budget.

(c) FEDERAL HOSPITAL INSURANCE TRUST FUND (MEDICARE PART A TRUST FUND).—Congress intends that any tobacco proceeds not used for increased funding under subsection (a) should be deposited in the Federal Hospital Insurance Trust Fund (established under section 1817 of the Social Security Act).

SEC. 8. SENSE OF CONGRESS ON THE ASSETS FOR INDEPENDENCE ACT.

(a) FINDINGS.—The Congress finds that—

(1) 33 percent of all American households have no or negative financial assets and 60 percent of African-American households have no or negative financial assets;

(2) 46.9 percent of all children in America live in households with no financial assets, including 40 percent of Caucasian children and 75 percent of African-American children;

(3) in order to provide low-income families with more tools for empowerment in lieu of traditional income support and to assist them in becoming more involved in planning their future, new public-private relationships that encourage asset-building should be undertaken;

(4) individual development account programs are successfully demonstrating the ability to assist low-income families in building assets while partnering with community organizations and States in more than 40 public and private experiments nationwide; and

(5) Federal support for a trial demonstration program would greatly assist the creative efforts of existing individual development account experiments.

(b) SENSE OF CONGRESS.—It is the sense of Congress that, in carrying out its reconciliation instructions pursuant to this concurrent resolution, the Committee on Ways and Means should include the text of H.R. 2849 (the Assets for Independence Act) in its submission to the House Committee on the Budget.

SEC. 9. SENSE OF CONGRESS ON A DEMONSTRATION PROJECT ON CLINICAL CANCER TRIALS.

It is the sense of Congress that the committees of jurisdiction should consider legislation this session that would establish a 3-year demonstration project providing medicare coverage for beneficiaries' participation in clinical cancer trials.

SEC. 10. SENSE OF CONGRESS ON THE INTERIM PAYMENT SYSTEM FOR HOME HEALTH BENEFITS UNDER MEDICARE.

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the interim payment system for home health service has adversely affected some home health care agencies and medicare beneficiaries;

(2) if home health care is threatened and further reduced, health care costs to Federal and State governments, as well as families, may rise to cover more expensive post-hospital and long-term care;

(3) the committees of jurisdiction should initiate a revision of the interim payment system, paying particular attention to providing a more gradual reduction in home health care costs and additional time for home health care agencies to adjust to lower rates and reimbursements;

(4) due to the critical nature of this issue, Congress should enact an equitable and fair revision of the interim payment system before the adjournment of the 105th Congress; and

(5) the Health Care Financing Administration should fully implement by October 1, 1999, the prospective payment system that was enacted into law last year.

SEC. 11. SENSE OF CONGRESS ON TAX RELIEF.

It is the sense of Congress that the committees of jurisdiction should accommodate high priority tax relief of approximately $30,000,000,000 over 5 years within legislation that fully offsets revenues lost by closing or restricting unwarranted tax benefits. Such tax relief should—

(1) accommodate the revenue effects of improving rights for medical patients and providers in managed care health plans;

(2) expand tax credits to alleviate the costs of child care for families;

(3) reduce financing costs for primary and secondary public school modernization;

(4) extend long-supported and previously renewed tax benefits that will soon expire such as the Work Opportunity and Research and Experimentation credits; and

(5) mitigate tax code "marriage penalties" in a manner at least equal in scope to the 1995 tax relief provision of H.R. 2491.

Amend the title so as to read: "A concurrent resolution establishing the congressional budget for the United States Government for fiscal year 1999 and setting forth appropriate budgetary levels for fiscal years 2000, 2001, 2002, and 2003.".

□ 1245

The CHAIRMAN pro tempore (Mr. HEFLEY). Pursuant to House Resolution 455, the gentleman from South Carolina (Mr. SPRATT) and the gentleman from Iowa (Mr. NUSSLE) each will control 30 minutes.

The Chair recognizes the gentleman from South Carolina (Mr. SPRATT).

Mr. SPRATT. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan (Mr. BONIOR), the minority whip.

Mr. BONIOR. Mr. Chairman, when I finally got a good look at this Republican budget, it reminded me of a country song that I once heard entitled My Daddy Took a Back-Hoe and Built Me a Sand-Castle of Sludge.

Mr. Chairman, what a mess. After a long wait, with lots of noise, lots of rumbling and too much slip-sliding around the details, my colleagues across the aisle have come up with a budget that just will not stand up. I think we would all be lucky if a big wave just came along and washed it all out to sea.

Fortunately, the distinguished gentleman from South Carolina (Mr. SPRATT), the ranking member of the Committee on the Budget, has developed a budget plan that is both solid and sensible. I want to congratulate him on his work. The Democratic budget is a responsible budget, it shows fiscal restraint, and it harnesses this Nation's potential to help move this country forward.

The Democratic budget invests in education. It includes funding to modernize our schools, to reduce class size, to improve discipline and to help our students excel.

From Head Start to Pell grants, this budget says that the strength of our Nation tomorrow depends on the education we give our children today.

In addition to education, the Democratic budget invests in better health care. It expands Medicare, it protects Medicaid, it funds medical research and moves to establish a Patients' Bill of Rights so that doctors and patients and nurses can make medical decisions and not insurance companies.

The Democratic budget protects the environment. On this I want to pay particular compliment to my friend from South Carolina and the Democrats on the Committee on the Budget, because they provide vital resources to clean up our rivers and our lakes, to get rid of toxic waste sites and to preserve our great natural inheritance for generations to come.

The Democratic budget proposal protects Social Security. It sets aside the budget surplus until we can reach a bipartisan plan to fund it for the long term. Our parents, Mr. Chairman, should not have to worry about their retirement and neither should their children.

The Democratic budget also offers working families $30 billion in tax relief. It cuts the marriage penalty, it expands the child care tax credit, it helps small businesses, and it makes health care more affordable.

All in all, it is a good budget. It is a balanced budget. It is a budget that invests in people and creates opportunity. It stands, I sadly say here this afternoon, in stark contrast to the Republican budget.

The budget was due on the 15th of April. We have waited, patiently, and we have waited. This budget that they submitted is the latest budget in the history of the United States Congress. What did they finally come up with? They came up with the same old bilge that Americans have rejected time and time again.

The Republican budget begins to dismantle Social Security, it slashes Medicaid, it cheats education, it bulldozes the environment, it squanders the surplus. Even Senator DOMENICI, excuse me for mentioning the other body, Mr. Chairman, distinguished gentleman from New Mexico, a Republican, he called the Republican House budget, and I quote, a mockery.

This budget that they have proposed moves us backward. That is the wrong direction. We cannot afford to backslide. We need better schools. We need a cleaner environment and more affordable health care, not the same old slash-and-burn tactics of the Contract on America.

The Democratic budget plan builds on our current successes, it keeps the budget in balance, it helps working families, and it invests in the future of this great country.

I urge my colleagues to support the Spratt budget and oppose the Republican budget.

Mr. NUSSLE. Mr. Chairman, I yield 1 minute to the distinguished gentleman from New York (Mr. HOUGHTON), my colleague on the Committee on Ways and Means.

Mr. HOUGHTON. Mr. Chairman, I will make this very brief. I am going to have to vote against the Spratt substitute budget since it suggests a variety of policy changes that I do not think are appropriate. But I will support the Kasich budget. I feel we need to keep the process moving.

Having said that, in all honesty, I do this with a great reluctance. Let me tell my colleagues why in three reasons.

First of all, the premise of long-term tax cuts partially paid for by short-term expense reductions violates the pay-go principles that we so hard fought for several years ago. This is like taking out a 30-day note to pay for your dream house which you hope to live in for the rest of your life. It does not make any sense at all.

Secondly, I worry about putting expense numbers on a piece of paper which are important, impact the future but which are totally unrealistic. This does not represent profiles in courage.

Thirdly, I have lived long enough that a tree does not grow to heaven. We are enjoying a strong economy, maybe even a bubble economy. I do not think we should do anything to do something untoward at this particular time, so we really understand what we are going through now.

So one can ask, why do I feel and why am I going to vote for this budget at all? I feel it is important for the body to send a document, imperfect as it may be, to conference with the Senate. I stand behind the process. I want to keep it moving. However, as a parting shot, if the numbers come back to us after the conference as they are set out before us now, I am going to vote the other way.

Mr. SPRATT. Mr. Chairman, I yield such time as she may consume to the gentlewoman from New York (Mrs. LOWEY).

Mrs. LOWEY. Mr. Chairman, I rise in strong support of the Spratt substitute.

Let's be honest: the Republican budget resolution is a political document that fails even the most basic test of mathematics and fiscal reality. Its authors know it, I know it, we all know it. Even their party's most respected budget expert in the Senate, Senator DOMENICI, called this GOP budget "a mockery."

The National Conference on State Legislators, the National League of Cities, and many Governors—of both parties—have also expressed their opposition to the resolution.

Instead of keeping faith with last year's Balanced Budget Agreement, the Republican leadership's budget requires cuts in domestic programs that are so draconian that its authors don't even have the courage to tell the American people what they are. What we do know is that $100 billion dollars—in addition to the reductions adopted last year—would have to be cut from Medicare, Medicaid, education, environment, veterans and other domestic programs over the next five years.

As has been the case time and time again, these budget cuts will hurt low- and moderate-income working—and tax-paying—families the hardest. If this budget is adopted, it also will force us to turn a blind eye to serious national problems such as crumbling and overcrowded schools.

Because of the restrictive rule governing this debate, the only responsible budget plan before us is this substitute offered by the gentleman from South Carolina, Mr. SPRATT. This resolution keeps faith with last year's bipartisan budget agreement, includes $30 billion in carefully targeted tax cuts, and will provide funding to fix school buildings, provide affordable child care, hire 75,000 new teachers, and boost investments in medical research. It also protects Americans' retirement income by reserving all budget surpluses for Social Security until a long-term plan for preserving Social Security is adopted.

For the sake of our children, our veterans, and the future of our Nation, I urge support of the Spratt substitute and opposition to the underlying bill.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentlewoman from Connecticut (Mrs. KENNELLY).

Mrs. KENNELLY of Connecticut. Mr. Chairman, I rise in support of the Spratt substitute because I think the gentleman from South Carolina, with his years of experience in the budget process, has put together a substitute that makes sense and does not repeat failures of the past, such as in 1981 when we made promises to cut taxes, to increase defense spending, and to cut discretionary spending to pay for those things, which of course, never happened.

When I look at the budget resolution that is before us today, I see that same thing happening. I see it in a particular area of great interest to me, and an area that I have put a great deal of time into, and that area is the marriage penalty, something that affects millions of families. I do think our budget should move in that direction, to help the working families of America.

I have worked for years to fix the marriage penalty. In fact, I called for the CBO report which is now the definitive study and which we can look to to help us get where we want to go. I am the leading Democrat on a bill to reinstate the two-earner deduction which is I think the best way we should go, and it has the bipartisan support of 182 cosponsors.

But when I look at the budget resolution before us today, I see a suggestion that we address the marriage penalty with a $100 billion solution. That is the top of the mark. We may like that solution, we would like to address the marriage penalty, but to pay for it by cutting other programs, I wonder if that will ever happen. I think same of us have seen some polling, and perhaps this is an issue that has become very popular. I say that because back in 1995, the majority had an opportunity to fix the marriage penalty, tried to fix it in a very small way and in a very intricate way that was very, very difficult to administer.

I stand here today saying to the chairman of the Committee on the Budget that his efforts have always been good in the past, but that right now I see him not doing what he should do to help American families. He says he is going to fix the marriage penalty. I do not know from where he is going to get the $100 billion. I hope this question, of the marriage penalty, goes to the Committee on Ways and Means and that the Committee gets back to resolving it in the way we should, in a fair way that does not penalize others while getting rid of the penalty for some. Fixing the marriage penalty is a good idea, but we should do it with some common sense.

Mr. SPRATT. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois (Mr. COSTELLO).

Mr. COSTELLO. Mr. Chairman, I rise in strong support of the Spratt substitute.

Mr. Chairman, every year since I began serving in this body, I have sponsored a Constitutional amendment to balance the federal budget. This year's balanced budget reflects that hard work which allowed us to achieve that goal. I am proud of the way Members of Congress and the Administration worked together last year to responsibly improve the efficiency of government programs and cut taxes. It is these values that should govern our future budgets.

Unfortunately, the budget document before us today does not adhere to these principles. This resolution includes $101 billion in unspecified cuts. It repudiates last year's bipartisan agreement, and conjures memories of 1995, when the same House leadership shut the government down twice with an equally illogical budget proposal. This budget threatens the solvency of Social Security, and makes deep cuts to non-discretionary domestic spending. The American people deserve better than this, Mr. Speaker. This budget is not a blueprint to govern.

This budget does not adequately protect the surplus. Earlier this year, the President stated that the surplus should be used to guarantee the future of Social Security. There is no doubt that the Social Security Trust Fund has long-range financing problems. Insolvency of the Disability Insurance portion of Social Security is projected to occur in 2015, with the retirement survivors account reaching insolvency in 2031. That is why the budget surplus should be reserved until a bipartisan Social Security Commission, the President and Congress can address the long term requirements of the system. This resolution, however, already falls short of funding current programs and it depends too much on unspecified future cuts to offset proposed tax cuts. This irresponsibility will siphon off the surplus before it can be used to protect Social Security.

The resolution also cuts another $45 billion from discretionary spending over five years—well beyond the tight limits imposed by the Balanced Budget Agreement. We have heard many people today claim that this is just a 1% across the board cut, which seems very minor. The truth is far more disturbing. In this proposal, three-fifths of the budget is exempt from any cuts. That means all of these cuts will come from 40% of the total federal budget, which hardly qualifies as an "across the board cut." Under this plan, non-defense discretionary programs will suffer a 19% loss in purchasing power by 2003. While this document does not contain cuts to specific programs. Republicans have made some of their cuts known in an earlier budget document. The Economic Development Administration, Legal Services Corporation, AmeriCorps, and the Airport Improvement Program are all targets for cuts under this resolution.

The Economic Development Administration has offered assistance to many disadvantaged communities in my congressional district. Working with the Southwestern Illinois Development Agency, the EDA has helped communities attract employers and create jobs in areas where unemployment is well above the national and state average, areas that have been affected by the closing of coal mines and the migration of industrial plants which employed thousands of people. This is not a program that benefits bureaucrats, it helps real people find jobs and improve their communities.

The Legal Services Corporation is another good example of a federal program that is effectively being administered at the local level. The creators of the LSC recognized that decisions about how legal services should be allocated are best made not by officials in Washington, but at a local level, by the people who understand the problems that face their communities.

Today, the LSC provides funds to operate programs in approximately 1,100 communities nationwide, providing services to more than a million clients per year, benefitting approximately five million individuals, the majority of them children living in poverty. Family law makes up one-third of all of the cases handled by LSC programs each year. In 1995, legal services programs handled over 9,300 cases involving abused and neglected women and children.

AmeriCorps is another valuable program enabling estimated 50,000 students to earn funds for college while performing community service in tasks ranging from assisting teachers to working on environmental clean-up. There are two highly successful AmeriCorps sites in my congressional district. The program in Belleville, Illinois places 34 participants in the disadvantaged Abraham Lincoln and Franklin neighborhoods to clean up damage from the flood of 1993, and offer conflict management training. The 24 participants in the AmeriCorps program in East St. Louis have developed a successful tutoring program in schools where resources are scarce.

The Airport Improvement Program is another critical federal initiative that is jeopardized by this budget. With airline passenger traffic expected to continue to grow, we need to ensure that airports across the country are equipped to handle future capacity. MidAmerica Airport in my district was recently opened to address the congestion program in the St. Louis and MetroEast community. This airport was completed in part through the Airport Improvement Program. Without the development of MidAmerica Airport, the region would face considerable capacity limits in the near future. The AIP is a critical component of safe and efficient air travel.

In addition to these severe cuts, the assumptions addressing transportation spending in this resolution are nothing short of fantasy. On May 22, the House and Senate overwhelmingly passed a six-year transportation bill including funding for highways, highway safety, and mass transit. The budget resolution before us today falls short of paying for this legislation by over $20 billion! Mr. Speaker, it is completely ludicrous that this budget does not include funding to pay for this legislation which has already passed overwhelmingly in Congress.

Congress realized this funding is vital because our infrastructure is crumbling around us. In my home state of Illinois, for example, a quarter of all the bridges are structurally deficient. Forty-three percent of roads in Illinois are in poor or mediocre condition. Driving on these roads costs Illinois motorist $1 billion a year in extra vehicle operating costs. That is $144 per driver. These statistics are shameful.

As we enter the next millennium, we cannot allow our nation's infrastructure to languish in the past.

In my district in Southwestern Illinois projects funded in TEA21 are critical to meet the transportation needs of many communities. For example, the MetroLink light rail system provides a vital transportation link for commuters and travelers in the St. Louis-MetroEast area. MetroLink, whose ridership has surpassed all expectations, has had an enormous impact on the environment, transportation efficiency and economic development in my district and the entire St. Louis metropolitan region.

This budget also fails to identify ways we may improve the use of our resources. In his budget for this year, the President included funding to modernize and improve our public schools. I strongly believe this program should be included in the House budget resolution. It provides incentives to communities to invest in local school facilities through the use of leveraged bonds. The program targets the 100 poorest school districts in the nation, while providing money for the state's to use on poor districts within their jurisdiction.

Often we dedicate our resources to the disadvantaged schools in large urban areas, overlooking the many needy schools in rural areas. My congressional district in Southern Illinois has many schools which would benefit from this program. Many of the schools in my area are dilapidated and over 50 years old. When the school buildings are warm, safe, and comfortable, children are free to concentrate on learning. That is something that will benefit us all.

This resolution does not save the surplus, it does not adequately protect Social Security, it does not allow vital programs to continue, it does not pay for programs already passed into law, and it does not recognize ways in which government can improve its service to people. I cannot support a resolution that violates the Balanced Budget Agreement and threatens the solvency of Social Security. That is why I will support the Spratt Amendment to save Social Security and honor the Balanced Budget Agreement, and why I cannot support the Kasich budget plan.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Chairman, I rise in support of the Spratt amendment. I would much preferred to have been supporting the Blue Dog budget, but as we know that was not to be.

Let me make certain that all of my colleagues understand what the Spratt budget does and does not do. The reason I can support it, it stays within the balanced budget agreement of last year. It does not spend any more money than what we agreed to last year, nor does it raise any more taxes than what we agreed to last year. No matter how many other people say it differently, they should know that is not true.

In addition, the Spratt budget is honest with the BESTEA, ISTEA, the TEA 21 bill by fully funding the additional amounts needed for highways and transit. If we look carefully at what the gentleman from South Carolina has done, we will see that in all aspects he is totally honest in the manner in which he pays for those additional spending proposals that he calls for, within the confines of the balanced budget agreement.

I think that that is so important for us today, because I have listened to the previous debate regarding the so-called CATs bill, and I am reminded of Yogi Berra. That was deja vu all over again. Anybody that believed that that would have worked as was proposed has got to be smoking something.

This bill that is before us in the amendment today will keep us on the track of the economy that we are now on. It lives within the agreement that we made last year. It certainly deserves our support.

Mr. HOYER. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Maryland.

Mr. HOYER. Mr. Chairman, I want to thank the gentleman for his leadership on the Committee on the Budget. On fiscal matters generally, I think in my own view, he is probably the most credible spokesperson in this House in either party on these issues. I am pleased to associate myself with his remarks.

Mr. STENHOLM. I thank the gentleman for that and I commend the gentleman from South Carolina (Mr. SPRATT). He has done a great job in putting forth a budget that all of us, hopefully a few on the other side of the aisle, can be supportive of.

If you agree that we set the country on the right track with the balanced budget agreement, if you agree that our economy is moving in the right direction, if you agree that we have the lowest unemployment in 25 years, if you agree that we have the lowest inflation, then let us stay with that game plan. Let us not change it. Let us not go for a budget like the gentleman from Ohio (Mr. KASICH) puts out here today that is back end loaded, that promises spending cuts but only in 2002 and 2003.

□ 1300

Mr. NUSSLE. I yield 2 minutes to the gentleman from Florida (Mr. Miller), my colleague on the Committee on the Budget.

Mr. MILLER of Florida. Mr. Chairman, I thank the gentleman for the time to discuss this, the budget from the Democrats today.

Last night we debated the budget that was presented by the gentleman from Ohio (Mr. KASICH) of the Committee on the Budget, and one of the earlier speakers on the other side said the two budgets stand in stark contrast to each other, and I would have to agree with my colleague, the gentleman from Michigan (Mr. BONIOR), on that issue because this is a contrast that shows a vision of whether we believe in more government or less government, whether we believe in more taxes or less taxes and whether we want to keep more power in Washington or if we want to shift power back to the States and individuals. And that is exactly what this is.

Fortunately, the Spratt budget, I have to admit, is a lot better than President Clinton's budget; so that is one good thing I can say about it, because it does not have as many new programs and as much new taxes, but it does have more taxes, and it does create many new programs, and that is the problem of creating more government here in Washington.

This is my sixth year on the Committee on the Budget, and the past 3, under the chairmanship of the gentleman from Ohio (Mr. KASICH), we have had tremendous success. We are now at a stage where we are going to have a surplus in our budget this fiscal year ending September 30 in the total amount of money coming in, the total amount of money going out. We are going to have a surplus for the first time since 1969, and that is because of the budget leadership provided by the Republicans since we took control of this House in 1995. We have cut taxes. We have had significant entitlement reforms such as welfare reform and Medicare reforms, and these reforms will save money in the long term because we are going to save the Medicare program from bankruptcy.

But the thing is it is better for the people in the programs, it is better for the senior citizens in this country under the Medicare program because now they are going to have choices and more options than they have had in the past.

Now what the Spratt budget does, it wants to expand the Medicare program while the Medicare commission is meeting right now and coming up with recommendations. Why not wait? Why do my colleagues want to expand more government and especially with a program that is in the process of going bankrupt?

In the past 3 budgets we have made a significant accomplishment in the area of discretionary spending, especially domestic discretionary. We have gotten rid of over 300 programs in the Federal Government, and actually in 1995 in the 104th Congress we actually had a reduction in discretionary domestic spending. That is a real accomplishment.

We need to stick with the budget presented by the Committee on the Budget, move forward and reduce the size and scope of the government, and I urge defeat of the Spratt amendment.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Mr. Chairman, our colleagues should vote for

this budget, everybody on both sides of the aisle, for 3 reasons.

First, it is a honest budget. No games playing. What we see is what we get.

Secondly, it is a responsible budget. It keeps us on the road to fiscal responsibility, it maintains a budget surplus, it does not get us into the kind of partisan political gamesmanship that ultimately resulted in $300 billion deficits and a $5.4 trillion Federal debt. It keeps the momentum going towards fiscal responsibility that was reflected in the Bipartisan Balanced Budget Agreement just a few months ago.

And thirdly and perhaps most importantly, it is doable. We pass this budget, and we get into conference with the Senate, and we can agree to a budget within a matter of weeks. We will get this budget enacted, and then we will get our appropriations bills enacted.

And then we do not have to worry about the government shutting down. We do not have to worry about this Congress being embarrassed at our lack of inaction or lack of ability to work together in a constructive way.

I want my colleagues to think about this:

The Republican chairman of the Senate Budget Committee called the budget that is the alternative, the Republican budget that is the alternative to this that we are offering, "a mockery". Senator STEVENS, the Republican chairman of the Appropriations Committee, called the majority's budget, a budget that would result in "Congress not being able to function". Why? Because it has got things in it that my colleagues cannot go home and justify to their constituents.

Mr. Chairman, I dare anybody that has Federal employees in their congressional district to go out and explain why they voted to cut the Federal employees health benefits plan down to a 50 percent required contribution on the part of employees. Go ahead and explain it, justify it.

My colleagues should not do this to themselves. Vote for the Spratt budget.

Mr. NUSSLE. Mr. Chairman, I yield myself 2 minutes.

The gentleman from Virginia (Mr. MORAN), who just spoke, said do not worry, do not worry, this is a doable budget, do not worry, this is a doable budget.

Do my colleagues know why it is a doable budget, know why the Spratt substitute is a doable budget? Because it does nothing. It basically is a status quo, do nothing budget. It does nothing to suggest that the government is already too big and spends still too much. It does nothing to the number of programs that need to be consolidated. It does nothing with regard to suggesting to families and individuals and farmers and small business people that they pay enough in taxes. It does nothing for some of the waste that has been rooted out through a number of hearings, everything from $800 outhouses in the Delaware Water Gap National Recreation Area to $584,000 homes built for park employees in Yosemite National Park to 26, and here is a do nothing, here is a let us keep the status quo: 26,000 people in 4 States receiving food stamps who are dead.

So, yes, let us do nothing, let us keep the status quo, let us vote for a budget that basically says we cannot do better than that. We cannot find a penny on the dollar. We cannot say to the American people that what they earn and what they make and what they save is more important than what happens out here in Washington, D.C. on a daily regular basis. That is do nothing.

Mr. Chairman, we do not have to worry because we have got the IRS. We can take their money out here. We do not have to worry, as the gentleman says from Virginia. Well, okay, I guess they do not want to worry.

I guess most of us on this side, and the reason why the Republicans put this budget together, was because we are worried. We are worried about the future for our kids, we are worried about the future for Social Security, we are worried about the future for health care, we want to make sure that the welfare reforms continue to progress in a responsible and a positive way, we want to make sure our kids get a decent education, controlled at home.

We are worried; that is why you need to vote for the Republican budget.

Mr. SPRATT. Mr. Chairman, I yield 30 seconds to the gentleman from Virginia (Mr. MORAN) to respond.

Mr. MORAN of Virginia. Mr. Chairman, let me respond to the gentleman. I am worried. I am worried that we will not maintain this momentum of fiscal responsibility.

Does the gentleman imply that the Senate is not worried about fiscal responsibility? The Spratt budget is very much like the Senate budget. That is why I suggest it is a doable budget. It is very much like the President's budget.

And would the gentleman not agree that the balanced budget agreement of just a few months ago reflected our concerns, was a responsible instrument? The Spratt budget is virtually the same as the balanced budget agreement. It continues the balanced budget agreement, it continues our commit to fiscal responsibility. That is why it is doable, and that is why the Republican budget is not doable, because it departs from the balanced budget agreement that we agreed to just a few months ago.

That was my point, and I think it is a very valid one, and the Senate happens to agree with us. That is why I want my colleagues to vote for this budget.

Mr. NUSSLE. Mr. Chairman, I yield myself 30 seconds to respond.

Basically what he is saying is, "You don't have to worry. Just keep going. Nothing needs to be changed. There's nothing wrong with what happens in Washington. There isn't one program that wastes money. There isn't one bureaucracy that needs to be changed. There isn't one program that needs to be reformed. There isn't one thing that needs to be done other than what we did last year to continue, just maintain the status quo."

That is what the gentleman is saying.

Oh, last year's agreement was so good, we do not have to change a thing.

Well, go ahead and vote for that, and, as far as the Senate comment, do not make me answer whether or not we can do better than the Senate. We usually do as a body, and we will continue with this budget as well.

Mr. SPRATT. Mr. Chairman, I yield 1 minute to the gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Chairman, I rise in support of the Democratic budget plan. This is really the best budget that we have seen for several years although it certainly does not have everything that any of us would like to see in a budget, but it has some things that most of us would like to see. The Republican budget lacks details, is mean-spirited because it still takes from the middle class and the poor, and it adds to the silver plate for the rich. The Democratic plan, however, gives $10 billion in tax cuts through entitlement initiatives, and it does not allow Republican cuts in health care, welfare to work, education, environmental protections, infrastructure, veterans and other programs critical to the health of our Nation.

We are in one of the most prosperous periods, yet in the midst of our celebration of our wealth we are ignoring and passing by a sizeable part of our American family. One-third of our population have less buying power than 20 years ago. Our schools and our cities, countryside and housing are in shambles, yet this House majority acts as if the majority of people in this country are millionaires.

The Democratic budget is a coalition budget which accommodates the values of a broader group of fellow Americans. I urge my colleagues to support the Spratt amendment.

Mr. SPRATT. Mr. Chairman, I yield 4 minutes to the gentleman from California (Mr. FAZIO).

Mr. FAZIO of California. Mr. Chairman, the New York Times calls it budget bologna. The Washington Post dubs it budget theatrics. Even the Senate Budget Chairman PETE DOMENICI, our longtime Republican leader there, calls it a mockery.

But no matter what it is labeled, the budget offered by the Republican leadership even at this late date is another example of their inability to conduct the Nation's business.

As we have heard today, there is little appetite for a budget, even among many Republicans in this House and certainly in the Senate, that would wipe out the Energy and Commerce Departments, privatize the Corporation for Public Broadcasting, eliminate the Legal Services Corporation and AmeriCorps, the national service program, and abolish a tax break for low income couples without children.

Although the outrage from the American public has forced retreat on some of these proposals, the latest offering from the Republican leadership continues to be unrealistic and radical. It deviates from last year's balanced budget plan so much so that Office of Management and Budget Director Frank Raines calls it a rank repudiation of the balanced budget agreement on which we shook hands just 1 year ago. This new plan makes deep cuts of $101 billion in domestic programs to pay for 101 billion in new tax breaks that primarily help upper income people, and it contradicts legislation that the House just passed to increase transportation spending by $22 billion by calling for a cut in highways and mass transit of $5 billion over 5 years.

This is patently ridiculous on its face.

□ 1315

In many ways, this budget is similar to what House Republicans proposed in 1995. As you may remember, President Clinton refused to buckle under to pressures from the House leaders to sign a radical budget, and Republicans shut down the Federal Government twice before relenting. It is possible that that scenario could be repeated, if Speaker GINGRICH and the Republican leadership continue to play politics with this Federal budget and this process.

Last year we had a bipartisan agreement on spending that would keep our Nation's books balanced. We agreed on funding levels that would not put our Nation's neediest senior citizens at risk, and would boost our commitment to transportation, education, health care and the environment. If the Republican leadership walks away from this bipartisan agreement in an attempt to gain political points in this election year, they face a risky confrontation with those of us in Congress who demand that the government meet its needs with an honest budget blueprint.

The Spratt substitute is just that blueprint. It puts Social Security first, it protects Medicaid and Medicare, it allocates money so we can enact the Patient's Bill of Rights that will give Americans in HMOs the kind of care they deserve.

Instead of cutting funds for veterans, the environment and our police, it increases funding for drug enforcement, law enforcement, clean water and national parks. Instead of cutting education and highway funding, it calls for the hiring of 75,000 teachers to reduce class size, and fully funds the bill we passed here a few weeks ago to rebuild the nation's infrastructure.

Let us not repeat the debacle of 1995. Let us approve an honest plan, that keeps our budget balanced and does not put our vibrant economy at risk. We saw today how solid our employment statistics are, with low inflation. We ought not to be experimenting, creating an atmosphere in which we could once again balloon the deficit because we do not have the discipline that the Kasich budget would break.

Let us support the Spratt amendment. Let us reject this political charade. Let us stay the course and keep America moving in the direction that it has been moving under the Clinton Administration.

Mr. SPRATT. Mr. Chairman, I yield two minutes to the gentleman from California (Mr. MILLER).

Mr. MILLER of California. Mr. Chairman, first I want to commend the gentleman from South Carolina (Mr. SPRATT) for all of his work and effort in bringing to this Congress for a vote today a budget that is not only responsible, but also meets the priorities and the needs of the American people. It meets the needs of our families in the areas of education and health care.

That is a dramatic contrast to the budget that is being served up by the Republican majority. There they failed to set out priorities in education, they failed to set out priorities in health care, and one of the areas where they not only failed to set out priorities, but in fact provide substantial reductions and threats, is to our national environment and the programs provided to protect the environment of this Nation.

With an excessive $5 billion cut in the area of natural resources, they threaten programs to improve our water quality, to take care of the refuges, to take care of the recreational areas, the national parks and wilderness areas of this country that are visited by millions of Americans every year. They slashed the programs to acquire additional lands. Each and every year we do this, those lands become more expensive and harder to acquire to protect for the use of the American people.

We see that they have refused to provide monies to those agencies that are essential to protecting the revenues that the American people are entitled to for the use of their lands, revenues from mining companies that pay us no rent as they take billions of dollars of gold and platinum off of the public lands, the hundreds of millions of dollars and billions of dollars that the oil companies are underpaying the American taxpayers for the use of those lands as they take off billions of dollars in oil and gas resources from those lands.

The Republicans' answer is to slash the budget of those agencies that have oversight of that. Rather than charge those companies a fair rent, a fair charge for the use of the public resources, they would rather cut nutrition, they would rather cut health care, they would rather threaten Medicaid and Medicare, rather than making people pay their fair share.

The problem with all of this is it threatens the very resources that tens of millions of people in this country will be using this summer, our national parks, refuges and national forests. This budget is devastating to those environmental programs.

Mr. NUSSLE. Mr. Chairman, I yield three minutes to my friend, the gentleman from Minnesota (Mr. GUTKNECHT).

Mr. GUTKNECHT. Mr. Chairman, last night when we closed debate on the rule, I was trying to figure out over the weekend an analogy which would demonstrate what this debate is really all about.

There are really two debates going on here. One is inside the Beltway, and one is outside the Beltway. Inside the Beltway we hear people saying we cannot tighten that Federal budget belt one notch.

Let me demonstrate. What I had my staff do was go out and get three belts. We put them together. What we have here is a nine foot belt. Every foot on this belt represents $1 trillion worth of Federal spending over the next five years. That is $9 trillion. That is a nine foot belt. I do not think anybody in this House could actually wear this belt.

All we are asking in the Kasich budget is for our friends on the appropriations committees to tighten this belt one notch, one inch out of a nine foot belt. Yet we hear from some of our friends here inside the Beltway that that cannot be done, that nine feet is not enough, that there is no waste, there is no fat, there is nothing left in the Federal budget that can be trimmed so that we can tighten this belt even one notch.

Now, inside the Beltway, I think to a lot of people on that side of the aisle, that debate makes sense. But I will tell you what, outside the Beltway in that great middle part of America, the places you call "fly-over country," out there I think most Americans would look at this belt and they would think of this analogy, and they would say to me things like, "You mean only one notch?"

But the great news is, if we can get our friends on the appropriations committees to tighten that belt just one notch, guess what? We can eliminate the marriage penalty tax. Every year over 21 million American families pay a penalty of almost $1,400 per family just because they are married.

My wife and I celebrate our wedding anniversary this week. We have been married 26 years now. I believe she still loves me, but I wish the IRS would stop tempting her to leave me. That is what happens to 21 million American couples. Every year they pay a penalty just for being married.

All we are asking here today is if we can possibly get our friends on the appropriations committees and our friends over in the other body to tighten this budget belt just one notch, so that we can eliminate the marriage penalty tax, so that my wife will not be tempted to leave me, and a lot of other spouses, not only of Members in this body, people all over the United States.

Let us eliminate the marriage penalty tax, let us protect Social Security, let us start paying down some of that debt, and let us eliminate some of the fat, the waste, the fraud and the abuse in the Federal budget so we can do the right thing, not only for American families but for future generations of Americans as well.

Mr. Chairman, I support the Kasich plan. I respect the gentleman from South Carolina (Mr. SPRATT) and the budget plan they are offering. I think the only plan that can pass is the one offered by Mr. KASICH and the Committee on the Budget.

Mr. NUSSLE. Mr. Chairman, I yield such time as he may consume to the gentleman from Virginia (Mr. DAVIS) for the purpose of a colloquy with the gentleman from Ohio (Mr. KASICH), the chairman of the Committee on the Budget.

Mr. DAVIS of Virginia. Mr. Chairman, I rise to engage in a colloquy with the chairman of the Committee on the Budget, the gentleman from Ohio (Mr. KASICH).

Mr. Chairman, as you are well aware, H. Con. Res. 284 as passed out of your committee includes a budget savings allocation of $1.6 billion to the Committee on Government Reform and Oversight. This allocation would directly impact Federal workers and retirees.

While the current budget resolution does not detail specific program reduction recommendations, an earlier version specified that reductions should come from the Federal Employees Health Benefit Program, the FEHBP, and through increased retirement contributions past the current expenditure dates. It cannot help but be implicitly perceived as continuing to endorse such reduction in Federal retiree benefits, and, I might add, current employee benefits.

Mr. Chairman, it is my understanding based on our earlier conversations that the Committee on the Budget will hold harmless the Committee on Government Reform and Oversight in the event the committee does not respond to its savings direction included in this budget resolution.

Could the gentleman comment and clarify this situation?

Mr. KASICH. Mr. Chairman, if the gentleman will yield, the gentleman from Virginia is correct. Despite the fact that the budget resolution draft does not include specific assumptions, the Committee on Government Reform and Oversight is reconciled for savings of about $1.6 billion. It is not our intent under this resolution that these savings be achieved by reducing benefits in the FEHBP or any of these other payer benefits of Civil Service or Postal Service employees or retirees.

The Committee on Government Reform and Oversight, notwithstanding these instructions, will not be held accountable for these reconciliation savings in the event the committee is unable to achieve its instructed savings.

Let me further say we would not go around the committee to the Committee on Rules in order to get that done. We will make sure we work with the Senate to make sure that $1.6 billion does not come out of those programs. But we will figure out a way in which to be able to make our marker without having to do this.

I also know that the gentleman from Virginia (Mr. DAVIS) and the gentleman from Virginia (Mr. WOLF) are deeply concerned that when we get about the penny on the dollar, we be very cautious and compassionate about the way we do it, which is exactly how we will proceed. I understand the concerns of the gentleman from Virginia (Mr. DAVIS) and the gentleman from Virginia (Mr. WOLF), and want to make it clear that we will be very sensitive.

I also want to say to the gentleman from Virginia, it is our intent out of that one penny on a dollar to be able to get ourselves in a position of where we can make government more effective and more efficient and squeeze out an awful lot of the waste and duplication in order to get this job done.

Mr. DAVIS of Virginia. Mr. Chairman, reclaiming my time, I thank the gentleman. I would just simply add that Federal employees are the greatest asset we have in this government. We need to properly compensate and incentivize this. I am comforted by the remarks of the chairman.

Mr. SPRATT. Mr. Chairman, I yield three minutes to the gentleman from Missouri (Mr. GEPHARDT) the minority leader.

Mr. GEPHARDT. Mr. Chairman, this budget is our common sense vision, our road map for a new century and a new economy. Our budget rejects the misguided and extreme policies and priorities of this Republican slash-and-burn budget and comes up with a moderate and responsible alternative.

The Republican leadership has put forward a budget that is so unfair and unwise that it is already dead on arrival. It is unacceptable, not only to many Democrats, but also to many Republicans as well.

I have been amused to hear the answers to questions about the budget. There is so little specificity because no one seems able to put the specificity behind the budget that it needs. So we hear, "Well, that problem will be handled in conference." Translated, that means we are going to have the Domenici budget, I suppose, because everything is going to get settled in conference.

This Republican budget is expired milk poured into new cartons. It is more of the same fiscal radicalism based on the same irresponsible cuts which the American people specifically rejected in the election of 1996. Do not be fooled. This budget that we are voting on in the next few minutes is the same budget that we had in 1995 from the Contract on America.

The Republican path steers us into a dead end, where American families fend for themselves and are at the mercy of the global marketplace. They want to withdraw from our commitments to education, to health care and the environment, key areas critical to the future of our country and the prosperity of our people.

Democrats are united behind a different vision, the vision contained in the Democratic alternative. We want to build upon the economic success that we currently enjoy, a success that owes a lot to the Democratic budget of 1993, a budget that we passed without one Republican vote in the House or in the Senate. If it were up to the Republicans in Congress, we would not have made the wise and prudent fiscal choices that have brought about the strongest economy that we have seen in decades in this country.

□ 1330

We have more work that still needs to be done. Democrats want to meet the challenges presented to us by the changing economy and workplace. Government must play a limited, but critical role in ensuring that the growth we currently enjoy continues and its benefits are widely shared by all working families.

While Republicans talk about protecting Americans and their retirement, their budget threatens the safety and integrity of Social Security. The Democratic budget ensures that any surplus will be used to protect the foundation of retirement security for all Americans.

While Republicans talk a lot about the breakdown of the American family, the Democratic budget does something to actually address the problem. The Democratic budget makes a commitment to an act, the Patients Bill of Rights Act, so that families will receive the health care they need and pay for.

Our budget makes the investments in child care, which will enable Americans to balance the needs of their families with their demands from work.

The Democratic budget makes the smart investments in education that we desperately need to modernize and upgrade our public schools so our kids receive the knowledge and the skills they need to compete in a world marketplace.

While the Republicans profess to care about preserving the environment, their budget makes drastic cuts in environmental protection. Democrats are fighting to safeguard our natural heritage by increasing the funding of toxic waste cleanups and expanding parks and open spaces.

The Kasich budget has been repudiated by moderate Republicans. It has been renounced by the gentleman from Delaware (Mr. CASTLE). It has been ridiculed by PETE DOMENICI, and it should be rejected by this Congress.

I urge my colleagues to support the Spratt substitute, the only honest and responsible budget alternative that has been before us.

Mr. NUSSLE. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Virginia (Mr. WOLF).

Mr. WOLF. Mr. Chairman, I wanted to make something clear. I have some concerns about this resolution, especially with regard to the provisions which I believe single out Federal employees and retirees for unnecessary and unfair reductions.

I am encouraged by the statement of the gentleman from Ohio (Mr. KASICH) to the gentleman from Virginia (Mr. DAVIS) that the $1.6 billion in savings from the Committee on Government Reform and Oversight will not mean benefit reductions in the Federal employees health benefits program or any other pay or benefits of civil service or Postal Service employees or retirees.

With that assurance, I will vote for the resolution to move the process forward, but it does not mean that I will vote for it when it comes back in the conference report. I will weigh it then.

One other thing, if I could just get the gentleman's attention. I would urge the gentleman from Ohio that when he looks at the final agreement to remember the poorest and the most vulnerable in our country.

In the Bible, there are 244 references to the poor; 172 in the Old Testament, 72 in the New Testament. The oppressed are mentioned 45 times. I must tell the gentleman, in this whole body, both sides, that the passage of the highway bill, which was laden with pork barrel spending projects, was very troubling to me, especially the full court press lobbying efforts and the hiring of certain lobbyists to get certain projects in that bill.

I just wanted to say that the way the Congress, I believe, has pursued the recent highway bill, which funds $216 billion over the next 6 years for surface transportation, while transportation funding is necessary, I believe that the Congress got greedy, and we have effectively blown the budget caps and all that for a lot of special pork barrel projects.

Mr. Chairman, I yield to the gentleman from Ohio (Mr. KASICH).

Mr. KASICH. Mr. Chairman, I would say to the gentleman, I think he knows I started a fight against corporate welfare in this House, which I fight every day. That is because I made the argument that we just cannot take from one group. We cannot reform welfare for the poor without reforming welfare for the rich.

The fact of the matter is government is a final safety net for people who do not have anything. Where I come from, it is a sin not to help people who need help. But I also say it is always a sin to continue to help people who need to learn to help themselves.

I would say to the gentleman that we want to be very sensitive to this and not pick, as one person once said, on the weak clients in our society without having the guts to stand up and take on some of the special interests. As the gentleman knows, I share his concern in a number of areas, and I have worked hard, worked hard to try to ameliorate some of those rough edges and keep at it.

Mr. WOLF. Well, I appreciate the gentleman's comments. Next week, I will send the gentleman a letter on this issue that I would like to share. I know probably no one will read it, and many will think it is too preachy, but it will be a letter to the entire Republican caucus on this issue, which includes the passage of the unfortunate highway bill.

Mr. NUSSLE. Mr. Chairman, I yield 3 minutes to my friend, the gentleman from Florida (Mr. SHAW), my colleague on the Committee on Ways and Means.

Mr. SHAW. Mr. Chairman, I thank the gentleman for yielding this time to me. There is much concern in this House on both sides of the aisle with every budget that comes before us. It is a document. It is a political document which can become troublesome, particularly during election times.

However, it is the responsibility of us to pass a budget. It is our responsibility to read these budgets and to come up with the best particular budget that we can.

In reading over the Kasich budget, there was concern and there is concern that has been expressed in this House as to what is going to happen to TANF. That is welfare. It was this Republican Congress that passed welfare reform. We did it in cooperation with the governors in this country, in partnership with the governors of this country. We gave our word to the governors that we were going to hold the funding for 5 years, and that is exactly what we are going to do.

I chair the subcommittee that has jurisdiction over TANF, and I will give my word now to each Member in this Congress that we are not going to cut TANF this year. The final budget that comes out of Congress will exactly back us up on that particular matter. We have given our word. We keep our word.

Let us get on with this. Let us vote down the Spratt budget and vote up the Kasich budget.

Mr. NUSSLE. Mr. Chairman, how much time remains for both sides, and who has the right to close?

The CHAIRMAN pro tempore (Mr. NEY). The gentleman from Iowa (Mr. NUSSLE) has 14 minutes remaining. The gentleman from South Carolina (Mr. SPRATT) has 8½ minutes remaining. The gentleman from Iowa (Mr. NUSSLE) has the right to close.

Mr. NUSSLE. Mr. Chairman, I yield 3 minutes to my friend, the gentleman from Ohio (Mr. KASICH), the chairman of the Committee on the Budget.

Mr. KASICH. Mr. Chairman, let us just go back for a second and think about what we are talking about here. Over the last 5 years, the Federal Government has spent $7.8 trillion. Over the next 5 years, we are scheduled to grow from $7.8 trillion to $9 trillion.

The American family would say, frankly, if we sat down with them and said, do we need to go from $7.8 trillion to $9.1 trillion, they probably would not serve us dinner that night.

We are not even asking to make any difficult or serious reduction in government. All we are suggesting is, instead of the government going from $7.8 trillion to $9.1 trillion, they go to $9 trillion.

We save a penny on the dollar. You cannot run away from it. You cannot escape it. You cannot hide from it. It is designed to save one penny on each dollar of Federal spending.

We take those savings, and do you know what we do with them, Mr. Chairman? We help the American family. We say that we want to get rid of this marriage penalty. We also want to work with the small business community to make it easier for them to thrive, because, you know, in some ways, the small business community is synonymous with the health of the American people.

So our approach here today is to try to trim some of the excess out of government, to make government more efficient and more effective. We do not see a reason why we need 150 separate job training programs and 340 programs in housing, including 103 that are inactive.

We do not see a reason why we should have an $800,000 outhouse in the Delaware Water Gap or to spend $584,000 per home in Yosemite. We certainly do not see a reason to spend $34 million to do closed captioning of the Jerry Springer Show and Bay Watch.

I mean, the fact is, in an institution that is the largest institution on the face of this globe, it is the one major

institution on the face of this globe that has not undergone any downsizing.

What we have to ask ourselves today is can we begin to change the culture of Washington. Any time there has got to be some kind of a change, people jump up and say do not affect me. But we have got a choice. If we cannot affect the culture of Washington, if we cannot save a penny on a dollar, then we are telling the American family the government is more important than they are. That is not a message that any of us want to communicate out of this Chamber.

The fact is we all know intuitively, and of course we know by solid example, that, in fact, we can live under this heavy yoke of only $9 trillion in spending to be able to help our families.

In terms of the President's budget, folks, look, $150 billion in new spending and $130 billion in new taxes. He essentially is trying to reinvent the era of big government. In the Spratt budget, there are no tax cuts. They want to have more tax increases and blow through the spending caps and wreck the discipline that Alan Greenspan told us would hurt this economy.

The bottom line is it is a reasonable proposal. Do you know what I wish? Do you know who I wish was here today to vote on this? All the people outside of this Beltway who go to work for a living and struggle every day to make ends meet.

Members are sitting in their offices, and they are thinking about this vote, and ask yourself, can we save a penny on a dollar and communicate to our constituents that mom and dad and the kids are the most important thing going on in this society today?

In light of all the incidents that we have seen over the last couple of months, I think the answer is unquestionably yes. We just resist some of the culture. We just resist some of the people that are trying to trap us in this city, resist some of the people who say that America should be run from the top down.

Let us transfer power, money, and influence from this city back to the people so they are in charge in their communities to develop local solutions to local problems, strengthen the family, and strengthen the community, and build America from the bottom up.

Mr. NUSSLE. Mr. Chairman, I yield myself 2 minutes just to point out something. It is interesting, as we actually look through the Spratt proposal, and this is probably something that would surprise many people because of all of the rhetoric that we have heard here today. But interestingly enough, the Democrats cut Medicare.

They cut Medicare from the Republican budget; in fact, $600 million the first year, $300 million the second year, $400 million a third year, $300 million the fifth year. They cut Medicare.

These are the same folks who were down here in the well just a moment ago talking about how important health care was to them, and, yet, they are running around cutting Medicare. It is one thing to claim that you are cutting, and it is another thing to claim that you are actually being responsible.

I am sure there is a logical explanation for all of these Medicare cuts. I am sure they are going to claim it has something to do with fraud or waste or something like that. If that is what it is, of course I am amazed to find out all the Democrats can find within a Medicare budget is only $600 million worth of fraud.

But it just points out that sometimes the rhetoric that we hear on the floor does not meet the reality of the words and figures that are on the pages. There are things like that that make it very frustrating.

Mr. Chairman, I am happy to yield to my friend, the gentleman from Ohio (Mr. KASICH).

Mr. KASICH. Mr. Chairman, I want to say to the gentleman, it is important that we have talked about the Clinton budget, but, frankly, we need to talk about what we are all about, why we took charge in 1995, what we came here to do as a majority party, joined with some of our friends on the other side of the aisle. We came to make the budget, government budget smaller and the family budget bigger.

□ 1345

In order to do that, we are going to create a mechanism in this House that will create the reforms, the commonsense reforms, that the American people really want.

I would say to my Republican colleagues, we do not want to forget the reason why the people sent us here. It was to reduce government. It was to reduce regulation. It was to return power, money, and influence to the people. It was to make government more effective. It was to make government more efficient. It was to reject the notion that big government can solve our problems.

Do Members want to know something? That is what the people in the neighborhoods are saying today, give me a chance to get up to bat. Give me a chance to have some of my power back. Give me a chance to have some of my money back, and make the Federal Government more effective and more efficient, and stop having to take too much from me. Make it work.

I would say to the gentleman, this is the incentive we need to get this done. I want to suggest to the gentleman, we can change the culture. We can respond to what the people want and we can improve our country.

Mr. NUSSLE. Mr. Chairman, I yield 3 minutes to my friend and colleague, the gentleman from Texas (Mr. ARCHER), the chairman of the Committee on Ways and Means, who will engage in a colloquy with the chairman of the Committee on the Budget.

Mr. ARCHER. Mr. Chairman, I thank the gentleman for yielding time to me for the purposes of a colloquy that I might have with the chairman of the Committee on the Budget, to just put in the RECORD precisely what this budget document intends and what it will permit in the writing of a tax bill, to give relief in the amount of $101 billion that is provided in the budget document.

Mr. Chairman, I think there has been some degree of misunderstanding about this. It is my understanding, and I would like for this to be confirmed by the chairman, it is my understanding that, number one, this budget is designed to reduce the record tax burden on the American people. That is, we reduce that burden, and that we will have a balanced bill which will include a number of different items.

Certainly we should take action against the marriage penalty, reduce the complexity of the capital gains, pay down the debt, save Social Security, pass additional middle-income tax relief measures, create incentives for growth, savings, and job creation, so that as we have done in the past, we will put forward a bill of comprehensive tax relief in a balanced way.

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. ARCHER. I yield to the gentleman from Ohio.

Mr. KASICH. Let me just say to the gentleman, Mr. Chairman, I would like to underscore with an exclamation point everything that he has said. That is precisely what our agenda is.

Frankly, I would like to say to the gentleman that I share his great frustration with a lot of the government estimators in this town who we have used for a long period of time to make sure we stay on a path, but frankly, who have been wildly inaccurate in terms of their projections of what was going to happen to this economy.

One interesting thing I would say to the chairman, the chairman of the Fed, Mr. Greenspan, came to the Committee on the Budget and made an argument at one point that if we zeroed out the capital gains tax it would not cost the government a dime.

What we have seen is by reducing the capital gains rate, it has generated more revenues, like most of us thought it would, the same way that when we repeal a luxury tax, we begin selling boats again in this country.

So I say to the gentleman, we are in sync. Both of us have a commitment to get to the same place: to empower people, be pro-growth, give people a fair shot, limit the growth of government, expand the personal power through tax relief.

I really look forward to the day, and it is coming soon, when we are going to

have surpluses even in that general fund, where the gentleman from Texas (Chairman ARCHER) is going to be able to return those big high revenues that float into this city right back into the American people's pockets, rather than let people in this town have any incentive to think about spending them.

Mr. ARCHER. Mr. Chairman, I thank the gentleman for his comments.

Mr. NUSSLE. Mr. Chairman, I reserve the balance of my time to close.

Mr. SPRATT. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I began this debate by saying that the Kasich resolution is not realistic. I could not have given more graphic proof for my argument than what has just happened before our very eyes here in the House of Representatives, right here in the well of the House. We have seen this budget come unraveled, piece by piece. First of all, we started this morning.

Mr. GEPHARDT. Mr. Chairman, will the gentleman yield?

Mr. SPRATT. I yield to the gentleman from Missouri.

Mr. GEPHARDT. Mr. Chairman, I would just like to ask the gentleman from South Carolina, did we not hear in the last few minutes the highway bill of $21 billion has not been accommodated in the budget?

Mr. SPRATT. The gentleman is correct.

Mr. GEPHARDT. The user fees have been renounced at about $8 billion to $10 billion?

Mr. SPRATT. This morning we passed a resolution renouncing the fees, but the Kasich bill has $8 to $10 billion in new user fees, $7 in all, in it. Presumably they are not going to repudiate their principle and impose user fees of their own when they have denounced the President for doing it.

Mr. GEPHARDT. Can I ask the gentleman if the agriculture research money we voted for last night was there?

Mr. SPRATT. Absolutely not. We passed a bill, it costs $2 billion, and it is not accommodated in this budget.

Mr. GEPHARDT. Can I ask the gentleman about the veterans' expenses, which was included in the transportation bill?

Mr. SPRATT. When we passed the highway bill we repealed some veteran benefits, and in return, to palliate, we added $1.6 billion to the Montgomery G.I. bill. It is not in this bill. Instead, this bill still has a remnant that is out of date. It calls on the Committee on Veterans' Affairs to reconcile another $10 billion. They take a double whammy, a double hit.

Mr. GEPHARDT. Did I not hear, can I ask the gentleman, that Federal employee cuts were restored in the last few minutes?

Mr. SPRATT. Right here a few minutes ago the gentleman saw them restore it. It validates what I have said. These cuts are not realistic. They will not happen. They undid them right here on the House floor.

Mr. LEVIN. Mr. Chairman, will the gentleman yield?

Mr. SPRATT. I yield to the gentleman from Michigan.

Mr. LEVIN. Mr. Chairman, I wanted to ask the gentleman quickly about the back and forth on TANF. Does not the budget resolution say that there shall be a $10 billion reduction in Function 600?

Mr. SPRATT. It does indeed, and I do not know where it will come, except for TANF. This is another example of the budget resolution saying it will, and then Members getting up here and saying it will not, and then voting for a document that says it will; such contradictory statements.

Mr. GEPHARDT. If the gentleman will further yield, Mr. Chairman, I will say that Senator DOMENICI called this budget a mockery. That is what has happened today on the floor with this budget.

Mr. SPRATT. We say it has a $50 black hole, and it is getting bigger by the minute.

Mr. Chairman, less than a year ago the House approved the balanced budget agreement of 1997. It was a good agreement, a bipartisan agreement. It built on the Clinton budget of 1993, which wiped out the deficit, and paved the road for surpluses as far as the eye can see.

Our resolution, the Spratt resolution, the Democratic resolution, sticks by that agreement. The spending totals, the revenue totals, all of our numbers are in sync with the balanced budget agreement. We save the surpluses because we want to save Social Security. We spare Medicare from further cuts. In fact, we broaden its coverage, because we believe in Medicare.

We protect Medicaid because we believe in Medicaid, and particularly the children's health insurance program, because we are proud of that achievement in the balanced budget agreement last year. We think it would be unconscionable to tell children and their parents that they have coverage at last, only to jerk it away from them the next year.

We fund key initiatives in education, in child care, and call for $30 billion in tax relief, tilted towards working families.

There is one thing of particular fiscal importance in this bill, in this resolution. On September 30, when we close the books on fiscal 1998, the Federal Government will show a surplus for the first time in 30 years, a surplus of $40 to $60 billion. That surplus was hard-earned, and we think we should husband it.

Sure, we proposed some initiatives in education and child care because these are the things we believe in, but we offer offsets to pay for these initiatives. We do not take a single dollar out of the surplus. We say, instead, that the surplus should be saved, held in a reserve fund, as it were, to save Social Security for the long run.

Over the last several years this government has enjoyed a surge of revenues, but until we know that surge is permanent and recurring, until we have taken the next step, the giant steps necessary to ensure the solvency of Medicare and Social Security for the long run, we are wary of cutting back revenues deeply and drawing down this surplus.

In the balanced budget agreement, we have provided for tax relief. We think there is room for more. We think the tax code is full of deductions, credits, exemptions, and preferences that could stand a scrub. We recommend that the Committee on Ways and Means search the code for $30 billion in unwarranted tax benefits, call them what we will, and redistribute the tax burden just a bit more in favor of working families.

Surely we can do this much to help hard-working families. Surely we can do this much to help hard-working families afford the cost of child care and to mitigate the so-called marital tax penalty.

We ourselves have scrubbed spending to come up with $10 billion in cuts over the next 5 years. This is a small sum, but we think the money can do more good if it is used to help school districts, reduce the pupil-teacher ratio in grades 1 through 3, or if it is used to fund the early learning fund.

Here are a few of the other things we propose: broadening the coverage of Medicare so those between 55 and 65 can buy into it. Here are a few of the things we propose in the context of a balanced budget: improving the child care tax credit so it applies to families with incomes up to $60,000, so that families of four with incomes of $35,000 or less will have no tax liability if they take full use of the credit, passing a patient's Bill of Rights.

So our budget sounds some new themes, but they are all fully offset and paid for. At bottom, this is a balanced budget agreement which the House passed overwhelmingly last year. If Members ask me to tell them in a sentence what this substitute does, I will tell them. It restores the budget to reality. It restores funds that the Kasich resolution takes.

If they ask me in a sentence to tell them what this budget does, I will tell them, it restores this budget to reality. The gentleman from Ohio (Mr. KASICH) presents this budget as a 1 percent cut in spending, but since the largest accounts in the budget, Social Security and defense and debt service, are not cut, they are increased, the accounts that are cut take heavy hits.

The remaining cuts are far, far greater than 1 percent. By our calculation,

the Kasich budget will cut domestic discretionary spending by at least 6 percent, on top of the 12 percent in cuts already dictated by the balanced budget agreement, and still being administered. Bob Reischauer, whom we respect on both sides of the aisle, has pointed out that really about half of discretionary spending is not subject to cuts. It is essential administrative functions of the government, the FBI.

This means that to achieve the cuts the gentleman from Ohio (Mr. KASICH) is talking about, the cuts will have to go as deep as 36 percent. As one Member, the gentleman from Delaware (Mr. CASTLE) on the other side of the aisle, said, this will mean deep cuts in some programs and the extinction of others.

Which programs are in the crosshairs? Law enforcement gets cut $8 billion, education nearly $5 billion, the environment $5 billion. It goes on and on and on.

□ 1400

Our resolution is not a duplicate of the resolution that passed the other body, but we are close enough to bridge the differences in a concurrent resolution. We give Members a responsible choice. We stick close to the bipartisan Balanced Budget Agreement and we cut the clearest path to a concurrent resolution.

There are many reasons this resolution should be the budget resolution this House passes, but if Members voted for the Balanced Budget Agreement, if they want to see a budget resolution become a concurrent resolution, if they want to save the surplus for Social Security, if they want to protect Medicare and Medicaid, they should vote for this and reject the Kasich budget.

Mr. NUSSLE. Mr. Chairman, I yield the balance of my time to the gentleman from Georgia (Mr. GINGRICH), the Speaker of the House.

Mr. GINGRICH. Mr. Chairman, let me say that I think that this is in some ways as historic a vote as the votes of the last three or four years. It did not start out this way this year. We had a budget agreement that was going to last for five years. I commend the gentleman from South Carolina (Mr. SPRATT) who helped with that last year. It was an historic bipartisan agreement.

But then Washington just could not allow things to go on in a normal implementation. The President, for good and legitimate reasons, sent up a budget that had much higher spending. It had higher taxes. We just voted a while ago and this entire House, I believe unanimously with the exception of one Member, voted against all the tax increases the President sent up.

But it was clear to us, and I want to commend the gentleman from Ohio (Chairman KASICH), because he from a very early point sensed what was happening. The pressures in this city for more spending, for higher taxes, the pressures in this city to avoid reforming the system, the pressures to say the bureaucracy is perfect, we cannot find any money, we cannot change anything, just give us more of the American people's money, let us have more power in Washington, those pressures were building.

I am told that today, and I do not know if they have done it, but I am told that today the Federal Communications Commission may vote a tax, something which in all of American history has never occurred. A constitutional abrogation of power to a group of bureaucrats, appointed figures, who will tax every telephone line in America. Because in this city if we do not tame it, if we do not get it under control, if we do not fight for the taxpayers, this city grows every day and it takes more money and more power and it says, "Come to Washington and beg the bureaucrats to get your own money back."

The gentleman from Ohio (Mr. KASICH) came to us and said, "You know, we ought to make a big effort to establish the principle that we are going to be for lower taxes and lower spending. That Washington is not tamed yet."

Some might say why would we listen to the gentleman? The fact is, and it is one of the great stories that is not covered very much in this city because it makes this city so comfortable, that 3 years of our effort is working.

We passed welfare reform and my good friends on the left got up and opposed it. We passed it three times. It was vetoed twice. Guess what? Welfare reform is working and in 49 States welfare rolls are lower. In New York City welfare roles are the lowest they have been since 1967 because reforms are working.

Then we said let us cut domestic discretionary spending. And let me say that the Committee on Appropriations led by the gentleman from Louisiana (Chairman LIVINGSTON) was brilliant. And while everybody on the left yelled and screamed, we cut out $103 billion, we closed down over 300 small programs and we saved the American people money.

And then we said let us get to a balanced budget. And I remember how the people on the left and the news media laughed at the gentleman from Ohio (Mr. KASICH) when he said let us get to a balanced budget. And then we said let us get to it by 2002 and we were told, oh, that is too soon.

Then we said let us get to it and cut taxes. Let us save enough money by reforming enough government to cut taxes and balance the budget, and we were told that was impossible. Guess what we did? We passed a balanced budget with smaller government and lower taxes, and what was the result? We cut capital gains tax and, as we predicted, we raised more revenue because more people cashed in their capital gains, and in April alone there was $12 billion more from capital gains that came into this city at a lower tax rate, which I would argue means we ought to go to a 15 percent capital gains rate and get even more money. So my liberal friends could actually get more money out of the rich with lower capital gains because we have real proof, but their ideology would not permit that.

Then we said what if we were to balance the budget and lower interest rates? Guess what happened? We balanced the budget and the Federal Reserve has kept interest rates low. What is the result? Chrysler last month sold more cars than in any month in its history. Why? Because interest rates are lower, the economy is growing, taxes have been cut, people are at work. We have the lowest unemployment rate. We have the lowest interest rate. We have cut taxes. We are balancing the budget, not in 2002, we are balancing the budget in 1998, four years ahead of schedule.

Now, one would think with that kind of track record we could come to our friends and we could say to them why do we not work together? Oh, reform the bureaucracy? The unions would not like that. Shrink government in Washington? The liberals would not like that. Return power to the American people? The ideologues would not like that. Reduce the number of lawsuits? The trial lawyers would not want that.

So here is the choice: Is this budget perfect? No, this is a human budget written in a human institution by people working their hearts out. Will it be improved in conference? I suspect it will, because we will meet with our good friends in the Senate who were our partners in welfare reform, which is working; in cutting taxes, which is working; in saving spending, which is working; in lowering interest rates, which is working; and in balancing the budget, which is working. And with our partners, we will write a budget.

We will bring it back to the House and hopefully a few Democrats will have the courage to vote for all the things that are working. Then we will work with the President, and by this September we will get an agreement, I think at the latest in early October, and it will be good for America.

But if Members vote "no" on the Kasich budget, they are voting against the team that reformed welfare. They are voting against the team that cut taxes. They are voting against the team that balanced the budget. They are voting against the team that brought domestic discretionary spending under control, and I think that is wrong.

Let me say one other thing. We need, over time, not only lower taxes and a smaller government in Washington,

but contradictory as it will sound to some, we need a stronger defense. We need a stronger defense with a reformed Pentagon. We need to have as much courage at saying yes, our young men and women deserve good equipment; there ought to be enough of them to do everything the President wants without wearing them out; and they ought to have the best training in the world. We should have enough procurement.

Mr. Chairman, we are going to revisit that issue over the next six months. The lesson of Pakistan, the lesson of India is a lesson that the world is dangerous and America has to be strong. The lesson of Bosnia and Kosovo and Iraq and the Middle East and North Korea is that the world is dangerous and the United States has to be strong.

But as we approach defense spending, we are going to be for stronger spending with less bureaucracy, with more accountability. And I believe we can get to that, and I believe in the end the President will work with us to get to a bipartisan consensus that America has to have a big enough defense, with modern enough weapons, with good enough training to be able to lead the entire world.

So I would simply say to my friends, the Democrats, their leadership has to offer a liberal budget. It is okay. They were not with us on welfare reform and it was okay. They were not with us on tax cuts and it was okay. So do not flinch. The same principles that have worked for 3½ years, that have given us the lowest interest rates, the lowest unemployment, the best take-home pay, those principles are going to work again.

Defeat the liberal budget and then help us pass a good workmanlike budget. Let us get to conference and continue to improve it, and let us keep moving this country forward in the right way.

Mr. BENTSEN. Mr. Chairman, I rise in defense of fiscal responsibility and in support of the Democratic Budget Resolution. The Congress has traveled a long road to restore fiscal discipline to the budget process. This process started in 1990 when the Congress passed the first of three deficit reduction packages and continued in 1993 and 1997. The Democratic Budget Resolution builds on that last agreement that we worked so hard to achieve.

The Balanced Budget Agreement of 1997, reached just nine months ago, made some very tough cuts. We agreed then to cut spending by $300 billion over five years and $1 trillion over 10 years. We cut $115 billion from Medicare, $13 billion from Medicaid, and $172 billion from other programs. At the same time, we met our national security needs and made critical investments in education, children's health care, and environmental protection in order to keep our economy strong and address challenges facing our families. It also provided for $95 billion in tax cuts over five years, including education tax initiatives to help families afford college costs, a child tax credit, and reductions in the capital gains and estate taxes.

Building on the Balanced Budget Agreement of 1997 is still the responsible course of action. The Spratt substitute does just that. It is an honest blueprint for the nation's fiscal policy, which conforms with the spending levels set in Balanced Budget Act of 1997.

As I said very early this morning, the Republican budget resolution diverges from the path of fiscal responsibility and does not acknowledge reality. It underscores the Republicans inability to govern, hence their desire to debate their resolution at a time when most of the country is asleep.

The Democratic Budget Resolution does not play games. It does not hide draconian spending cuts in blue smoke and mirrors. It is not built on a pithy slogan that is misleading and inaccurate.

It is built on making crucial investments in education, medical research, health care for children, environmental protection and other vital programs, This budget resolution spells out how to pay for these investments and a $30 billion dollar marriage penalty tax cut. Most importantly, this budget resolution saves future surpluses to shore up the solvency of the Social Security Trust Fund.

Our budget resolution recognizes the fact that we have a $5.4 trillion debt and that we spend $250 billion on interest annually. Today, 3.1 percent of GDP goes toward paying the interest on our debt. Under the Democratic Budget Resolution, interest payments on the debt will fall to 2.1 percent of GDP in the year 2003. According to the GAO, if we spend the surpluses as the Republican Budget Resolution does, the debt will rise by $890 billion dollars over the next 15 years.

If we abandon fiscal discipline, CBO projects that federal debt will exceed 100 percent of GDP by 2040. That is about twice as high as the current ratio and is a level previously reached only at the end of World War II. Maintaining the status quo without spending the surpluses would save us nearly one trillion dollars over 15 years.

These facts fly in the face of the math that the Majority has been peddling. Three quarters of the budget is exempt from cuts including interest payments, federal military and civilian retirement, Social Security, defense spending and other portions of the budget. Promising a tax cut is unaffordable, disingenuous and will result in long term structural budget deficits.

In fact, $100 billion tax cut requires an 18.9 percent real cut in non-defense discretionary spending. The Balanced Budget Agreement of 1997 already requires similar cuts. The Majority's cuts on top of last year's cuts are just unrealistic. As a result, tax cuts will be enacted first, spending cuts that should come later will never materialize, and in effect, the surpluses will have been wasted.

Included in our $5.4 trillion debt is $600 billion of Treasury bonds owned by the Social Security trust fund that will have to be retired after 2013. The Democratic budget resolution pays down the debt, which in turn reduces interest and principal costs to ultimately strengthen the Social Security Trust Fund.

If we squander the surplus without beginning to retire the national debt to a more manageable level, in the long run, we may have to borrow more to pay off bonds as they come due, including to Social Security, and we will be shortchanging the American people. Without maintaining a course of fiscal discipline, the Congress' hard work since 1990 will be compromised. Federal budget surpluses will be short lived and we will return to deficit spending.

Given the impending retirement boom, that's not the direction in which we want to move. I urge my colleagues to support the Spratt substitute.

Ms. PELOSI. Mr. Chairman, I rise in support of the Alternative Budget proposal offered by my colleague Representative SPRATT. This Democratic budget alternative is faithful to the fiscally responsible, bipartisan Balanced Budget Act passed by the House last year. This alternative budget does not make drastic new cuts in Medicaid, Temporary Assistance for Needy Families, the Earned Income Tax Credit, education and other vital priorities, as the Republican Budget Resolution does. The Democratic alternative does not focus new cuts on working families, the poor, the young and the old, as the Republican Budget Resolution does.

The Democratic alternative offered by Representative SPRATT respects the agreement this House reached with the Senate last year, and it addresses critical priorities in our nation. The Democratic alternative dedicates the budget surplus to Social Security to protect our seniors; it funds additional public school teachers and school construction initiatives for our young people. These are widely supported programs, and they answer the crucial needs of seniors and young people. The Democratic alternative is responsible and invests in our future. I urge my colleagues to support the Democratic alternative budget proposal.

Mr. POMEROY. Mr. Chairman, I rise in opposition to the Kasich budget and in strong support of the substitute amendment offered by the Ranking Member of the Budget Committee, Mr. SPRATT.

When the Chairman of the Senate Budget Committee called the House Republican budget "a mockery" he not only described the substance of the Kasich budget but also the procedure by which it is being considered. Today the House is considering the budget resolution 51 days after the April 15 statutory deadline—the most delinquent budget process in 16 years. The appropriations committees of the House and Senate have long since dismissed the budget resolution as irrelevant and are already busily marking up legislation for the coming fiscal year. Against that backdrop, a reasonable person might conclude that the Budget Committee would propose a resolution that stood a reasonable chance of being expeditiously adopted.

Sadly, this is not the case. By radically departing from last year's bipartisan budget accord, the House Republican leadership has managed to totally isolate itself not just from the President and the Democrats in Congress but also from their Senate counterparts and even many House Republicans. Indeed, some of the harshest criticism of this budget has come not from Democrats but from Republicans. In addition to Senator DOMENICI's comments, Senator STEVENS said that under the

cuts proposed in the Kasich budget, "I don't think Congress could function." A group of House Republicans wrote that the cuts proposed in the Kasich budget are "neither desirable nor attainable."

Fortunately, there is a constructive alternative. Like the budget passed by the Senate last month, the Spratt budget keeps faith with the bipartisan Balanced Budget Act of 1997. The Spratt budget adheres to the discretionary budget caps, offsets tax cuts within the revenue code and pays for priority initiatives with reductions in entitlement programs. Most importantly, by continuing to steer the path of fiscal responsibility. The Spratt alternative fully safeguards the budget surplus until Congress and the President enact legislation to ensure the long term future of Social Security.

I say to my colleagues—especially on the other side of the aisle—who wish to build upon the work of the 1997 budget agreement, to reserve the surplus for Social Security, and to support a budget that can be reconciled with the Senate and adopted, I urge you to support the Spratt alternative.

Mr. DAVIS of Illinois. Mr. Chairman, I rise to support the Spratt Amendment because it is a rational approach to meeting the needs of our society. For example, it provides for 75,000 new teachers, it allows people under 65 to buy into Medicare, $1.2 billion for child care and early childhood education, $600 million for Medicaid, including an outreach program for children and provides an option to cover all legal immigrant children.

It provides for a patient Bill of Rights Act and tax credits for businesses that provide child care services to their employees. It saves all the budget surpluses for five years until a comprehensive Social Security Financial Plan is agreed upon.

The Spratt Amendment is honest, responsible and addresses the needs of the American People.

Mr. POSHARD. Mr. Chairman, I rise today in support of Mr. SPRATT's substitute to the misguided Republican budget resolution. Unlike the Republican proposal, the Spratt substitute meets the requirements of last year's balanced budget agreement without calling for the deep and drastic cuts to critical programs, both mandatory and discretionary, that the majority has included in its plan.

The Spratt substitute ensures that the needs of America's children and working men and women will continue to be met, by providing for billions more in education and training funding than the Republican proposal. In addition, the Spratt budget provides health care funding that will protect maternal and child health, enable the continuation of important research at the National Institutes of Health and the Centers for Disease Control, and provide grants under the Ryan White AIDS program. Mr. Spratt's plan calls for law enforcement spending that will help keep drugs off our streets and out of our communities, and that will fund important crime reduction initiatives. And the substitute provides increased funding for programs that will protect our precious environment and natural resources.

Furthermore, the Spratt substitute includes several major initiatives that will benefit our nation's children. The proposal provides funding which would allow the hiring of 75,000 new teachers to reduce classroom size, sets aside substantial funds for child care and early learning, and includes a Medicaid outreach program for children. There is no more important task than ensuring that the health and education needs of our children are met, and I am pleased that the Spratt budget recognizes this priority.

I urge my colleagues to join me in support of the Spratt substitute. it is not a perfect proposal, but it is one which will enable us to move on with the budget process. This substitute, because of its close similarities to the Senate budget resolution, its the best vehicle with which to reach an agreement with the other body that will allow our respective appropriations subcommittees to continue their difficult tasks with a framework to guide them. Let us adopt this substitute, keeping within the boundaries of last year's balanced budget agreement and ensuring that our children, our working families, and our most vulnerable citizens are protected rather than abandoned.

The CHAIRMAN pro tempore (Mr. NEY). All time has expired.

The question is on the amendment in the nature of a substitute offered by the gentleman from South Carolina (Mr. SPRATT).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. SPRATT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 164, noes 257, not voting 13, as follows:

[Roll No. 209]

AYES—164

Abercrombie
Ackerman
Allen
Andrews
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Conyers
Costello
Coyne
Cummings
Davis (IL)
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson-Lee (TX)
Jefferson
Johnson (WI)
Kanjorski
Kaptur
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
LaFalce
Lampson
Lantos
Lee
Levin
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McIntyre
McNulty
Menendez
Millender-McDonald
Miller (CA)
Mink
Moakley
Moran (VA)
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pomeroy
Poshard
Price (NC)
Rangel
Reyes
Rivers
Rodriguez
Rothman
Roybal-Allard
Sánchez
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Snyder
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Tauscher
Thompson
Thurman
Tierney
Torres
Towns
Velázquez
Vento
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn
Yates

NOES—257

Aderholt
Archer
Armey
Bachus
Baesler
Baker
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Berry
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Boucher
Boyd
Brady (TX)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Cox
Cramer
Crane
Crapo
Cubin
Cunningham
Danner
Davis (FL)
Davis (VA)
Deal
DeFazio
DeLay
Diaz-Balart
Dickey
Doolittle
Doyle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Foley
Forbes
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jenkins
John
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
Kucinich
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lucas
Manzullo
Mascara
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
McKinney
Meehan
Meeks (NY)
Metcalf
Mica
Miller (FL)
Minge
Moran (KS)
Morella
Murtha
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Redmond
Regula
Riggs
Riley
Roemer
Rogan
Rogers
Rohrabacher
Roukema
Royce
Rush
Ryun
Salmon
Sanders
Sandlin
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stearns
Stump
Stupak
Sununu
Talent
Tauzin
Taylor (MS)
Taylor (NC)
Thomas

Thornberry	Walsh	White
Thune	Wamp	Whitfield
Tiahrt	Watkins	Wicker
Traficant	Watts (OK)	Wolf
Turner	Weldon (FL)	Young (AK)
Upton	Weldon (PA)	Young (FL)
Visclosky	Weller	

NOT VOTING—13

Ballenger	Kennedy (MA)	Ros-Lehtinen
Bilbray	Lewis (GA)	Sabo
Furse	McDade	Tanner
Gonzalez	Meek (FL)	
Johnson, E. B.	Mollohan	

□ 1427

Mr. DAVIS of Florida, and Mr. RUSH changed their vote from "aye" to "no."

Mr. WISE, and Mr. KENNEDY of Rhode Island changed their vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore (Mr. NEY). The question is on the amendment in the nature of a substitute.

The amendment in the nature of a substitute was agreed to.

Mr. BERRY. Mr. Chairman, it is with great regret that I rise today to oppose the Republican budget resolution and the Democratic substitute. Unfortunately, both of these proposals stray from last year's historic balanced budget agreement, and neither of them does enough to reduce our national debt and ensure Social Security's solvency.

The Republican proposal is fiscally irresponsible and economically unfeasible. Rather than following the guidelines of last year's Balanced Budget Agreement, as did the Senate budget resolution, the House Republicans have chosen to cut discretionary funding to such programs as veterans health, long-term care for the elderly, and anti-crime initiatives by over $45 billion. These cuts, according to Senate Republicans including Budget Committee Chairman DOMENICI, are unwise and would devastate many important programs for our nation's senior citizens. These cuts, according to Senate Republicans, could derail the budget process. Some—Republicans and Democrats—suggest that they could lead to another government shutdown.

Furthermore, the House Republican budget does not preserve the projected surplus for Social Security. Instead, it actually changes budget rules to allow the surplus to be spent on new programs, including tax cuts. Given our nation's $5.3 billion in debt (as of May 31, 1998), not allowing the surplus to be spent on paying off our debt is harmful to our economy and to our taxpayers.

The Democratic budget alternative, while it is much more fiscally prudent and sensible, still does not do enough to fit the guidelines of last year's Balanced Budget Agreement. In my view, its new spending should be devoted to deficit reduction.

The one budget proposal that would have met all these objectives—the Blue Dog budget proposal—was not allowed to be considered on the House Floor. Due to concerns that this budget resolution might garner enough votes to defeat other proposals, the House Committee on Rules would not allow this legislation to be brought to the floor.

Mr. Speaker, the Blue Dog Budget Resolution would have been good for this Congress, and good for all Americans. I am proud to support it, and disappointed that the will of Congress was not heard on this important issue.

Outlined below are the specifics of the Blue Dog budget resolution:

GENERAL PROVISIONS

Saves 100% of the projected unified budget surplus ($24 billion in FY 99 and $225 billion over five years) for Social Security, and recommends that the unified budget surplus be reserved to fund the costs of Social Security reform legislation.

Reaffirms the principle that budget discipline should be maintained until the budget is balanced without relying on the annual surplus in the Social Security trust fund to mask an on-budget deficit.

Maintains discretionary spending at the levels included in the bipartisan budget agreement. Provides increases in functions for education, veterans, health care, research and other functions that were designated as priority functions in the bipartisan budget agreement. Allows for consideration of tax cuts if they are offset with mandatory spending cuts or increases in other revenues. Does not change budget rules to allow tax cuts to be offset by reductions in discretionary spending.

Identifies mandatory offsets that were not included in the transportation conference report that Congress could use to fund new mandatory investments or deficit reduction.

Incorporates the changes in spending from the TEA–21 Conference Report and conference report on S. 1150, the Agriculture Research, Extension and Education Conference Report, as estimated by CBO, in order to provide a credible budget blueprint that reflects the realities of Congressional action.

Does not reopen Medicare, Medicaid, federal retirement and other mandatory programs for additional reductions.

Does not count on revenues from tobacco legislation that may not materialize, but preserves the flexibility of Congress to consider tobacco legislation that provides funding for programs related to the tobacco settlement.

SOCIAL SECURITY

The Blue Dog budget saves 100% of the unified budget surplus for Social Security. The resolution contains a strong statement that Congress and the President should strive to truly balance the budget, without using the surplus from the Social Security Trust Fund. The resolution also states that Congress should use any accumulated or projected unified budget surplus to pay for the transition costs of Social Security reform.

TAX CUTS

The Senate Budget Resolution contained a tax cut reserve which would allow—but not require—Congress to enact additional mandatory savings and/or revenue increases for the purpose of tax cuts. The Blue Dog alternative would clarify that Congress could also use additional savings for debt reduction.

MANDATORY INVESTMENTS RESERVE

The Senate budget resolution included a transportation spending reserve that identified a variety of spending cuts that could be used to pay for increased spending on highways and mass transit. The highway conference report used most of the offsets identified in the Senate resolution, but there were a few offsets identified in the Senate resolution that were not used in the highway conference. The Blue Dog alternative would change the transportation spending reserve into a mandatory spending reserve that would allow—but not require—Congress to use the unused offsets that Senator DOMENICI identified for transportation (approximately $3.5 billion) for new mandatory investments. As with the tax cut reserve, the alternative would not spell out which, if any, initiatives Congress should fund with this reserve. The Senate Budget Resolution, with which we concur, identified the following area as key investments: child care, children's health education and research.

BUDGETARY IMPACT OF THE TRANSPORTATION AND AGRICULTURE RESEARCH CONFERENCE AGREEMENTS

The Blue Dog resolution incorporates the changes in spending from the TEA–21 Conference Report and conference report on S. 1150, the Agriculture Research, Extension and Education Conference Report, as estimated by CBO. The Blue Dog substitute does not endorse or reject the spending levels of the transportation bill, but incorporates the costs of legislation already enacted by Congress into the budget resolution in order to provide a credible budget blueprint. Likewise, including the budgetary impact of the agriculture research conference report is not an endorsement of the specific policies therein, but simply reflects the budgetary impact of the anticipated passage of that bill by increasing the allocation to Function 350, Agriculture and reducing the allocation for Function 600, Income Security to that would result from the enactment of S. 1150.

DISCRETIONARY BUDGET PRIORITIES

The discretionary allocations in the substitute are virtually identical to the Senate-passed resolution, with slight modifications within the discretionary spending limits established by the budget agreement. In response to the cut in spending for Veterans benefits in the TEA–21 conference report, the Blue Dog substitute increases the allocation for spending on discretionary programs in function 700, Veterans Benefits and Compensation, to allow spending on veterans health care to keep up with inflation. The Blue Dog resolution also contains higher discretionary spending in Medicare than the Senate-passed resolution by eliminating proposed fees on hospitals that are in the Senate resolution and has higher funding for discretionary programs in function 350, Agriculture and Rural Development.

These increases in discretionary allocations are offset by reducing the allocations for function 250, Science, Space and Technology and function 300, Natural Resources and the Environment below the allocations in the Senate-passed resolution.

The Senate-passed resolution increased discretionary spending in both of these functions substantially above the allocations in the Balanced Budget Agreement; even with the reductions the Blue Dog substitute still provides more funding in these functions than the budget agreement.

TOBACCO RESERVE

The Blue Dog substitute modifies the tobacco revenue reserve from the Domenici resolution to allow for consideration of tobacco

legislation that used revenues from a tobacco settlement to fund programs related to the tobacco settlement. The Blue Dog resolution would not make any assumptions about the passage of tobacco legislation. The resolution would simply include language to establish a reserve fund that would allow the budget allocations to be adjusted if Congress considers deficit neutral tobacco legislation that uses the revenues from the tobacco settlement to extend the solvency of the Medicare trust fund and address tobacco-related issues, such as providing assistance for tobacco farmers and communities, creating smoking cessation and prevention programs, curbing teenage smoking, assisting States with the costs of treating tobacco-related illnesses, providing health care for veterans with tobacco related illnesses and funding federal medical research.

MEDICARE

The Blue Dog substitute includes a Sense of Congress provision encouraging the Ways and Means Committee to consider budget-neutral Medicare provisions that would address regional disparities in Medicare reimbursements and to examine the concerns of the home health care and hospital industries regarding implementation of Medicare policies.

CPI ACCURACY

The Blue Dog resolution does not include any proposals regarding CPI, but would contain a Sense of Congress provision encouraging BLS to continue to improve the accuracy of the CPI, particularly with regard to the remaining upper-level substitution bias.

Mr. Speaker, the Blue Dog proposal I have outlined today would have been the sensible middle ground in the budget debate. The legislation had bipartisan support—and its passage would have put an end to the partisan rhetoric and demagoging that we have heard on this issue today.

The American people want a budget—they do not want endless arguments and political posturing. The Blue Dog budget would have provided Congress with a reasonable compromise. It is indeed unfortunate that the Republican majority did not allow its consideration today.

Mr. VISCLOSKY. Mr. Chairman, I rise today to express my deep and serious concerns about the budget resolution brought to the floor today by the Republican Leadership.

First, let me say that I have nothing but respect for my colleague from Ohio, Mr. KASICH, and the work he has done during his tenure as Chairman of the Budget Committee. However, I believe the budget resolution produced by his committee follows a misguided set of priorities and would move our country in the wrong direction.

I am particularly concerned about the large tax cuts called for in this resolution. The measure provides for more than $100 billion in tax cuts over the next five years. I feel that the best tax cut for the American family is a balanced federal budget. Balancing the budget—and keeping it balanced—leads to lower interest rates, more job creation, and strong economic growth. With projections showing the federal budget will be balanced for the first time in almost 30 years, we should not risk returning to the era of deficit spending by enacting massive tax cuts at this time.

I am also concerned about plans to pay for these tax cuts by cutting more than $45 billion in discretionary spending. While I am tremendously pleased that we have finally managed to balance the budget, and I voted for the spending cuts enacted last year, we must realize that discretionary spending has already absorbed crippling cuts. In 1962, discretionary spending accounted for more than two-thirds of all federal spending. Today, discretionary spending accounts for about one-third of the federal budget, while mandatory spending takes up just under two-thirds of the budget.

The budget resolution asks us to continue this trend by cutting more than can be reasonably expected from discretionary spending programs, while doing virtually nothing to reform the entitlement programs that have grown so fast over the past thirty years.

Therefore, I believe we should resist calls to enact massive tax cuts and focus instead on balancing the federal budget and keeping it balanced. The spending cuts contained in last year's balanced budget agreement kept us squarely on the path to fiscal responsibility, which was begun in 1993. We will be far better off if we do nothing, and stick to that agreement, than if we follow the recommendations contained in the budget resolution we are considering today. And if, as projected, this year's budget should produce a surplus, I am committed to the following three priorities:

First, we should take steps to reform and provide for the long-term fiscal health of Social Security, Medicare, and other federal retirement programs without increasing the payroll tax.

Second, I believe it is absolutely imperative that we begin paying down the massive federal debt. Since 1980, the gross federal debt has grown more than five times in size to nearly $5.5 trillion. Today, the debt is two-thirds the size of our nation's Gross Domestic Product, and interest payments on the debt consume 15 cents of every dollar in federal spending.

Think about how much better off we would be if this money did not have to be spent on interest payments. For every $1 billion in debt we retire, we would save $55 million each year in interest payments. Most economists say that reducing the debt, and thereby shrinking interest payments, would reduce interest rates, increase savings rates, keep the tax burden down, and make more money available in both the public and private sectors to fuel continued economic growth.

Finally, we should be investing more in this country's economic infrastructure—such as roads, inland waterways, sewage treatment plants, and airports—in order to make American workers and businesses more productive and profitable.

Improving roads, updating sewer systems, modernizing airports, and making sure our communications system is ready for the 21st century enhances our international competitiveness and helps American workers remain the most productive in the world.

Despite the obvious benefits, many infrastructure projects are not receiving adequate funds or are simply being ignored. For instance, a 1995 Department of Transportation study found that nearly one-third of the roads in this country are in poor or mediocre condition. The Department of Defense estimates that it will be at least 12 years before adequate housing can be built for every soldier in the U.S. armed forces. The Environmental Protection Agency estimates the federal government will need to invest more than $275 billion to meet the nation's water and sewer system needs over the next 20 years.

Mr. Speaker, we have a moral responsibility to provide a solid and fiscally secure future for the generations that will follow us. The Republican budget resolution fails to provide a bright future for our children and grandchildren, and I urge my colleagues to oppose it.

Mr. BROWN of California. Mr. Chairman, as I stand here, I can't decide whether people should be laughing or crying. Is it low farce or dark tragedy to spend time doing the people's business debating a budget that virtually everyone knows is already dead? Today we debate the Budget Committee Majority's sorry, no account, buy today-pay tomorrow, credit card budget. In doing so, most Members on both sides of the aisle have been made reluctant participants in the spectacle of arguing over a corpse.

The Republican leadership seems to have concluded that since we have brought the budget deficit under control it is time to engage in the same sort of shenanigans that got us that deficit in the first place. And why not? Budget deficits have been very, very good to the Republican majority.

Mr. Clinton and Mr. GORE have brought us a smaller government and our booming economy and the 1993 budget agreement have led to a balanced budget. As a result, the Republicans don't have much reason for being. They have become the one trick pony of American politics whose sole excuse for political existence is to rail against irresponsible government excess. It is hard to show excess if there isn't a deficit, so Mr. KASICH's budget promises tax cuts today and pays for them with unspecified, politically unpalatable spending reductions somewhere out in the future. His budget would again put us on a path for deficits. I guess the Republican leadership believes that they can slip this by Americans with a lot of arm waving and thin promises of big tax cuts. I think that our citizens are smarter than that.

If this budget were ever to become the official congressional position, and I don't believe there is anyone in this room or in the other body who thinks for a minute that it will, it would require that we make radical cuts in transportation, housing, education and research programs. These are the very programs that improve the quality of life in this country today and promise a brighter life tomorrow. These are the same programs we have been cutting and freezing and cutting again for ten years as we wrestled with the deficit.

In Mr. KASICH's leaked plan his $100 billion in savings comes from dredging up such tired old turkeys as eliminating the Departments of Commerce and Energy and selling the Power Marketing Administrations—proposals that have been debated and repudiated time and again. Over five years, the Kasich plan would also have us terminate the advanced technology program and manufacturing extension programs at the National Institute of Standards and Technology, cut NASA by one billion dollars, cut energy research by four billion dollars and freeze the National Science Foundation.

Mr. KASICH would cut funding for education and training programs by $4.4 billion over five years. In housing, the Republicans would freeze Section 8 funding leading to a cumulative $18.5 billion shortfall in funding for these contracts through 2003. Flood insurance contributions would be cut by $1.7 billion leading to higher premiums for those living in flood plains and FHA would be cut by $2.2 billion over five years.

The Kasich plan not only fails to provide for Transportation spending increases this House just endorsed in the Transportation Equity Act, but actually cuts budget authority for these programs by $23.3 billion compared to the 1997 budget agreement. The image of this House embracing a massive transportation increase before the recess, with Members rushing home to brag about their pork, and then repudiating that policy by voting for this budget when we come back from recess reinforces the old adage that a week is a long time in politics. It makes me wonder if there shouldn't be a media warning for C–SPAN viewers that they could suffer whiplash from watching this body too closely.

We have been told that the reaction to Mr. KASICH's plan was so negative in his own party that it has been withdrawn. Now, instead of a plan of savings, the House is offered a lame line about giving Appropriators and Authorizers the freedom to find the savings on their own. Our Appropriations Chairman apparently took the Budget Committee at its word about having freedom. He has already issued his 302b guidance to subcommittees based on last year's budget agreement rather than the Kasich proposal. I guess we know what the Appropriators think of the viability of this budget. Perhaps their view was shaped in part by the public comments of the Chairman of the Budget Committee in the other body, a self-described friend of Mr. KASICH, who has generously described the House Republican proposal as a "mockery."

The Appropriations know what the rest of us know: this budget is an irresponsible package that supporters try to make palatable by coyly repeating that they are simply asking for a cut of one cent on every dollar of federal spending. Mr. KASICH and his friends are not such doe-eyed innocents as all that. They know that 70% of Federal spending is off the table when it comes to talk of cuts. That means the $100 billion necessary to reach the tax cut goal will have to be concentrated in just a handful of programs and those programs have been the target of cut after cut during the last ten years. There is a consensus, represented by last year's budget agreement, that investment programs such as education, transportation and research cannot bear further deep cuts. If there were the votes to do that, Mr. KASICH wouldn't have been beaten into withdrawing his plan. But he was and he has and for good reason. Instead of a plan, we have a dust storm of platitudes. Well, platitudes won't cover the tab for $100 billion in tax cuts.

Over the years there has been a lot of talk, especially from the other side of the aisle, about truth in budgeting. If truth in budgeting is more than a slogan, this House should unite in a bipartisan rejection of the Budget Committee proposal. Defeat the Kasich budget, embrace the Spratt alternative and give this House a shred of credibility as we embark upon the appropriations process and enter into budget conference with the Senate.

Ms. ESHOO. Mr. Chairman, I rise in strong opposition to H. Con. Res. 284, the fiscal year 1999 budget resolution. Last summer, the Congress and the President worked together to reach agreement on a balanced budget for the first time in 30 years. This resolution breaks that agreement. I cannot support this resolution, House Democrats will not support this resolution, and the President will not support this resolution. Even the Republican Chairman of the Senate Budget Committee said this resolution is a "mockery."

Ths resolution includes drastic cuts in nondefense discretionary spending. Even more outrageous than the magnitude of these cuts is the fact that the resolution does not specify which programs will be cut or by how much. However, the list of suggested cuts distributed by the Budget Committee clearly reveals the intentions of the Republican leadership.

The cuts are so broad and so sweeping that almost every American would feel the impact of this budget resolution. This budget resolution will gut environmental protections, law enforcement, low income housing, and health care for uninsured children. And it does nothing to protect Social Security. I'd like to list just a few examples of just how extreme this resolution really is. The budget resolution:

Eliminates Americorps;

Cuts the federal commitment to Mass Transit programs, which we just increased under the ISTEA reauthorization;

Freezes future spending on law enforcement, at the same time that Republicans argue that there is a lack of commitment to fight the war on drugs;

Ends the federal commitment under Title I which assists low-income areas meet their education needs;

Ends the work of the Legal Services Corporation;

Ends federal support of the Corporation for Public Broadcasting;

Ends federal land acquisition programs;

Reduces the Children's Health Insurance Program, which was part of last year's Balanced Budget Act, by 40 percent; and

Increases premiums for health insurance for all government employees.

Why are all these cuts necessary? Not to secure the future of Social Security. Not to protect the solvency of Medicare. Not to make the needed investment in our children's education. The cuts are "needed" so we can have another tax cut.

This is not a serious budget resolution. It is a empty political gesture and I urge my colleagues to reject it.

Mr. DIXON. Mr. Chairman, I rise today in opposition to H. Con. Res. 284, the fiscal year 1999 Budget Resolution. This measure would have a chilling effect on mandatory and nondefense discretionary spending, and its proposed $101 billion tax cut is a poorly timed move as we enjoy a stronger economy and budget surplus resulting from last year's Balanced Budget Act.

Although I am strongly opposed to with H. Con. Res. 284, I want to make clear that I support efforts to address the inequities in our tax code caused by the so-called "marriage penalty." I look forward to being in a position to support legislation that ends the current situation which requires some two-income married couples to pay more in taxes when filing jointly than they would pay if not married.

This is not that legislation.

H. Con. Res. 284 calls for $101 billion in spending cuts over five years. These reductions are separate and above those enacted in last year's budget agreement, with every dollar of these additional cuts coming from nondefense spending and all of the savings targeted for tax cuts. Of the spending cuts proposed $56 billion would be slashed from entitlement programs like Medicare and Medicaid and $45 billion from nondefense discretionary programs.

The $12 billion Medicaid cut will exacerbate the negative effects of last year's $10 billion cut in the program. The state of California is still struggling to provide health care to the poor and indigent, especially the many uninsured and Medicaid patients in Los Angeles County. These cuts could jeopardize the health service delivery reforms that the County has struggled to make under its current Medicaid waiver.

The resolution's Medicare cuts may also jeopardize the Health Care Financing Administration's (HCFA) ability to effectively administer the program, particularly since Medicare's administrative budget is already insufficient to meet the Agency's new responsibilities under the Balanced Budget Act.

With respect to the discretionary cuts, the proposed reductions include $290 million from important programs like the National Health Service Corps, the Agency for Health Care Policy and Research, and health professions' education. The GOP budget cuts $4.4 billion from crucial education programs like the Title I program for disadvantaged children, and recommends a voucher program which will only serve to undermine our public educational system.

The GOP budget resolution reneges on last year's budget agreement. While not perfect, the 1997 budget bill was the product of months of very difficult negotiations between the White House and congressional leaders. We must say no to these new cuts which will harm the most vulnerable of our citizens and threaten our current budget surplus by voting down the Kasich bill.

Mr. HILLEARY. Mr. Chairman, I rise in support of this budget. However, although this budget makes no recommendation on the funding of the Tennessee Valley Authority's (TVA) non-power programs, I believe that this Congress should carefully review two important new government studies of these programs.

TVA's non-power functions cover dam safety, reservoir management, water quality, and natural resource management, recreation, commercial navigation, environmental cleanup and other programs. Last year, Congress appropriated $70 million along with the Appropriations Committee issuing report language claiming that TVA ratepayers should be expected to fund the non-power programs beginning in fiscal year 1999.

Recently, however, both the General Accounting Office (GAO) and the Office of Management and Budget (OMB) have issued reports within the past month reviewing the nature of TVA's non-power programs. Both of these reports conclude that TVA is performing services that are clearly federal responsibilities.

In many cases, these are services currently performed by the Corps of Engineers elsewhere in the country and paid for out of the federal treasury.

It is simply not fair to the taxpayers of the Tennessee Valley region to ask them to pay for items that are clearly federal stewardship responsibilities in their own area through higher power rates, while at the same time taxing the people of the Tennessee Valley to pay for these same services that the federal government provides everywhere else in the country.

The OMB report concludes that "In the Administration's view, the no-power programs that TVA now operates are essential for prudent stewardship of the resources TVA manages." The report further states that TVA programs continue to be important to the Tennessee Valley region and the country."

It is my hope that in the interest of fairness and equity, this Congress will continue to appropriate funds for the federal stewardship responsibilities performed by TVA just as this Congress accepts and appropriates funds for these same responsibilities elsewhere in the United States.

Mr. WELDON of Florida. Mr. Chairman, I rise in support of this budget which will move this nation in the right direction. It provides important tax relief for my constituents, including eliminating the marriage penalty which makes married couples pay higher taxes just because they are married. The marriage penalty is morally wrong and I am pleased that we are moving forward to eliminate this unfair tax.

This budget provides tax relief while funding programs that are very important to the 15th District of Florida. In particular, I am pleased that the budget provides stable funding for NASA, by funding NASA at least as high as the president's budget. On page 164 of the budget, it states that the budget, "Assumes the administration's funding levels for NASA." This will guarantee stable funding for the Space Shuttle, Space Station and other critical NASA programs important to my constituents who work at Kennedy Space Center (KCS). I thank the Chairman for hearing my request on behalf of my constituents and responding positively.

Mr. PALLONE. Mr. Chairman, I, like most Members of the House, strongly oppose the Republican Leadership's budget, because it betrays the values of working American families on several fronts. We have heard of the painful cuts to seniors' and children's programs. But just as devastating are the cuts in environmental protection, in particular the cleanup of our nation's 1,300 toxic waste sites—known as Superfund sites.

As a representative from New Jersey, which has 117 of these 1,300 sites—more than any other state, I am offended by this blatant disregard for the health and safety of those families that are forced to live every day with the threat of a Superfund site in their midst.

One in every four Americans, including 10 million children below the age of 12, now live within 4 miles of a Superfund site. These sites can pose serious health and environmental risks to surrounding communities—and particularly children. Fifty percent of the Superfund sites assessed by the Agency for Toxic Substances and Disease Registry in fiscal years 1993 through 1996 were classified as definite public health hazards, and another 30 percent were of indeterminate hazard.

Already this year, cleanup work at up to 171 of these Superfund sites around the country has been delayed due to the Republicans' refusal to provide the funding necessary to expedite cleanups. This includes cleanups at sites in 44 of the 50 states—and three sites in my district alone.

And now with the Kasich budget and its $5 billion cut in environmental spending, the Republicans are asking 1 in every 4 Americans to hold on—and live with that nearby Superfund site just a little bit longer. The Republicans are telling 1 in every 4 Americans, including 10 million American children, that cleaning up these toxic sites is simply a luxury we can't afford, something that the federal budget simply does not have room for.

Democrats want to speed up the cleanups of these public health threats. We want to fund the Superfund program at a level at which two-thirds of all toxic waste sites in the country will be cleaned up by the year 2001.

I urge my colleagues, on behalf of 1 in every 4 Americans, to vote for a healthy environment for our children and against the Republican Leadership's budget.

Mr. STARK. Mr. Chairman, this week, the House considers the Republican Leadership's Budget Resolution for FY '99 (H. Con. Res. 284). The Budget Committee approved a resolution on May 20, 1998 by a margin of 22–16 with every Democratic Member opposing the measure.

While I could not have come to this floor to support the Committee-passed resolution, what is before the House today is even worse than the product that the Republicans voted out of Committee.

Today's Budget resolution is a cruel and direct attack on the least advantaged Americans. It shows the majority party's true colors. They are willing to make our children pay the price for their politics in three significant ways:

The government infrastructure that benefits the common good and each individual family—our schools, our environment, our park systems, our crime fighting programs—is cut to the bone.

Programs providing a safety net for the neediest families with children are gutted. A $10 billion cut in the Budget category 600 translates into a 25% cut in budget authority for Temporary Assistance for Needy Families.

The proposal to spend $100 billion today on tax breaks for the wealthy to please voters at November's polls instead of investing it for Medicare and Social Security solvency will only devastate our future federal budgets—and our children will pay the price.

My colleagues on the other side of the aisle say that it is not the role of government to help the downtrodden, the disabled, the children who happened to be born into families without means.

But is it the role of government to hurt them? That's just what this resolution would do.

This budget must be viewed in the context of the economy. We know that this era of prosperity has passed many Americans by. Although we have had a long period of economic recovery, our economy has not been that robust until the last year or two. In fact, during the first three years of the recovery (1991 to 1993), 80% of Americans experienced declines in income.

As the economy grew more robust during the Clinton administration, workers experienced some income gains but, in spite of these more recent gains, the gap between the rich and the poor continues to widen. Improvements in wages were just not enough to erase 20 years of falling and stagnating wages.

Census Bureau data analyzed by the Center on Budget and Policy Priorities dramatically demonstrates this growing income inequality in 48 out of 50 states:

Between the late 1970s and the mid-1990s, the incomes of upper-income families with children increased in every state. On average, incomes of the richest fifth of families increased by 30%, or nearly $27,000, after adjusting for inflation. In sharp contrast, incomes of the poorest families with children decreased in 44 states in this period. The decline in the real incomes of the poorest families with children averaged 21 percent, or $2,500.

In the U.S. as a whole, Census data shows that the poorest 20% of families with children had an average family income of $9,250 in the mid-1990s, while the average income of families in the top 20% of income distribution was $117,500, or 13 times as large.

The income gap is not just between rich and poor. The gap has also increased between middle class and high income families between the late 1970s and the mid-1990s. By the mid-1990s, there were 40 states where the gap between the highest income 20 percent of families and the middle 20 percent of families with children was larger than it had been for any state during the 1970s.

This data is clear: economic prosperity has not been broadly shared in America. The poverty rate for children has not declined. More than one in five children lives in poverty. Although children represent one-fourth of the population, they comprise nearly 40% of the people living in poverty.

Nor has the pain of budget choices been broadly shared. Under this Budget plan, the young and the poor bear the pain, and the rich share the gain.

The Leadership's Budget cuts domestic spending by $101 billion over the next five years—a 19% reduction below the amount needed to keep up with inflation by the year 2003.

This is a huge cut below the already tight spending levels approved in last year's budget agreement. And, since the Republican budget does not include funding for the highway bill, the actual cuts would be even deeper.

More than 40% of the cuts fall on low-income families, even though these programs make up only 23% of all mandatory spending.

The Republican budget cuts Medicaid and children's health by $12 billion, and cuts education by $5.7 billion over five years.

The most insidious cut of all is the cut in the budget category 600. This category includes the Temporary Assistance for Needy Families program (TANF).

The TANF block grant replaced AFDC, the JOBS program, and Emergency Assistance.

Cutting TANF reduces the funds states have to spend on providing basic supports for children. It also reduces state funds to pay for caseworkers to assist families making the transition from welfare to work. It reduces the funds to assure needy families with children obtain the education, training and employment assistance they need to help them become self-sufficient and avoid long-term welfare dependence.

If the TANF block grant budget authority is cut from $16.4 billion to $12.4 billion each year to achieve $2 billion in outlay savings, as CBO estimates, and all the cuts came from TANF assistance: Benefits for all TANF families could be reduced by about 25% which would require the "average" welfare family of 3 to live on about $275 a month; benefits for about one-quarter of TANF families could be eliminated ending assistance for approximately 1.5 million children; and basic education and job skills training needed for parents to become employable could be reduced or eliminated for up to 2.9 million parents trying to get back to work.

States would have $10.2 billion less over 5 years to make the promote job preparation to get families off of public assistance, to prevent and reduce the incidence of out-of-wedlock pregnancies, and to provide child care for needy children.

In spite of our budget surplus and beyond our targets agreed to in the Balanced Budget Act, this resolution cuts to the quick every way our government works to make life better for Americans.

Why? So we can give $100 billion in tax cuts and still have a balanced budget?

The Chairman of Ways and Means has floated various tax cuts but they all disproportionately help the upper bracket folks: estate tax relief, deeper capital gains cuts, exclusions for interest and dividends, reductions in the alternative minimum tax and marriage penalty relief. Even the accelerated deductions for health insurance provide more relief for those in the upper brackets than for taxpayers with lower wages.

The tax cuts are unfair and unwise when we know we must address solvency issues in both Medicare and Social Security.

In keeping with our vote today on school prayer, I hope I can reach the hearts and minds of my colleagues with a story about Moses.

About 3000 years ago, Moses interpreted the Pharaoh's dream of 7 fat cattle and 7 starving cattle as a prediction that Egypt would have 7 years of feast, and then 7 years of famine. Like a wise ruler, the Pharaoh saved some of the surplus of the 7 good years, so that the people of Egypt could survive the 7 years of famine.

That was a pretty big gamble the Pharaoh took, relying on someone else's interpretation of a dream.

He could have made everyone happy for 7 years and seen his approval ratings reach deity levels. He could have abolished the tax code and built and built a few extra pyramids for his best friends. Instead of the 3 pyramids of Egypt, he could have had 4 or 5. He could have built a dozen sphinxes.

But no, he was wise, and saved for a possible disaster—and the disaster came.

We don't need Moses to analyze the demographics in America.

We know that our current surpluses are temporary and will turn to deficits. We know that Medicare and Social Security will either have to be cut or taxes raised in the next 10 years. We also know that we can make the problem infinitely easier to solve if we save today's surpluses for tomorrow's shortfalls.

God doesn't have to give us a dream for us to figure out the right policy here.

If we don't pass a budget that saves for future needs, our children will wonder if we were so dumb that we could not to see the obvious coming—or just too foolish not to prepare for it.

Mr. Chairman, I cannot support this budget that guts safety net programs for our children so that it can give tax breaks to the wealthy. I urge my colleagues to reject it as well.

Mr. WAXMAN. Mr. Chairman, this budget resolution is an outrage. If it were not for the seriousness of the subject, this proposal would be laughable. Surely no responsible legislator on either side of the aisle can vote for this resolution.

Let's look at just one of the worst things this budget proposes to do: destroy the Medicaid program and cripple the child health program written with such fanfare only last year.

This budget slashes those programs by $12 billion dollars over the next five years. That's actually $2 billion more than the Balanced Budget Act took from Medicaid. And every one of the Members in this House—certainly every one on the Commerce Committee—remembers how difficult and painful those cuts were.

Now this budget says let's do it again.

How do they think that can be accomplished? Well, the May 12 document suggested block granting the acute care part of the program; that's the code word for taking away the entitlement to services that elderly and disabled people, pregnant women and kids, rely on to get decent medical care and nursing home services.

And nobody should be fooled into thinking the long term care part of the program would be spared. The actual budget proposal takes more than twice as much money out of Medicaid as the May 12 document assumed—so it is obvious that all the protections in all parts of the program—including nursing home care—are on the chopping block.

Some people must have some pretty short memories around here. Maybe they've forgotten that when you do this to Medicaid, you are saying to widows that there's no Federal protections to keep spouses from being impoverished when their husband or wife goes into a nursing home. That you are saying to people in nursing homes that the Federal Government washes its hands of any responsibility for decent quality, staffing and services in nursing homes.

Maybe they've forgotten that it means saying to low-income Medicare beneficiaries that they won't be able to rely on help from Medicaid for services like prescription drugs or help with their cost sharing and premiums. Why the May 12 document says specifically that it would "grant Governors the flexibility to determine how best to address provisions for beneficiaries with overlapping benefits." That's shorthand for saying there's no more Federal guarantee that poor Medicare beneficiaries will get any extra help.

Or should we assume that Mr. KASICH and his majority at the Budget Committee think States will just cut services for kids instead?

Is that the policy they want us to endorse?

Let's see, what else could they have in mind. Do they mean to slash the DSH program so there's nothing left? Or just let people be pushed in managed care plans with a totally inadequate capitation rate? That's certainly an effective way to undermine any quality care in those settings.

All this is made more outrageous because we already slashed this program last year. We've already seen such a dramatic slowing of the growth in the numbers of people covered by Medicaid that it's virtually flat.

We've got a surplus, for heaven sakes. But the philosophy behind this budget seems to be, well let's cut taxes anyway, and let poor people bear the brunt of paying for it. Because in this budget, it's programs for poor people that take the massively disproportionate share of the cuts.

This is idiocy. It's mean spirited, it's indefensible. If you vote for this budget, you might as well just say flat out to poor widows and poor kids in your district and all over the country—forget any guarantee of decent medical care. Forget any protections in Medicaid.

There's lots of other reasons to vote against this budget. But what it does to Medicaid is reason enough. Vote no.

Mr. VENTO. Mr. Chairman, I rise today in strong opposition to the GOP Budget Resolution reported out of the Rules Committee. In this Resolution the GOP Majority has turned its back on the commitment and coherent budget agreement Congress crafted last year. The GOP reneges and risks our recent success toward balancing the budget and maintaining investment in areas of critical need to our nation and people. Instead, the GOP Majority has opted to put forth a measure which will force massive cuts in areas important to our nation's future such as health care, child care, education and the environment. This is not governing. This Republican budget clearly demonstrates irresponsibility, abandons the promise to save Social Security first, kills important investments in our children's future and clearly neglects the American people.

The Majority Budget Resolution will cut an additional $101 billion below last year's budget agreement in people's programs. Although the Republican rhetoric attempts to characterize such cuts as simply being I cent out of every dollar over the next 5 years, the reality is much more alarming than their rhetoric would lead Americans to believe. It takes billions from people's programs, Medicaid, TANF, education, veterans medical benefits, crime fighting efforts and natural resources. Furthermore, the GOP Budget does not add up. At a time when our country is in its greatest period of economic growth, when the budget deficit is on the way to elimination due to the major work done by the Democratic Majority in Congress and President Clinton in 1993—without a single GOP vote—and a surplus of $40 billion is projected this year 1998, congress should be seizing this opportunity. We should

offer a 1999 budget which invests in working families and provides the tools and resources that increase the ability of all people to thrive in our nation's booming economy and has a paramount focus on insuring Social Security and Medicare's long-term viability. Instead, we have a GOP budget that miserably fails this test and our country.

The proposals contained in this Budget Resolution continue the Republican's war against health care. Last year, congress set our Medicare reductions of $115 billion for five years. Initial provisions in this year's GOP Budget proposal sought more than $22 billion in yet new cuts to Medicare and Medicaid on top of what is already set out in law. The Republicans planed to use these new cuts to finance a tax cut for America's wealthiest taxpayers. Only after intense criticism from within their own party and Democrats, the GOP Leadership opted to drop the Medicare cuts, but not the cuts which savage Medicaid. And the new children's health care program. This change relays a negative message to the elderly and the low income families and the disabled who were promised and deserve quality health care.

The Republican Budget cuts $5 billion from natural resources and environmental protection programs. this is money that could be used for the Environmental Protection Agency, Superfund, our National Parks, National Forests and Wildlife Refuges, protecting endangered species and funding important environmental cleanup. Protecting the environment and preserving the earth's natural resources should be a top priority in congress. A close look at this budget leads to the conclusion that the GOP Majority is indifferent to its stewardship responsibilities to this nation and land.

Last year's Balanced Budget Agreement explicitly assumed full funding for all Section 8 Housing expiring contracts through 2002. However, this year's budget fails to maintain the number of households who currently receive assistance by refusing to allocate funding for existing Section 8 contracts as they expire. This simply is a broken promise. Failure to renew expiring contracts will not only reduce the number of assisted households, it could force currently assisted tenants to face sharp rent increases, displacement or eviction.

In response to the concerns of the growing number of people whose Section 8 housing contracts that are scheduled to expire, the Republicans included no outlays for that purpose in their Budget, virtually making the budget authority unusable. Furthermore, according to the Congressional Budget Office, a freeze in renewing Section 8 contracts would ultimately mean one million households would lose federal housing vouchers and certificates by 2003. Today, rental housing assistance provides Section 8 tenant-based and project-based programs to over 3 million households. Forty-six percent of this total are working class families with children and 32% are elderly. This will force needy persons into the streets and into homelessness.

In addition, the Republican plan slashes education programs by $5.7 billion over the next 5 years. It eliminates direct federal funding to school district by repealing Title I grants and suggests that such programs be made into some sort of vouchers. These grants are essential in providing supplementary education and related services in low-achieving children attending schools with relatively high concentrations of pupils from low-income families. These additional cuts deprive our elementary and secondary schools of much needed resources that could be used for more teachers in our classrooms and internet access for all schools.

Furthermore, the Republican budget freezes every program it does not cut, specifically veterans' medical care, law enforcement, Superfund and Head Start. This adds up to real cuts when even a lowered inflation rate will depreciate the level support provided in this Budget blueprint. The reality is that 40% of these cuts impact hard working, low-income families that deserve our help and encouragement not the shabby treatment accorded in this GOP budget blueprint.

Moreover, just last night the Republicans dropped a special provision allowing Congress to use the anticipated budget surpluses on a convoluted, untested proposal offered by the Speaker: "private retirement accounts." Such accounts are a unilateral, premature, partisan maneuver that is intended to superimpose this idea in place of a bipartisan agreement to truly strengthen and save Social Security first.

Deciding now to use the surpluses for tax incentive private accounts before addressing Social Security's long-term problems would siphon off resources that will be needed to maintain the solvency of the Social Security Trust Fund. Budget surpluses should be reserved until a Social Security Commission, the President, and the Congress address the long-term requirements of Social Security. This represents just another step in the Republican agenda to eliminate the Social Security Insurance program and squander away the projected budget surplus upon half baked schemes. While abandoning the specifics it is still the intent of this budget to tax expend the dollars, so one bad idea may just be replaced with another and have a similar impact of disregarding the commitment to save Social Security first.

Overall, this budget fails to meet the needs of the American people. The Republicans are a majority in Congress; it is their responsibility to put forward a plan that can actually be implemented and to govern. Because the Republican plan cuts so deeply and unfairly, and because it deviates so markedly from last year's bipartisan budget agreement, it hopefully stands little chance of being implemented. Attempts to implement it will ensure confrontation with the GOP Senate, Presidential opposition and a strong no vote from most Democrats.

After forty five days late without a budget proposal, the nation has a right to expect the GOP Congress to step forward with a sound budget plan—a budget that is not just another political, partisan scheme loaded with the tax break promises for special interest groups, more punitive, punishing cuts on the working poor and undercutting retirement, health and education programs so vital to our constituents' and nation's future. It seems that this GOP led Congress would blow a free lunch after they were handed a working model crafted by the gutsy votes of 1993 Clinton/Democrat Congress. That proposal has changed the economic path from deficits as far as the eye can see to an economic path based upon sound economics and a surplus this year and hopefully in to the future.

Here we go again. After last year's tax breaks and budget deal the GOP majority reneges in the name of an election issue. The Republicans attempt to break the 1997 Budget agreement and attempt to make a virtue of tax breaks for the special interests and breaking faith with Social Security and Medicare. Make no mistake about it this will break the budget. This is the same old GOP tax break siren song that the band plays when the GOP is asked why the numbers didn't add up—Play it again, Sam!

Mr. COYNE. Mr. Chairman, I rise today in opposition to H. Con. Res. 284, the budget resolution offered by the Chairman of the House Budget Committee. I believe that this budget plan is seriously flawed.

Thr proposed budget resolution would cut $101 billion in federal programs over the next 5 years in order to finance a tax cut of comparable magnitude. I am concerned that spending cuts of such size—in the wake of the budget cuts of recent years—would have a powerful negative impact on my district that would not in any way be justified by the benefits that the proposed tax cut could provide. I am especially concerned about the impact that this level of program cuts would have on the most vulnerable members of our society—children, seniors, the sick, and the poor. Our top priority must be to—at least—maintain the existing federal safety net for those individuals who desperately need it.

Moreover, it is my understanding that while the report on the budget resolution recommends that some or all of the spending cuts be used to eliminate the marriage penalty, the bill does not do that, nor would it take $101 billion in savings to do so. While the Budget Committee report on H. Con. Res. 284 is rather vague, it seems likely that much of the savings from the $101 billion in proposed spending cuts would be used for the kinds of tax cuts for the rich that usually characterize Republican tax legislation. In fact, H. Con. Res. 284 would not actually eliminate the marriage penalty in the tax code. The report only urges the Ways and Means Committee to use the savings produced by the resolution to eliminate the marriage penalty. The Committee—and Congress—would in no way be bound to do so.

I want to make it completely clear that I support efforts to address the marriage penalty in the tax code—I am a cosponsor of legislation that would make just such a change—but that the proposed level of spending cuts are not necessary to address the marriage penalty.

Nor do I believe that we should pay for tax cuts for the rich by cutting important federal education programs, infrastructure programs, environmental protection programs, research programs, anti-poverty programs, and health care programs. Some of the cuts assumed by this budget resolution would harm the most needy members of our society and rapidly reduce the quality of life in many of our communities. Other assumed cuts—like those eliminating critical investments in federal research, education, and infrastructure programs—would in the long run prove to be counterproductive;

such federal programs are necessary in order to maximize our nation's future economic growth. Moreover, many of the program cuts and eliminations assumed in this budget resolution have been considered and rejected repeatedly by Congress in previous years. If the Members consider the implications of this budget carefully, I am certain that a majority of them will reject it.

I have a number of other serious concerns about this budget resolution. It is back-loaded—all the painful cuts would take place in the out-years after the November elections. It would change the pay-as-you-go provisions of the Budget Act that have helped to impose the necessary fiscal discipline on Congress. And, finally, it contains none of the President's important initiatives on education, child care, health care, and the environment.

In short, this bill has a number of major flaws. The bill does too little to preserve Social Security. The spending cuts in this budget resolution are excessive and unwise. Many of the specific spending cuts that are assumed in the resolution have been rejected before. And, finally, while Congress should address the marriage penalty, it could do so without the level of spending and tax cuts proposed in this budget resolution. For these and the other reasons described above, I oppose this bill. I urge my colleagues to join me in defeating this unwise, irresponsible legislation.

Mr. OWENS. Mr. Chairman, it is highly likely that there will be a budget surplus of no less than 50 billion dollars for the coming budget year. For the first time in many decades there will be a window of opportunity to make meaningful federal investments in education. Unfortunately, the federal share of the overall expenditures for education is merely seven percent at present. This budget surplus offers an opportunity to bolster our national security by increasing the pool of brainpower to operate our increasingly complex society. I propose that the new budget surplus be divided in accordance with clear national priorities. One fourth of the surplus should be set aside for social security; one fourth should be used to give tax relief to families earning less than 50,000 dollars a year; one fourth should be allocated for direct emergency funding for school construction; and one fourth should be invested in other education priorities such as smaller class sizes, education technology, books, equipment, etc. This represents a worthy budget deal which should immediately be placed on the table for discussion and debate. We need an open debate on the best use for the surplus. What American voters should fear is a closed door, smoke-filled room deal in October with only representatives of the Republican controlled Appropriations Committees (House and Senate) and the White House present. A multibillion dollar deal is going to be made. Let this deal be done in the sunshine. Let's do a deal for the children of America.

DO THE BUDGET DEAL NOW

Start acting real
Right now do a democratic deal
Do this magic surplus deal
Upfront right away
Chase infected cynics
Off the political highway
Make humane rules
Build safe schools
Start acting real
Right now do the deal
Sunshine is now okay
Act fast in the light of day
Invest it the people's way
Stop pushing the no touch lie
In four pieces cut the pie
Start acting real
Right now do the deal
Vote for children's justice fast
Make up for the stupid past
The budget is on even keel
Upfront right away
Do this magic surplus deal.

The CHAIRMAN pro tempore. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BOEHNER) having assumed the chair, Mr. NEY, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 284) revising the congressional budget for the United States Government for fiscal year 1998, establishing the congressional budget for the United States Government for fiscal year 1999, and setting forth appropriate budgetary levels for fiscal years 2000, 2001, 2002, and 2003, pursuant to House Resolution 455, he reported the concurrent resolution back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment in the nature of a substitute.

The amendment in the nature of a substitute was agreed to.

The SPEAKER pro tempore. The question is on the concurrent resolution, as amended.

Pursuant to clause 7 of rule XV, the yeas and nays are ordered.

The vote was taken by electronic device, and there were— yeas 216, nays 204, answered "present" 1, not voting 13, as follows:

[Roll No. 210]

YEAS—216

Aderholt
Archer
Armey
Bachus
Baker
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Biliraki
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Cox
Crane
Crapo
Cubin
Cunningham
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Foley
Forbes
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastert
Hastings (WA)
Hayworth
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Manzullo
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Rogan
Rogers
Rohrabacher
Roukema
Royce
Ryun
Salmon
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowbarger
Solomon
Spence
Stearns
Stump
Sununu
Talent
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)

NAYS—204

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Bilbray
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Campbell
Capps
Cardin
Carson
Castle
Clay
Clayton
Clement
Clyburn
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Ford
Frank (MA)
Frost
Ganske
Gejdenson
Gephardt
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hefley
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (CT)
Johnson (WI)
Kanjorski
Kaptur
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
Lampson
Lantos
Lee
Levin
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Moran (VA)
Morella

Murtha	Roemer	Strickland
Nadler	Rothman	Stupak
Neal	Roybal-Allard	Tauscher
Oberstar	Rush	Taylor (MS)
Obey	Sanchez	Thompson
Olver	Sanders	Thurman
Ortiz	Sandlin	Tierney
Owens	Sawyer	Torres
Pallone	Schumer	Towns
Pascrell	Scott	Traficant
Pastor	Serrano	Turner
Payne	Sherman	Velázquez
Pelosi	Sisisky	Vento
Peterson (MN)	Skaggs	Visclosky
Pickett	Skelton	Waters
Pomeroy	Slaughter	Watt (NC)
Poshard	Smith, Adam	Waxman
Price (NC)	Smith, Linda	Wexler
Quinn	Snyder	Weygand
Rahall	Spratt	Wise
Rangel	Stabenow	Woolsey
Reyes	Stark	Wynn
Rivers	Stenholm	Yates
Rodriguez	Stokes	

ANSWERED "PRESENT"—1

Souder

NOT VOTING—13

Ballenger	LaFalce	Ros-Lehtinen
Furse	Lewis (GA)	Sabo
Gonzalez	McDade	Tanner
Johnson, E. B.	Mollohan	
Kennedy (MA)	Paul	

□ 1446

Mr. HILL changed his vote from "nay" to "yea."

So the concurrent resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. LEWIS of Georgia. Mr. Speaker, had I been present for rollcall vote 210, I would have voted "no."

GENERAL LEAVE

Mr. NUSSLE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution just agreed to.

The SPEAKER pro tempore (Mr. BOEHNER). Is there objection to the request of the gentleman from Iowa?

There was no objection.

PERSONAL EXPLANATION

Ms. HARMAN. Mr. Speaker, last night I was unavoidably absent and missed Rollcall Votes 203 and 204. Had I been present I would have voted yes on Rollcall Vote 203 and yes on Rollcall Vote 204, a conference report for a bill authorizing agricultural research and extension programs and restoring food stamps benefits to certain legal immigrants.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1054

Mr. SPRATT. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor from H.R. 1054.

The SPEAKER pro tempore. Is there objection to the request from the gentleman from South Carolina?

There was no objection.

LEGISLATIVE PROGRAM

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

Mr. BONIOR. Mr. Speaker, I ask consent to speak out of order to inquire of the distinguished majority leader the schedule for today, the remainder of the week and next week.

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

Mr. BONIOR. I yield to the distinguished majority leader from Texas to give us a little information on where we are headed here, this weekend and next week.

Mr. ARMEY. Mr. Speaker, I am pleased to announce that we have concluded legislative business for the week. The House will next meet on Tuesday, June 9, at 12:30 p.m. for morning hour and at 2 o'clock p.m. for legislative business. On Tuesday we will consider a number of bills under suspension of the rules, a list of which will be distributed to Members' offices this afternoon. After suspensions, the House will take up H.R. 2709, the Iran Missile Proliferation Sanctions Act under a closed rule. Members should note that we do not expect any recorded votes before 5 o'clock p.m. on Tuesday, June 9.

On Wednesday, June 10, the House will meet at 9 o'clock a.m. and recess immediately for a joint meeting to receive the President of South Korea. Following the joint meeting on Wednesday and on Thursday, June 11, the House will consider the following legislation:

H.R. 3150, the Bankruptcy Reform Act of 1998 and H.R. 3494, the Child Protection Sexual Predator Punishment Act of 1998. Mr. Speaker, there is also a chance that we may consider H.R. 2888, the Inside Sales Act. The House will also continue consideration of H.R. 2183, the Bipartisan Campaign Integrity Act of 1997.

Mr. Speaker, we hope to conclude legislative business for the week on Thursday, June 11, and I thank the gentleman for yielding me the time.

Mr. BONIOR. Mr. Speaker, I would ask of my friend from Texas, and I thank him for his information for next week, and I would just note to the gentleman from Texas that also on the schedule for this week I noted that he had campaign finance on the schedule for next week. It was supposed to be on the schedule for this week, and of course we did not get to debate campaign finance. And in addition to that I note that the Committee on Rules has reported out the second rule making in order hundreds of nongermane amendments, and we are concerned on this side of the aisle that it appears that there is going to be or is in progress right now a filibuster by the majority on this piece of legislation.

And my question to my friend from Texas is are we going to do campaign finance next week?

Mr. ARMEY. Mr. Speaker, if the gentleman will yield?

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

Mr. ARMEY. I thank the gentleman for his inquiry, and if I may say to the gentleman, I too appreciate and share his disappointment about our having not gotten back to this subject this week, and let me assure the gentleman that it is my intention that we will be able to spend time on that, and it is my intention to move forward as expeditiously as we can. We had such a broad-based expression of interest on the part of so many Members with so many different points of view on this matter that the Committee on Rules did in fact act as inclusively as possible, and that clearly, as said, as the gentleman has identified, is a job that is going to take a great deal of floor time, and if I may assure the gentleman it is my commitment to get that floor time, make it available and to have this debate on an orderly continuing basis until we complete the work.

Mr. BONIOR. I would say to my friend from Texas, having served on the Committee on Rules for 14 years, that the gentleman from Michigan is well aware of how not to bring a bill up, and how to bring a bill up and never get to a bill, and how to bring a bill up and never get to the bill, and try and get to the bill and talk it to death. And it appears in this case that all three techniques are in play. I am very concerned that we may not reach a conclusion on this bill, and I want to assure my friend from Texas and my colleagues on the other side of the aisle, those who are in fact not interested in this bill are getting and reaching a conclusion on this bill that we are going to do all that we can to make sure that the debate is orderly, timely, that we come to some closure on the bill, and we have been very disappointed so far this session in the progress or lack of on this legislation. It was not brought up, it was brought up under a procedure several months ago that I think most folks who follow this bill considered, and if my colleague will pardon the strong language, a sham, and now we are in a process of a very inclusive and open procedure, as my friend has mentioned, but one which will, in fact, if pursued to its ultimate, lead to no conclusion at all, and this again will not have happened.

So it is with great concern that I rise to express my concern and disapproval of how this has been handled so far, and I hope that we have an orderly, fair debate so all sides can be heard, that we can reach a conclusion and come to closure on the important questions surrounding the issue of campaign finance reform.

Mrs. MALONEY of New York. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentlewoman from New York.

Mrs. MALONEY of New York. I rise really in support of Mr. BONIOR's statement and would like to add to it that it has been indeed a very long time since that historic handshake of the Speaker in New Hampshire, where there was a promise to bring campaign finance reform before this body. Again we were promised that it would be brought before this body in May. We were told that it would be brought before this body in June. We are now in the second week of June, and it seems to be a continuing case of promises, promises, promises, yet never a reality.

And I would like to ask the gentleman, to underscore the question that Mr. Bonior asked, is this a new form of filibuster? Or are we going to have debate and a vote in this body, specifically where we have a vote before July 4th of this year so we can get it to the House, so it can get to the President's desk?

Mr. BONIOR. I yield to the gentleman from Texas (Mr. ARMEY).

Mr. ARMEY. I thank the gentleman from Michigan for continuing to yield, and I want to thank both the gentleman from Michigan and the gentlewoman from New York for this affirmation of commitment. It is not often I find myself with a shared sense of commitment with the gentleman from Michigan, the gentlewoman from New York.

Let me say it is my intense purpose to work with the legislative schedule in such a manner as to make all the time that I can find available for the purpose of carrying on this important debate, with ample notice for all parties at each point of resumption, to consistently and completely and comprehensively cover this subject, have all the votes and move it forward.

And I do not know how I can emphasize in more emphatic terms my conviction to get this done, and I appreciate so much the gentleman from Michigan and the gentlewoman from New York's willingness to work with me towards that end.

Mr. BONIOR. Mr. Speaker, I yield to my friend from Texas (Mr. DOGGETT).

Mr. DOGGETT. I am greatly encouraged by the gentleman's comments in this regard and would just want to be sure I understood them correctly.

As you know, the Committee on Rules, in addition to any germane amendments that Members might have, has approved the consideration here on the floor by special rule of 259 nongermane or irrelevant amendments, which I think is more nongermane amendments than they have accrued on all of the bills that have been considered while the gentleman has been majority leader.

Is it the gentleman's intent then when we begin consideration of this bill next week to work through to the end rather than to start stop, start stop, start stop, as we have done today in an effort to kill the bill?

Mr. ARMEY. I appreciate the gentleman's observation of the sequencing of events. I am afraid I have to disagree with the gentleman's characterizations of the motive. Nevertheless, so many of those amendments that were offered, so many of the substitutes that were offered, come from the gentleman from Texas' side of the aisle, germane or nongermane. The Committee on Rules was very generous and accommodating to all Members of the Congress. We have before us a very large task, and I will and do have a high priority of returning to that work as frequently and for as extended periods of time as I can manage in coordination with the other legislative business before this body. It is a priority of mine, and I will emphasize that in every planning session I have, and I certainly appreciate again the willingness of the gentleman from Texas to work with me on this, and I am looking forward to everybody feeling confident that they were treated fairly under the rule, they were included, and they do have their opportunity to present their ideas and enter this debate.

□ 1500

Mr. DOGGETT. I thank the gentleman very much. Does the gentleman believe then, as the gentlewoman from New York asked, that we can see this work completed before July 4?

Mr. ARMEY. Mr. Speaker, if the gentleman would yield further, I would hope so. I cannot guarantee. As the gentleman from Texas knows, it is very difficult to guarantee anything in terms of a date certain time-line and so forth. But let me just say to the gentleman, if I can say it in perhaps the most colorful way that is allowable within the rules of discourse under debate, it is my intent to have this done, completed, thoroughly giving everybody their opportunity, and out of my life by July 4, if at all possible.

Mr. BONIOR. Mr. Speaker, I would ask one other question to my friend. Does the gentleman expect late nights next week, and, if he does, will there be accommodations for the White House event that is scheduled for Thursday evening?

Mr. ARMEY. Again, I thank the gentleman. If the gentleman would yield further, we would try to hold it to no more than moderately late evenings, but the White House event of which you speak, of course, is something that we will accommodate to the maximum of our ability in the schedule.

Mr. BONIOR. I thank the gentleman.

Mr. ARMEY. Since the gentleman from Michigan (Mr. BONIOR) has the time, I wonder if the gentleman from Michigan would be willing to yield time to the gentleman from Arizona (Mr. STUMP) for an announcement that I think of great interest to this body.

Mr. BONIOR. I yield to my friend the gentleman from Arizona (Mr. STUMP).

ANNOUNCEMENT OF DEATH OF BOB HOPE

Mr. STUMP. Mr. Speaker, I have the sad responsibility to tell you this afternoon that Bob Hope has passed away. For those people in uniform, from the early days of World War II through the Gulf War, no man or woman in uniform ever had a better friend than Bob Hope.

Bob Hope always said he would never stop entertaining. He said that as long as he was able, "I am not retiring until they carry me away," he said, "and I will have a few routines on the way to the Big Dipper."

We will all miss him very much. As you know, we honored him just recently. For the first time in the history of this country, we made an honorary veteran. That took place in the rotunda of the Capitol. We are all going to miss him.

Mr. BONIOR. I would add these comments to my friend from Arizona, that we are all saddened by his passing. He has provided so much joy and happiness to our planet, and to our servicemen and women in particular. He was a great American, a great world figure, and we thank him for the memories.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1766 AND H. CON. RES. 240

Mr. DOGGETT. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor from H.R. 1766 and H. Con. Res. 240.

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

There was no objection.

TRIBUTE TO PAGE CLASS OF 1998

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

Mr. KOLBE. Mr. Speaker, I rise today as we do traditionally on the last day that our pages are with us, to recognize them, to talk about the program and the contributions that they make to the House of Representatives and to all of us individually.

The gentlewoman from Florida (Mrs. FOWLER), the Chairman of the Page Board, wanted very much to have been here to do this herself, but she had to catch a plane from Baltimore and so has left us. But, Mr. Speaker, I will include at this point in the RECORD the remarks of the gentlewoman from Florida (Mrs. FOWLER) and the list of all the pages who have served us this year.

Mrs. FOWLER. Mr. Speaker, I rise today as Chairman of the House Page Board to give

my heartfelt thank you to all of the wonderful and talented students who have been involved over the last year in the House's Page Program.

I know the hard work and, at times, late hours involved in being a page. But I can assure you that it is good practice as you embark college and eventually a career. This program is designed to give you a rich experience as to how our democratic government works. As you leave these marble buildings I hope that you will take with you a deeper understanding of what it means to be an American.

After spending so many hours here in this honored chamber, you must know that you have played a role in history. Your name may not be up on the voting display or your words may not be printed in the Congressional Record, but you helped to make what this Congress accomplished this year possible. You should feel proud of your achievement and I hope that your service here will inspire you to further success in life. We wish you the best of luck and thank you for your service to our country.

Mr. Speaker, at this time I will include for the CONGRESSIONAL RECORD, the names of the pages that we salute today:

Joshua Allen, Dominic Alpuche, Chad Appel, Thom Backes, Sarah Beckett, Charlie Bond, Andrew Brehm, Brian Callanan, Keegan Callanan, Marianne Certain, Sarah Clark, Michael Conlon, Leia Cooper, Jason Dore, Richard Downe, Jamie Etherton, Robert Evans, Nathaniel Finn, Julie Fishman, Rebecca Fowler, Stephanie Ginebra, Brock Grunhurd, Lexi Harlow, Ashley Heher, Kristyn Hemingway, and Robin Hill.

Jill Hogue, Shyanne Hughes, Monique Jackson, Michelle Jenkins, Amanda King, Emilie Klein, Jacob Kosoff, Rodney Lake, Ryan Lane, Jennifer Lewis-Pike, Abbigail Look, Matthew McClellan, Danae McElroy, Jeremy Milne, Adam Morehouse, Anna Nichols, Jerry Paradise III, Janet Patton, Beth Pezik, Amy Phillips, Kevin Powell, Kristin Quinlan, Elizabeth Quinn, Abigail Racster, and Tracy Raeder.

Ambar Renova, Leslie Robertson, Glenn Schatz, Gina Schilmoeller, Erica Schmitt, Mike Shapiro, Kathleen Sherwin, Timothy Skidmore, Lauren Stafford, Brigit Swanson, Erin Vanderveldt, Meaghann Weniger, Adam Wiggins, Brian Woody, and Erik Yassenoff.

Mr. KOLBE. Mr. Speaker, there are a number of Members who wish to speak on this, and I want to accommodate them all. I would like to begin with the other member of the Page Board who is with me today, the gentleman from Michigan (Mr. KILDEE).

Mr. KILDEE. Mr. Speaker, about 15 years ago Tip O'Neill appointed me to the Page Board, and that appointment has been one of the most rewarding responsibilities I have had in the Congress of the United States.

We have had great pages in those years, in my 22 years in the Congress, very great pages, and this year's page group is among the very, very best I have known.

There is a program in this country called Close-Up, which is a very, very good program, but no one has seen the Congress as close up as have our pages. They have seen us at our best and at our worst; they have seen democracy in action; they have seen our national leaders; they have seen world leaders. They have enriched us, and I hope that they have been enriched by their experience here.

About a month ago they had an auction to raise some money, and among the things auctioned off was to have lunch with myself. I was the winner of that auction, because I had lunch today with Andy Brehm, Brian Callanan and Keegan Callanan, and I look at people like them, who are representative of all of the pages, and I really have hope for our future.

About sixty years ago Franklin Roosevelt spoke these words, which I think are as true today as they were then. He said, "There is a strange cycle in human events. To some generations, much is given; of other generations, much is expected."

This generation of Americans has a rendezvous with destiny, and, knowing you, I know that you will meet the challenges of that rendezvous. Thank you and God bless you.

Mr. KOLBE. Mr. Speaker, I thank my colleague and friend and fellow member of the Page Board for his remarks. He has been one of the stalwart individuals who has helped to make this page program work so well, and we thank him for his kind remarks.

There are few Members of this body that are better friends of the pages, few Members that take more time to stop by and say hello and thank them and do things for them and even take them on to his boat on the Potomac, than my good friend and colleague from California, DUKE CUNNINGHAM. I would like to yield to him at this time.

Mr. CUNNINGHAM. Mr. Speaker, I thank the gentleman for yielding. You know, a critter is something that is usually cuddly. They know what a critter is. It is something that is underfoot all the time. Sometimes you swish it away, sometimes you pat it on the head for doing a good job, and critters do whatever critters do. So I aptly named this class "the critters."

We were fortunate enough to have a sunny day and we took 70 of these critters out on the Potomac. I want to tell you, I bought 20 pizzas, 12 bags of chips, 12 bags of pretzels, 15 cases of soda pop, two Price Club bags of nuts, and they were gone before we got to Mount Vernon. They are also hungry critters, as most kids are.

But we do not thank these kids enough. Sometimes they go about, they do their work. And if you have children and you want to talk about responsibility, when they left the boat, I said to a guy when I was up above driving the boat, I said, "Is it clean down below?" One of the critters looked at me and said, "Duke, we are pages," like that is expected.

That is the way that they carry on their daily basis. They do not do it because they have to or that it is expected. It is because they are professionals, they are loving critters, and God bless every one of you. If any of us can ever be the wind in your sails, please give us a call. Thank you.

Mr. KOLBE. Mr. Speaker, I thank the gentleman from California for his remarks. It is because of individuals like him that the program for the pages is more than just a job, it becomes a real life experience, where they get to know real people that work here in our Congress and our government, and I thank DUKE CUNNINGHAM for making that very possible for us.

I would like to yield to the gentleman from Virginia, who also is, like myself, a former page, and knows something about this program, though from a slightly earlier day.

Mr. DAVIS of Virginia. Mr. Speaker, it was many years ago. I remember my last day as a page. I was here for four years. In those days you could stay for the full time limit. I will add, in all these years on Capitol Hill, I have never been on DUKE CUNNINGHAM's boat, so you are way ahead of me.

We have had a great outstanding group of young men and women who participated in the page program this last year, and I do not think everybody appreciates sometimes the dedication, the focus, the long, long hours and the flexibility that you have had to share, and hopefully the lessons that you have learned from that and the discipline that you have had to incur will stay with you and enable you to be successful in whatever you do.

But the average person sees you running around, doing errands on the floor, and does not recognize that you are getting up very early in the morning to attend school, and putting in a full day and sometimes a full night of work, and then going back to school the next day, and the rigors that it entails.

I know during this time you have witnessed some of the great debates, and some of the not-so-great debates, that go on here on a daily basis. I just hope you take the experience, the knowledge and the history that you have been part of with you, to be able to share it with others. And maybe some of you will, like the gentleman from Arizona (Mr. KOLBE) and myself, enter the public arena some day. But whatever you do, we hope you will be successful and hope to keep running into you throughout the years.

God bless all of you, and thank you for your efforts.

Mr. KOLBE. Mr. Speaker, I thank the gentleman from Virginia for his kind comments about our pages and for his service here as a page, as well as a Member of Congress. I am sure he has had an opportunity to explain to the pages that he was always perfect when

he was here and never engaged in any kind of antics. I know that certainly was the case for myself when I was here.

Mr. Speaker, I would like to yield to my friend and colleague, the distinguished gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I thank the former page from Arizona for yielding.

Mr. Speaker, I was never a page, but I had the opportunity, as I have told page classes in the past, as President of the Maryland Senate, to run the page program in the Maryland Senate for four years. It was, like the page program we have here, an extraordinary, unique education for a very select group of young people, a group of young people who had an experience, as you have had, like a very, very, very small percentage of their age group have.

We talk about the future being up to you. The gentleman from Michigan (DALE KILDEE), who has done so much for the page program over the years, talked about Franklin Roosevelt's observation about some generations being given much, and some generations having much expected of them.

In my opinion, all generations through the ages of pages ought to have a lot expected of them, and we expect a lot of you. We expect a lot of you because you are outstanding members of your generation. Unlike some other outstanding members of your generation, you have had an experience that they will not have. You have had the opportunity to be present firsthand in the body that is looked to throughout the world by the billions of people who live on our planet as the center of democracy, as the center of a successful effort for people to come together and peacefully resolve differences.

During the course of your being a page here and your very outstanding service to not just us as individual Members of Congress but to this institution and to the people of America, you have had the opportunity to see some pretty animated debate. You have seen some of us get, I would say, angry at some times at one another. DUKE CUNNINGHAM has gotten angry from time to time, and I have gotten angry from time to time. But then you saw a DUKE CUNNINGHAM and a STENY HOYER come together as friends, honored by their neighbors in being elected to this House, knowing full well that we are all Americans, and though we are animated in debate, it is really that on which we agree that is most important. You have had that opportunity.

□ 1515

There is a lot of cynicism in America among some people about their Democratic institutions, and that is not helpful in a democracy. We need to have citizens have confidence in their democracy, in their institutions of government, and particularly in this House and the Senate just down the hall, because that is the way we resolve our differences and make progress as a democracy, a model for the world.

You, with your special knowledge, can educate your generation to the substance of what their democracy is all about as represented here in the people's House. I am always pleased.

I thank my friend, the gentleman from California, and my friend, the gentleman from Arizona, for allowing me to participate in this farewell. But it is not farewell. Obviously the gentleman from Virginia (Mr. DAVIS) is here, the gentleman from Arizona (Mr. KOLBE) is here, and you may be here for years to come in various capacities.

But thank you. Thank you for taking the time to expend the effort to learn, to participate, to contribute to making this House and this country a better place. You are richer for it. We are richer for your service. I hope that you will go back to your respective communities and your families and your schools and talk to your friends, educate them further, and make our democracy better. Congratulations to all of you. Godspeed.

Mr. KOLBE. Mr. Speaker, I thank the gentleman for his remarks.

Mr. Speaker, I yield to the gentleman from California (Mr. CUNNINGHAM) who has had one more thought and has to catch a plane.

Mr. CUNNINGHAM. Mr. Speaker, as usual, I forget something, and I will be brief. But I would ask three things of you kids, critters.

First of all, when there is a page reunion, come back, and make it a positive thing to do that, whatever it takes, because you have made lasting friends. I think that is important.

Secondly, each and every one of you is going to go back home. You are used to going to Georgetown. You are used to going on the Metro. You are used to going down here to the little soup and salad place all together, all on your own.

The first time you go out the door, your mom and dad are going to say "Where are you going?" and you say "I am going out, mom and dad." They say "Not so fast." Break them in easy.

If I have ever seen a problem, it is with pages going back that have had their independence here and freedom, and all of a sudden going back home and to the reality of parenthood. Break in your parents easy.

The third thing is come see us in the offices. Call us and send us letters. God bless.

Mr. KOLBE. Mr. Speaker, I thank the gentleman from California (Mr. CUNNINGHAM) very much.

Mr. Speaker, I yield to my friend and colleague, the gentleman from Florida (Mr. MICA).

Mr. MICA. Mr. Speaker, I thank the gentleman from Arizona for yielding to me.

Mr. Speaker, I just wanted to take a moment, I have delayed my departure back to my district, to congratulate each of our pages this afternoon.

I just wanted to say briefly that the pages have had a great experience and a rare opportunity, and it is very similar to what we have as Members of Congress, a tremendous experience being elected to represent our individual districts. It is a rare opportunity that very few individuals ever get to experience. So you, too, have had that privilege, that honor, and you have served us very well.

Sometimes the pages are taken for granted. They get here, and they hit the ground running, and they are called on immediately to perform. Right up to their last hour of service this afternoon, they have been called on and performed so well. Again, it is, though, an incredible and rare experience, and we are so proud of the way that this class has conducted itself.

I am a little bit of a history nut, as some of you know, and my interest in the Capitol and the history of this Chamber. Today, as you leave on June 4, you will be part of the history of an incredible body.

I think you have had the opportunity to see, too, what very few individuals ever get to see up close; and that is that, in fact, this government does work and, in fact, it is truly representative of this Nation. Just like each of you have come from different families and different districts and different backgrounds and different party affiliations, but you have come together and been a part of the history and this process. So it is a tremendous and unique opportunity.

As Daniel Webster said up there, if you look, he said that you perform when you come here. If you perform a service, it is something worthy to be remembered. Certainly your service has been in the same light as asked by one of our great Americans who served in Congress with such distinguished history. You have been, again, a tremendous credit to us.

I thank you personally, and I now extend the thanks of all of my colleagues on both sides of the aisle. We wish you Godspeed and the very best in your future careers. Thank you.

Mr. KOLBE. Mr. Speaker, I thank the gentleman for his comments. I am very pleased to yield to the gentlewoman from North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. Mr. Speaker, I thank the gentleman for yielding to me, and I thank him for assembling and having given me the opportunity for me to join in words of appreciation.

First, I am appreciative of the fact that you wanted to come; that you were talented enough to be selected for this unique opportunity. Not only were

you talented or willing to come, but you so ably and so joyfully served in your capacity.

You did a variety of things. I know some of them were less exciting. Never did we see it on your face. Always with a sense of expectancy, always with a sense of your purpose. Your presence suggested that you had all the confidence.

I feel, as you go forth, that you bring us hope. Those of us who serve in Congress, sometimes we become a little cynical because we are not quite sure if what we do and all of the discussions we have are making that much sense. In fact, sometimes we know we are not making sense.

But one of the things we feel is that, of all the things we do, if we can give hope to young people, young people can share part of their life and inspire us to be all the things that we can be for this country, we know this country has embraced that.

So I thank you for being with us, but thank you for who you are and, more importantly, I thank you for what I think you will become.

All of you are very special, but one of you comes from my district. So, Monique Jackson, I expect great things. You one day may be in here in Congress yourself. So thank you very much.

Mr. KOLBE. Mr. Speaker, I thank the gentlewoman for her kind comments and good words.

Mr. Speaker, if I might ask my colleagues and the pages to indulge me for just 1 minute for a couple of comments of my own as we close here.

Mr. Speaker, let me also add my words of thanks to the pages for the service that they have given us. This is a program that goes back a long ways, almost 200 years ago, when an individual was appointed to serve as a runner here in the Congress.

Through the years, the program has sputtered on and off, but it has generally been with us. It has kind of been more formalized in this century. Of course, for the last 20 years it has been a much more organized and formal program.

But even though the program has changed dramatically through the years, when I was here as a page it was boys only, when I was here as a page it was 4 years of high school that you could be here for, the program has changed a lot but many things about it are still very much the same.

What is the same about it is the kind of good work you do for us, the kind of help you give us to make our lives just a little bit easier. It is like the grease on the wheel that just makes it turn a little bit easier. We sometimes take it for granted and forget about it, but you make our lives just better and easier for us.

I hope it is the same for you, that you take something back from this program, as I think you should and you will. I know for me there were many things I took back from it, good friends, and I know from the exchanges of phone numbers and addresses and, of course, now E-mail. We did not have that either when I was here as a page.

You are all going to be staying in touch and you will be coming back. But I have taken many good friends. Two of them are here on the floor of the House of Representatives that were in my class. Donn Anderson used to be the Clerk of the House of Representatives, and Ron Lasch, our majority person here on the floor, assistant on the floor, both of them were in my class. They have stayed and given an incredible amount of service to this body and to their country through the years.

You have an opportunity to do that as well. When I left here, people would ask me, "What is it you really learned about politicians and Senators and Congressmen from your experience as a page?" I thought about it, and I said, "Well, you know, I guess the most important thing I learned is that they put their pants on one leg at a time like everyone else." We may laugh at that, but it is true.

You learn the very best and you learn the worst about politicians here. You see them at their very best. You see them at their very worst. That is true of any experience you are going to have in life where you are close up with people. You will see the human frailties, but you will also see the good things that will come out about people. I hope you will remember the good things, and you will use the good things to build on that.

This week I flew across this country of ours to attend the funeral of my sponsor, Barry Goldwater. He was a great mentor to me. I learned a lot from Barry Goldwater. But I think what I learned most was some very simple values that he gave of integrity, of honesty, of patriotism.

When you go away from this experience, I hope that above anything else that you get out of this, it will be some of those simple values that you can use in life no matter what you do.

Whether you return to the Congress as a Member, as a staff person, whether you serve in government as he served for so many years, there are values that go beyond any particular job. There are values of patriotism, of honor, of integrity. You have a great opportunity to make a lot from this.

We wish you Godspeed and we look forward to seeing each and every one of you come back. I thank each and every one of you.

ADJOURNMENT TO TUESDAY, JUNE 9, 1998

Mr. MICA. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 12:30 p.m. on Tuesday, June 9, 1998, for morning hour debates.

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

There was no objection.

HOUR OF MEETING ON WEDNESDAY, JUNE 10, 1998

Mr. MICA. Mr. Speaker, I ask unanimous consent that when the House adjourns on Tuesday, June 9, 1998, it adjourn to meet at 9 a.m. on Wednesday, June 10.

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

There was no objection.

AUTHORIZING THE SPEAKER TO DECLARE A RECESS ON WEDNESDAY, JUNE 10, 1998, FOR THE PURPOSE OF RECEIVING IN JOINT MEETING HIS EXCELLENCY KIM DAE-JUNG, PRESIDENT OF THE REPUBLIC OF KOREA

Mr. MICA. Mr. Speaker, I ask unanimous consent that it may be in order at any time on Wednesday, June 10, 1998, for the Speaker to declare a recess, subject to the call of the Chair, for the purpose of receiving in joint meeting his excellency Kim Dae-Jung, President of the Republic of Korea.

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

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. MICA. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

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

There was no objection.

□ 1530

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. PEASE). The Chair will now entertain one-minute requests.

TRIBUTE TO BILL POWELL, A MIDDLE GEORGIA LEGEND

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

Mr. CHAMBLISS. Mr. Speaker, I rise today to pay tribute to a middle Georgia legend, Bill Powell, who will close

out 40-plus years of service during tonight's 6:00 newscast on WMAZ TV in Macon, Georgia.

Upon his arrival in Macon on WMAZ radio in 1958, Bill quickly became one of the community's most popular radio personalities, and it was only natural when Bill leaped into television weather at WMAZ in 1982 that he soon became one of central Georgia's best and most popular television personalities.

Bill has given of his time to speak to local schools and community organizations concerning various weather topics. He has served with distinction on a number of boards within central Georgia, such as the Museum of Aviation, the Middle Georgia Air Force Association, and the South Side Lions Club.

As Bill retires, he will take his sense of humor and fun-loving personality, but will leave a legacy of community service that will be difficult to surpass.

Congratulations, Bill, on a job well done. As you told your listeners for so many years, keep on keeping on. God bless you, Bill.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

APPOINTMENT OF COMMISSION TO INVESTIGATE THE PROBLEM OF RISING PRESCRIPTION DRUG PRICES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. BERRY) is recognized for 5 minutes.

Mr. BERRY. Mr. Speaker, recently I introduced legislation to create a commission that will report to the Congress on the problem of rising prescription drug prices. The commission will do much needed research into how we can change public policy to ensure the affordability of prescription drugs.

Prescription drugs are the highest out-of-pocket expenses for three out of four elderly patients. Recent price increases for generic pharmaceuticals have been as severe as 4,000 percent. One thousand tablets of Chlorapropamide, a medication that is necessary to sustain life for diabetics, has gone from $19.45 to $306.66 this year.

All other segments of the health care industry have contributed greatly to bringing down health care costs. Since 1980, the cost of pharmaceuticals have risen over 2½ times the rate of inflation. Everyone is affected by these increases through insurance costs, government reimbursements, not just the uninsured.

Considering the Federal Government's and taxpayers' rather large public investment in the pharmaceutical industry through the form of tax incentives, tax write-offs, and grants, some discipline in making responsible pricing decisions should be expected.

The industry had over $6 billion in annual deductions for promotional activity before the FDA recently decided to relax direct marketing restrictions. This commission will lay a foundation on which to build policy that keeps prescription drugs reasonably priced.

The commission will look into why American consumers are paying much more than those in other countries, why increases are out of line with inflation of other goods. It is time for the Congress to act responsibly and ensure that corporate greed does not get in the way of our seniors having affordable health care.

This legislation is fair and evenhanded, and something our senior citizens and the public deserve. I encourage Members to support this bill.

EXCHANGE OF SPECIAL ORDER TIME

Mr. MICA. Mr. Speaker, I ask unanimous consent to take the special order time of the gentleman from California (Mr. RIGGS).

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

There was no objection.

AMERICA'S RELATIONSHIP WITH MEXICO IN THE WAR AGAINST DRUGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. MICA) is recognized for 5 minutes.

Mr. MICA. Mr. Speaker, I come before the House again this afternoon to talk about the subject of the problem of illegal narcotics, and in particular this afternoon, to address the problem relating to our relations with Mexico and Mexico's effort in our war on drugs.

As Members may recall, the Clinton administration certified Mexico recently as cooperating in our war on drugs. I really want to call to the House's attention the current situation with Mexico, which is reaching disastrous proportions. Just today there is information that our United States agents are warned of Mexican retaliation as a result of their participation in a sting operation in Mexico.

I have followed this effort of the United States to take action in Mexico in a money laundering and illegal narcotics operation within the confines of Mexico. I pulled up some of the headlines, which are quite revealing.

This one is the week of May 20. It says, "Reno Lauds Mexico for Help with Probe. Customs Targeting Drug Money Bankers."

In this sting operation the Attorney General said, "Law enforcement officials in Mexico have promised to cooperate in a massive U.S. Customs Service money laundering investigation aimed at Mexico banks."

Then we see another headline a few days later, "Mexico Promises Probe of Bankers Indicted for Laundering." This is the headline on May 20; again, cooperation.

Then we find a sudden turn of events, that in fact Mexico is not cooperating. The headlines from the Washington Post on May 23 say "Zedillo," the Mexican President, "Blasts U.S. Undercover Drug Sting." He condemned the use of U.S. agents in that operation.

Then we saw an apology in another headline, "Clinton Regrets Keeping Sting Secret."

Then we find out that the sting was not secret, that in fact the Mexicans knew about it and were told about it in advance. The Wall Street Journal reports, "Bank Bust Stings U.S.-Mexico Relations."

The latest in today's newspaper, as I said when I began, is "U.S. Agents Warned of Mexican Retaliation."

Mr. Speaker, this is the country we certified as cooperating. This is the country that the Attorney General praised for cooperating in this sting.

This is what is reported in today's paper: "The United States Drug Enforcement Administration has pulled its agents out of Tijuana, and the Justice Department is warning American lawmen on both sides of the 2,000-mile long Mexican border to protect themselves more than ever. The new threat they face is not violence from narcotics traffickers, but hostility from their law enforcement counterparts in the Mexican Federal judicial police."

This is an incredible state of affairs. Here we have incredible amounts of drugs coming in from Mexico. Nearly 50 percent of all the hard drugs in the United States reaching our cities and our streets, our communities and our schools and our children, is coming in from Mexico, and a policy totally in disarray.

This is a matter that requires the investigation and oversight of this Congress, the attention of this administration, and should be investigated to its fullest, to find out what is really going on between the United States and Mexico in the war on drugs.

Are our agents now under attack? Are our agents going to be expelled? What is this administration doing about the country that we have helped, we have loaned money to, we have made a trading partner, and then now they are condemning us and not cooperating in this effort to bring corruption, to bring drug trafficking, to a halt on both sides of the border?

KOSOVA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ENGEL) is recognized for 5 minutes.

Mr. ENGEL. Mr. Speaker, for the last several weeks the world has watched in horror as innocent civilians, men, women, and children, have been slaughtered in the province of Kosova in Europe. Forty thousand people are now fleeing their homes, are now refugees.

Kosova is a province of 2 million people, 90 percent of whom are ethnic Albanian, controlled totally and dominated by the Serbs, living under tremendous oppression. Serbian President Slobodan Milosevic uncorked ethnic cleansing in Bosnia, and here it is happening again in Kosova.

The people of Kosova, the Albanians, have no rights. They have no political rights, no civil rights, no economic rights. They are truly a people under oppression. Unemployment is 80 percent. They have tried for years peaceful resistance. It has not worked. Now their plight is worse than ever. The tens of thousands of Serb troops in Kosova have fired the opening shots, Mr. Speaker, in a renewed campaign of ethnic cleansing.

I have warned for years that Kosova was a powderkeg. Unless the U.S. and the international community intervene now to ward off a catastrophe, Milosevic will carry out there what he did in Bosnia, a horrific campaign of ethnic cleansing and genocide. Two hundred thousand people died in Bosnia. It could be worse in Kosova if we let it happen.

Thankfully, President Clinton reaffirmed last week during his meeting with Abraham Rugova, President of the Republic of Kosova, that the U.S. would not permit what happened in Bosnia to recur in Kosova. President Clinton was right.

But the time, Mr. Speaker, has come to put our money where our mouth is. The ethnic cleansing has begun. The burning of villages has begun. The expulsion of tens of thousands of ethnic Albanians has begun. The halting of humanitarian convoys has begun. All of this is how it started in Bosnia. The United States must now act.

In December, 1992, President Bush warned Serb strongman Milosevic that if he vastly increased the military repression in Kosova, the U.S. would respond in kind. This threat, known as the Christmas warning, formed the basis of U.S. foreign policy in the region. President Clinton reiterated the Christmas warning when he entered office. Time and time again State Department officials have noted that U.S. policy has not changed.

Today I say the Christmas warning has been triggered. To live up to our pledge to the people of Kosova and maintain our credibility in the region by meeting this solemnly pledged commitment, it is time we act.

Here is what we must do. We must strike with NATO air strikes. Today Serbian tanks and artillery are leveling villages, setting houses ablaze, and slaughtering innocent civilians. We should now utilize our assets in the region by destroying these weapons of war in the field and as they sit in their staging compounds.

We must declare a no-fly zone over Kosova. Serbian attack helicopters have been used against innocent civilians. This must stop. Furthermore, fighter aircraft have been moved into Kosova. American aircraft in the region must halt any of these flights.

We must reimpose the investment ban on Serbia. Milosevic's only access to hard currency has been through international investment. Unless serious progress is made to resolve the Kosova crisis, no additional international investment should be permitted. The outer wall of sanctions on Serbia ought to be maintained, and we ought to reimpose the inner wall of sanctions.

We ought to utilize the war crimes tribunal. Milosevic and his henchmen should be fully accountable for their actions in Kosova, and should be prosecuted for any war crimes they commit. We need to get international monitors back in Kosova. In July of 1993 Milosevic spelled OSCE monitors from Kosova. Now more than ever they must return so they can report to the world on the brutality now being committed, and to prevent further acts of atrocity from being committed.

On Wednesday, the Washington Post ran an editorial which I believe accurately captured the Kosova crisis, and what U.S. policy should be in response. The editorial said, "Sanctions are in any case mostly beside the point. Only the credible threat of force and the use of force, if necessary, can deter Mr. Milosevic. The U.S. can intervene now, as it has said it would, or, as in Bosnia, it can be forced to intervene later, after much damage has been done and any solution is far more difficult."

□ 1545

Mr. Speaker, along with 25 of my colleagues, I am sending a letter to the President making these recommendations. Two months ago we requested a meeting with the President to discuss Kosova. Today we look forward to hearing from the White House when that meeting will be scheduled.

The genocide and ethnic cleansing in Kosova must stop and only we and NATO can stop it. The time for diplomatic niceties is over. We must act now.

Mr. Speaker, I submit the following for the Record:

[From The Washington Post, June 3, 1998]

EMPTY THREATS

The Clinton administration has said time and again that it won't permit Serb leader Slobodan Milosevic to extend his brutal ethnic-cleansing tactics to the independence-minded province of Kosovo. Now Mr. Milosevic's troops are conducting precisely such atrocities in Kosovo, and the administration's response so far: more talk.

Kosovo is part of Serbia, which in turn is part of what's left of Yugoslavia. But only 10 percent of Kosovo's 2 million people are ethnic Serbs; 90 percent are ethnic Albanians. For a quarter of a century, the province enjoyed considerable autonomy, but Mr. Milosevic revoked that in 1989 to fuel his nationalist rise to power. Ever since, and under the lash of Serb repression, a Kosovo independence movement has gained strength. The movement has been largely nonviolent. But recently, as ethnic Albanians have become convinced that the West has abandoned them, an armed resistance has rapidly gained support.

U.S. policy on all this has been pretty clear—at least in words. The United States doesn't support Kosovo independence, but it does support legitimate aspirations for more autonomy. It favors peaceful dialogue and opposes armed conflict. President Bush warned in 1992 that the United States would use force if necessary to block ethnic cleansing in Kosovo. The Clinton administration embraced that warning in 1993. And as recently as three months ago, Secretary of State Madeleine Albright said the United States would not "stand by and watch the Serbian authorities do in Kosovo what they can no longer get away with doing in Bosnia."

But that's just what Serbian authorities are doing right now. In a wide swath of borderland along Albania, Serb police and soldiers have been destroying villages, killing civilians and turning thousands of men, women and children into refugees. An Austrian defense attache who spent two days touring the isolated region said, "All the signs are that the Serbs are going on with ethnic cleansing in the Kosovo area."

U.S. policy in the past three months has been a confusing mixture of sanctions threatened, imposed and withdrawn. Such sanctions are in any case mostly beside the point; only the credible threat of force, and the use of force if necessary, can deter Mr. Milosevic. The United States can intervene now, as it has said it would. Or, as in Bosnia, it can be forced to intervene later, after much damage has been done and any solution is far more difficult.

THE IMPORTANCE OF THE E-RATE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. BLUMENAUER) is recognized for 5 minutes.

Mr. BLUMENAUER. Mr. Speaker, here in this Chamber we just finished bidding farewell to our pages, young men and women from around the country who had an opportunity to expand their horizons serving in our Nation's Capital, really being in touch literally around the world. And it is a marvelous experience that they have. We are all pleased that they were able to accommodate it.

But the fact is that we have it in our power today to extend that same rich experience, being connected around the world, to every young person in America, and through our library systems extend it to every American, and the magic of the Internet will provide that worldwide connection.

Today, I call upon the Federal Communications Commission to reject the calls we are hearing from some to

delay funding the E-Rate program, to do the right thing by America's schoolchildren and library patrons by providing full funding for the E-Rate.

The Federal Communications Commission is within days of making a decision that can bring the power of the Internet to all of these constituencies. If some telecommunications companies have their way, unfortunately, the Commission would back down in the face of a last-minute campaign of threats and innuendo in an effort to discredit the E-Rate. As a result of this campaign, the full importance of the E-Rate and its potential impact on consumer phone rates really has failed to be heard.

Mr. Speaker, the E-Rate is not a new tax imposed by Congress on an unsuspecting populace. In fact, the E-Rate program was included in the Telecommunications Act of 1996, which was passed by a Republican Congress with overwhelming bipartisan support.

As part of that act, added by again a bipartisan initiative that included Senator ROCKEFELLER and Senator OLYMPIA SNOWE, it built upon the Universal Service Fund established in 1934 that was used to help provide access to poor and rural areas for telephone service to provide an extension of the E-Rate on the same basis.

The Telecommunications Act of 1996 extended universal service beyond residential customers to include our schools and libraries, and expanded that service available for universal service beyond simply the plain old telephone service and added access to the Internet. To suggest that this obligation is new seems ludicrous, since the telephone companies have been paying for universal service since 1934.

With these facts in hand, I cannot condone the action on the part of some companies who are adding customer surcharges of up to 5 percent and blaming the E-Rate for increased costs. The Telecommunications Act of 1996 contemplated full payment of the E-Rate by the other cost savings that would be passed on to the telecommunications industry. In fact, the latest research indicates that they have already received far more than the $2.4 billion that is contemplated.

In my community, Buckman Grade School was the third grade school in the world to have its own web site. It was able to do that by its cadre of dedicated parents with bake sales, spaghetti dinners, but access to the Internet should not be dependent upon bake sales.

We have 30,000 applications now pending from schools and libraries all over the country to give this Internet access. The E-Rate is good for business, it is good for United States global competitiveness, it is important for our central cities and our rural areas. Our schools and libraries are trying to educate tomorrow's leaders with decade-old technological tools far too often.

The E-Rate has a potential of putting all of our young people on the same par with the interns that we just celebrated. It must be supported. Our future depends upon it. I call upon all of my congressional colleagues to raise their voice to the FCC to make sure that the E-Rate is fully funded.

AMERICAN LEADERSHIP NECESSARY TO END SIEGE OF KOSOVA

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Mrs. KELLY) is recognized for 5 minutes.

Mrs. KELLY. Mr. Speaker, President Clinton recently pledged to Dr. Ibrahim Rugova, President of the Republic of Kosova, that the U.S. would not allow another Bosnia to occur in Kosova. Sadly, another Bosnia has already begun.

Serbian strongman Slobodan Milosevic is now using the same ethnic cleansing tactics in Kosova that he used in Bosnia, which resulted in 200,000 deaths, 2 million homeless, and billions of dollars in damage to the infrastructure and economy of Bosnia.

The grim specter of Bosnia can now be seen in Kosova and along its border with Albania as tens of thousands of refugees are streaming across the border. Does that not sound all too familiar?

Refugees tell horror stories of villages that have been attacked by the Serbs and emptied of all Albanian residents. Innocent civilians have been massacred. At least 10 villages have been completely razed and thousands have been made homeless in this latest crackdown by the Milosevic regime.

These events of recent days were preceded by a massive series of Serbian offensives that have killed more than 200 people since the new wave of aggression began in late February. With further cruelty, Belgrade has restricted the supply of humanitarian assistance to defenseless men, women and children, much of it provided by the United States through Mercy Corps International and other international NGOs.

The Serbs have cut telephone lines to the region. They have set up roadblocks to seal off the area. They have prevented international journalists and human rights observers access to the villages. Milosevic is enforcing his own brand of Serbian apartheid on the 90 percent Albanian majority in Kosova.

Incredibly, this terrorism by the Serbs has occurred at the very moment President Rugova and strongman Milosevic have been engaged in weekly meetings arranged by Ambassador Holbrooke to negotiate a so-called peaceful settlement to the Kosova crisis.

Mr. Speaker, the killing in Kosova must stop. I have been to the region to see the situation for myself and I have met with President Rugova to hear firsthand a report on the current intolerable circumstances.

President Clinton must bring greater U.S. efforts to bring the massacre to a standstill as a first step toward resolving this bloody conflict that threatens to destabilize the entire region. The U.S., because of their indecisive leadership and weak demands, are seen as ineffective here even by our allies.

The Contact Group of nations has failed to impress Milosevic with the seriousness of its demands, which tragically have been stated without the muscle to back them up and consequently have been totally ignored.

Mr. Speaker, the only strong leadership that is going to come must come from the presidency. We must have U.S. leadership that will force the Milosevic regime to end its siege of Kosova and we must stop the killing now. Humanity cannot allow another Bosnia to occur in Kosova.

A BROKEN BALANCED BUDGET DEAL

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I offer to the family of Bob Hope the sympathy of this House and my personal sympathy in recognition of all that he has done to contribute to this country and as well to contribute to the many veterans who have benefited from his service.

Let me also applaud the pages that will be leaving this House at this time and thank them so very much for all that they have contributed, and wish them very well and will add my request that they come back and visit us again.

Mr. Speaker, today we had an unfortunate experience in this House, and the experience was such that I thought it was appropriate to bring it to the attention of the American people.

Mr. ARMEY. Mr. Speaker, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentleman from Texas.

ANNOUNCEMENT BY MAJORITY LEADER

Mr. ARMEY. Mr. Speaker, I appreciate the gentlewoman from Texas yielding for a moment so that I may make an important announcement.

Mr. Speaker, earlier today I made an announcement that was erroneous regarding a report that Bob Hope had passed away. I want to apologize to Bob Hope, his family, and the entire Nation for the erroneous announcement made on the House floor today.

The floor announcement was based on a story which briefly appeared on an Associated Press Internet news page this afternoon. They have since removed the story.

Again, Mr. Speaker, I regret this announcement and I look forward to

many more happy memories from a wonderful entertainer and a distinguished American.

Again, I thank the gentlewoman for yielding.

Ms. JACKSON-LEE. Mr. Speaker, reclaiming my time, with that I will gleefully acknowledge that I do not have to offer sympathy to the family of Bob Hope and I am joyful about that.

I do want to provide this very important assessment of where we are today and where we are going. And I do that because as the final vote was cast on the Kasich Republican budget, I heard applause throughout this Chamber. And tragically, I think, those who are not engaged in this debate were misguided and misdirected.

Mr. Speaker, this is a sad day for America. It is the busting of a deal, the balanced budget deal that we made in 1997, when many of us from both sides of the aisle said that it is a good thing that we bring down the deficit, it is a good thing that we pay off the debt, it is a good thing we tighten our belts.

But for those who applauded, the reason why they may not be knowledgeable is because they will not feel the pain until the year 2003. The young people that we just congratulated as pages, senior citizens who will just become 62 or 65, veterans who have come to me in my office and said their whole health care package has been reordered because of the balanced budget, in the year 2003, they will really feel the pain.

For this budget that was passed today we have the words of the chairman of the Senate Committee on the Budget, these are his quotes, and I refer to Senator DOMENICI who said, "This budget is a mockery." The Senate appropriations subcommittee chairman, Senator STEVENS, dismissed it and said, "I do not know where we are going to get $45 billion in cuts."

Mr. Speaker, this budget cuts veterans, food stamps, and title 20 another $10 billion. It cuts the help we give in foster care and child care that many of our States rely upon. This budget cuts Medicaid so that we force people into a system of no health care.

I wonder how many people realize that in the scheme of the number of systems of good health care in the world, that we in America, the United States of America, do not even fall in the top 10. The country that has the greatest ability of invention and research in medical care and health devices, we do not even serve our people as well as European nations and Third World nations, and yet we are going to cut Medicaid $12 billion.

□ 1600

What does that do? I am not on Medicaid. It does not bother me, some may say. What it does do, it burdens your local public health systems. And for those of you who have HMOs who are squeezing you every day, you see how it feels when there are throngs of people forced into no health care. That is what happened today.

In addition, might I say that we have not fixed Social Security. We have cut food stamps, crop insurance, agricultural research that was already passed in a bill, just recently passed today, but we will be looking to try and fund those, and yet they have been cut $25 billion.

Some Members always say that it does not bother me, it does not impact me. But when the least of ours are not able to receive the services that they need, it does impact those of us who care. The balanced budget that we passed in 1997 took into consideration the great effort we have made to move people from welfare to work. But yet this budget we passed today imposes another $10 billion in temporary assistance to needy families. Might I say, it is families that we are talking about, men and women and children that we are cutting another $10 billion.

Oh, the economy is doing well, never been probably as active and as productive as we can see it today in 1998, but there are years to come. There are economic cycles. We have all been through them, the bust in California, the oil bust in Houston, the automobile bust in Michigan, the various cycles of problems that we have had. This is what you are going to face when people come in need to the Federal Government to help the States.

You will have in the year 2003 an enormous cut where services that are needed, Medicare and Medicaid and services dealing with welfare to work and transportation issues, the money will not be there. That is what was voted on today.

Lastly, let me say, Mr. Speaker, we all talk about child care. In my community we have 5,000 slots for Head Start. We need 20,000. Yet this House has cut Head Start and it has cut job training.

Mr. Speaker, I would simply say that it would be a good day. It is Friday. But it is a tragic day. Those who applauded, I hope that sound rings in their ears as America cries out as this budget was passed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. PEASE). Members are reminded to refrain from individual references to Members of the other body.

E-RATE AND INFORMATION TECHNOLOGY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. FORD) is recognized for 5 minutes.

Mr. FORD. Mr. Speaker, the FCC is on the verge of halting the collection of money for a new program to help wire schools and libraries to the internet thru the e-rate provisions of the universal service fund.

Let me begin with a few facts:

1. The Universal Service Fund is older than Social Security. Yes Mr. Speaker it is older than our most venerated entitlement program.

2. The 1996 Telecommunications Act extended the generations old Universal Service program to include schools and libraries. This is a matter of law.

3. Long distance phone rates are at their lowest point ever.

4. Access charge reductions to phone companies—part of the "deal" that resulted in the 1996 Telecom Act—have totalled $2.4 billion over the last 11 months—well above the $2 billion estimated demand for discounts in the Schools and Libraries Corporation.

5. The Schools & Libraries Corporations has 14 employees, smaller than the vast majority of Congressional staffs.

Now: through all the myths, propaganda, and nonsense that is being spread about the E-rate and Schools and Libraries Corporation—myths these facts are meant to dispel, one central fact is being neglected: Connecting schools and libraries to the Internet will benefit our children. It will benefit the children of my district and children across this nation.

That is why we are here: period.

I began with that simple proposition. Mr. Speaker, because we are getting bogged down in a debate that is becoming increasingly virulent, malicious, and frankly, political.

We are not debating the educational interests of our children, we are cowtowing to the selfish objectives of vocal interest groups.

But, Mr. Speaker, if politics is to stop at the schoolhouse door, then we ought to consider the needs of our students, the future taxpayers of America.

Mr. Speaker: Only 27% of classrooms currently have an internet connnection—in lower income areas, only 13%.

With this level of connectivity how can we expect our nation to meet our current and future labor force needs:

The Commerce Department reports that 200,000 to 400,000 jobs requiring computer software skills are currently going unfilled because of a worker shortage.

The Bureau of Labor Statistics recently predicted a 70% growth in computer and technology-related jobs by 2005.

From 1996 to 2005, more than 1.3 million new computer scientists, engineers, and systems analysts will be needed in the U.S. to fill vacant jobs. On average, this amounts to a need of more than 136,000 workers every year.

Just recently the Education & Workforce committee heard compelling testimony about this very subject. There is tremendous concern in communities across America that our schools may not have the tools needed to prepare students to work in an information intensive economy.

Still, the economy grows by leaps and bounds in large part because of the role of information technology on productivity.

In Tennessee, information technology has had a dramatic impact in the workplace: from transportation to medical services, information

technology has created exciting new job opportunities for citizens across the state.

Over 400,000 Tennesseans are employed in high-tech industries.

The average wage for a high-tech worker in my state is estimated to be over $36,000 per year.

High tech exports from the state total over 2.1 billion dollars per year.

The growing importance of information technology to Tennessee and to the nation means that our students need the tools to compete and win in the 21st century.

In school districts around the state educators are working hard to provide students with the educational resources that they need.

The passage of the 1996 Telecommunications Act and the establishing of the Schools and Libraries Corporation provided a means for the Memphis city schools district to accelerate the implementation of the district wide Networking Solution.

When Networking Solutions was presented to the Memphis Board of Education the presentation culminated several years of research and planning to develop a network solution that would allow the District Technology Plan, Realizing Vision 2000 Through Technology to become a reality.

The plan would create a fast, reliable, and manageable environment that provides for an integrated solution for voice, data, and video. The scope of the Networking Solution project includes several major components: school workstation cabling and wiring, school infrastructure, the district wide fiber networking service fees, the Administration Building server, and the Teaching and Learning Academy server.

Developed in concert with IBM, the district has implemented a network pilot project that gives the Memphis students and teachers a wide range of opportunities, such as: providing students with access to virtual instructional libraries; the ability to transit and receive live, 2-way TV quality video, audio for Distance Learning, Video Conferencing, Video Broadcast, E-mail and Intranet Capability.

Memphis City Schools staff have worked closely with the Council of Great City Schools, the State Department of Education, and IBM to complete applications for the e-rate discounts in order to implement the Networking Solution district wide.

The first application was filed by the state on behalf of Memphis City Schools and other Tennessee districts as part of a statewide consortium.

Now under the e-rate plan, the average discount percentage for Memphis is 80%. 80% Mr. Speaker!! That figure alone indicates the degree of need that prevails in my district. That need is not only characterized by a technology deficit, but by a basic infrastructure deficit that borders on the criminal.

Just before the Memorial Day recess, two dozen public schools in my district were forced onto a half day schedule. Why? Because 24 schools in my district Mr. Speaker are without air conditioning!

Mr. Speaker we in Congress would never dream of conducting our business in anything other than first class comfort. We wouldn't dream of giving our staffs less than the most cutting edge technology to conduct "the people's business".

Yet we ask American children to learn in thrive in sweltering, crumbling school buildings. We pay no end of lip service to our commitment to the education of our children but we can't find one dime in a trillion dollar federal budget for school construction and infrastructure improvements!!

And now, to add insult to injury, we are having a serious conversation in the United States Congress—in the people's house—about depriving our children of yet another educational opportunity.

How long Mr. Speaker, before we act like adults in this body and behave in responsible fashion toward our children.

Mr. Speaker, I am the youngest member of Congress and perhaps a bit impatient. But I sincerely hope I don't have to spend my time in this body convincing my colleagues on both sides of the aisle to act like adults.

If we allow the positive benefits of the e-rate, schools and libraries corporation to be nullified because of malicious, malevolent, mean-spirited, selfish politics, then shame on the phone companies, shame on this house, and pity the American people.

Our performance on the Transportation bill before the recess bears witness to our enthusiasm for public works and believe me Mr. Speaker I have nothing against good roads.

However, while we are happy to pave over every available acre in order to improve our transportation system we remain unwilling to invest in our public schools—from the internet to air conditioners.

This Congress cares more about pavement than it does about people. The fact that we are forced to come to the floor on a Friday afternoon, when we should be at home at public school graduations, is clear evidence of that.

Mr. Speaker, it is high time we get our priorities in line or we will continue to see declining test scores and inadequate academic achievement.

Providing our students access to the tools of the 21st century should not be the subject of controversy—it should be the subject of enthusiastic engagement. So I encourage all my colleagues—ask yourselves this simple question: What is best for the children of your district. Will the e-rate get us there—in your hearts you know that this is true, now let's have the courage to act on that belief.

TREATY BETWEEN THE UNITED STATES OF AMERICA AND THE NAVAJO TRIBE OF INDIANS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from New Mexico (Mr. REDMOND) is recognized for 60 minutes as the designee of the majority leader.

Mr. REDMOND. Mr. Speaker, 1998 is the 130th anniversary of the treaty between the United States of America and the Navajo Nation. In tribute to the Navajo people and the great Nation of the United States, I am going to be presenting the treaty today in its entirety.

The treaty reads as follows:

Treaty between the United States of America and the Navajo tribe of Indians, concluded June 1, 1868; ratification advised July 25, 1868; proclaimed to the people of the United States and the people of the Navajo Nation, August 12, 1865.

Andrew Jackson, President of the United States of America, to all and singular to whom these presents shall come, greeting:

Whereas a treaty was made in and concluded at Fort Sumner in the territory of New Mexico on the first day of June in the year of our Lord 1868 by and between Lieutenant General W. T. Sherman and Samuel F. Tappan, commissioners, on the part of the United States and Barboncito, Armijo and other chiefs and headmen of the Navajo tribe of Indians, on the part of said Indians, and duly authorized thereto by them, which treaty is in the words and figures as following to wit:

Article I. From this day forward all war between the parties of this agreement shall cease forever. The Government of the United States desires peace, and its honor is hereby pledged to keep it. The Indians desire peace, and they now pledge their honor to keep it.

If bad men among the whites, or among other people subject to the authority of the United States shall commit any wrong upon the person or property of the Indians, the United States will, upon proof made to the agent and forwarded the Commissioner of Indian Affairs at Washington City, proceed at once to cause the offender to be arrested and punished according to the laws of the United States and also to reimburse the injured persons for the loss sustained.

If bad men among the Indians shall commit a wrong or depredation upon the person or property of any one, white, black or Indian, subject to the authority of the United States and at peace therewith, the Navajo Tribe agree that they will, upon proof made to their agent and on notice by him, deliver up the wrongdoer to the United States, to be tried and punished according to its laws; and in case they willfully refuse to do so, the person injured shall be reimbursed for his loss from the annuities or other monies due or to become due them under this treaty or any others that may be made with the United States. And the President may prescribe such rules and regulations for ascertaining damages under this article as in his judgment may be proper; but no such damage shall be adjusted and paid until examined and passed upon by the Commissioner of Indian Affairs, and no one sustaining loss while violating, or because of his violating, the provisions of this treaty or the laws of the United States, shall be reimbursed therefor.

Article II. The United States agrees that the following district of country to wit: bounded on the north by the 37th degree of north latitude, south by an east and west line passing through the site of old Fort Defiance in Canyon Bonito, east by the parallel of longitude which, if prolonged south, would pass through old Fort Lyon, or the Ojo-de-oso, Bear Spring, and west by a parallel of longitude of about 109 degrees 300 minutes west of Greenwich, provided it embraces the outlet of Canon-de-chilly, which canyon is to be all included in this reservation, shall be, and the same hereby, set apart for the use and occupation of the Navajo Tribe of Indians, and for such other friendly tribes or individual Indians as from time to time they may be willing, with the consent of the United States, to admit among them, and the United States agrees that no persons except those herein so authorized to do, and except such officers, soldiers, agents and employees of the Government, or the Indians, as may be authorized to enter upon Indian

reservations in discharge of duties imposed by law, or the order of the President, shall ever be permitted to pass over, settle upon, or reside in, the territory described in this article.

Article III. The United States agrees to cause to be built at some point within said reservation where timber and water may be convenient the following buildings: a warehouse, not to cost exceeding $2500, agency buildings for the residents of the agent, not to cost exceeding $3000, and a carpenter shop and blacksmith shop, not to cost exceeding $1000 each, and a schoolhouse and a chapel, so soon as a sufficient number of children can be induced to attend school, which shall not cost to exceed $5,000.

Article IV. The United States agrees that the agent for the Navajo shall make his home in the agency building that he shall reside among them and shall keep an office open at all times for the purpose of prompt and diligent inquiry into such matters of complaint by or against the Indians as may be presented for investigation, as also for the faithful discharge of other duties enjoined by law. In all cases of depredation on person or property, he shall cause the evidence to be taken in writing and forwarded, together with his finding, to the Commissioner of Indian Affairs, whose decision shall be binding upon the parties of this treaty.

Article V. If an individual belonging to or legally incorporated with it, being the head of a family, shall desire to commence farming, he shall be given the privilege to select, in the presence and with the assistance of the agent then in charge, a tract of land within said reservation, not exceeding 160 acres in extent, which tract, when so selected, certified and recorded in the land-book as herein described, shall cease to be held in common, but the same may be occupied and held in the exclusive possession of the person selecting it, and of his family so long as they may continue to cultivate it.

Any person over 18 years of age not being the head of a family may in like manner select, and cause to be certified to him or her for purposes of cultivation, a quantity of land not exceeding 80 acres in extent, and thereupon be entitled to the exclusive possession of the same as above described.

For each tract of land so selected, a certificate containing the description thereof and the name of the person selecting it, with a certificate endorsed thereon that the same has been recorded, shall be delivered to the party entitled to it by the agent, after the same shall have been recorded by him in a book to be kept in his office, subject to inspection, which said book shall be known as the Navajo land-book.

The President may at any time order a survey of the reservation and, when so surveyed, Congress shall provide for protecting the rights of said settlers in their improvements, and may fix the character of title held by each.

The United States may pass such laws on the subject of alienation and descent of property between the Indians and their descendants as may be thought proper.

Article VI. In order to ensure the civilization of the Indians entering into this treaty, the necessity of education is admitted, especially if such of them as may be settled on said agricultural parts of this reservation, and they therefore pledge themselves to compel their children, male and female, between the ages of 6 and 16 years, to attend school; and it is hereby made the duty of the agent for said Indians to see that this stipulation is strictly complied with; and the United States agrees that for every 30 children between said ages who can be induced or compelled to attend school, a house shall be provided and a teacher competent to teach the elementary branches of an English education shall be furnished who will reside among the said Indians and faithfully discharge his or her duties as a teacher, the provisions of this article to continue for not less than 10 years.

Article VII. When the head of a family shall have selected lands and received his certificate as above directed, the agent shall be satisfied that he intends in good faith to commence cultivating the soil for a living, he shall be entitled to receive seeds and agricultural implements for the first year, not exceeding in value $100, and for each succeeding year he shall continue to farm for a period of 2 years, he shall be entitled to receive seeds and implements to the value of $25.

Article VIII. In lieu of all sums of money or annuities or other annuities provided to be paid to the Indians herein named under any treaty or treaties heretofore made, the United States agrees to deliver at the agency house on the reservation herein named, on the first day of September of each year for ten years the following articles to wit:

Such articles of clothing, goods, or raw materials in lieu thereof, as the agent may make his estimate for, not exceeding in value $5 per Indian, each Indian being encouraged to manufacture their own clothing, blankets, et cetera; to be furnished with no article which they can manufacture themselves. And, in order that the Commissioner of Indian Affairs may be able to estimate properly for the articles herein named, it shall be the duty of the agent each year to forward to him a full and exact census of the Indians, on which the estimate from year to year can be based. And in addition to the articles herein named, the sum of $10 for each person entitled to the beneficial effects of this treaty shall be annually appropriated for a period of 10 years, for each person who engages in farming or mechanical pursuits, to be used by the Commissioner of Indian Affairs in the purchase of such articles as from time to time the conditions and necessities of the Indians may indicate to be proper; and if within the 10 years at any time it shall appear that the amount of money needed for clothing, under the article, can be appropriated to better uses for the Indians named herein, the Commissioner of Indian Affairs may change the appropriation to other purposes, but in no event shall the amount of this appropriation be withdrawn or discontinued for the period named, provided they remain at peace. And the President shall annually detail an officer of the Army to be present and attest the delivery of all the goods herein named to the Indians, and he shall inspect and report on the quantity and quality of the goods and the manner of their delivery.

Article IX. In consideration of the advantages and benefits conferred by this treaty, and the many pledges of friendship by the United States, the tribes who are parties to this agreement hereby stipulate that they will relinquish all rights to occupy any territory outside their reservation, as herein defined, but retain the rights to hunt on any unoccupied lands contiguous to their reservation, so long as the said Indians, further expressly agree:

1st. That they will make no opposition to the construction of any railroad now being built or hereafter to be built across the continent.

2nd. That they will not interfere with the peaceful construction of any railroad not passing over their reservation as herein defined.

3rd. That they will not attack any persons at home or traveling, nor molest or disturb any wagon-trains, coaches, mules, or cattle belonging to the people of the United States, or to persons friendly therewith.

4th. That they will never capture or carry off from the settlements women or children.

5th. They will never kill or scalp white men, nor attempt to do them harm.

6th. They will not in future oppose the construction of railroads, wagonroads, mail stations, or other works of utility or necessity which may be ordered or permitted by the laws of the United States; but should such roads or other works be constructed on the lands of their reservation, the Government will pay the tribe whatever amount of damage may be assessed by three disinterested commissioners to be appointed by the President for that purpose, one of said commissioners to be a chief or head-man of the tribe.

7th. They will make no opposition to the military posts or roads now established, or that may be established, not in violation of treaties heretofore made or hereafter to be made with any of the Indian tribes.

Article X. No future treaty for the cession of any portion or part of the reservation herein described, which may be held in common, shall be of any validity or force against said Indians unless agreed to and executed by at least three-fourths of all adult male Indians occupying or interested in the same; and no cession by the tribe shall be understood or construed in such a manner as to deprive, without his consent, any individual member of the tribe of his rights to any tract of land selected by him as provided in article (5) of this treaty.

Article XI. The Navajos also hereby agree that at any time after the signing of these presents they will proceed in such manner as may be required of them by the agent, or by the officer charged with their removal, to the reservation herein provided for, the United States paying for their subsistence en route, and providing a reasonable amount of transportation for the sick and feeble.

Article XII. It is further agreed by and between the parties to this agreement that the sum of $150,000 appropriated or to be appropriated shall be disbursed as follows, subject to any condition provided in the law to wit:

1st. The actual cost of the removal of the tribe from the Bosque Redondo reservation to the reservation say $50,000.

2nd. The purchase of 15,000 sheep and goats at a cost not to exceed $30,000.

3rd. The purchase of 500 beef cattle and 1 million pounds of corn, to be collected and held at the military post nearest the reservation, subject to the order of the agent, for the relief of the needy during the coming winter.

4th. The balance, if any, of the appropriation to be invested for the maintenance of the Indian spending their removal, in such manner as the agent who is with them may determine.

5th. The removal of this tribe to be made under the supreme control and the direction of the military commander of the Territory of New Mexico, and when completed, the management of the Tribe to revert to the proper agent.

Article XIII. The tribe herein named, by their representatives, parties to this treaty, agree to make the reservation herein described their permanent home, and they will

not as a tribe make any permanent settlement elsewhere, reserving the rights to hunt on the lands adjoining the said reservation formerly called theirs, subject to the modifications named in this treaty and the orders of the commander of the department in which said reservation may be for the time being; and it is further agreed and understood by the parties to this treaty, that if any Navajo Indian or Indians shall leave the reservation herein described to settle elsewhere, he or they forfeit all the rights, privileges, and annuities conferred by the terms of this treaty; and it is further agreed by the parties to this treaty, that they will do all they can to induce Indians now away from reservations set apart for the exclusive use and occupation of the Indians, leading a nomadic life, or engaged in war against the people of the United States, to abandon such a life and settle permanently in one of the territorial reservations set apart for the exclusive use and the occupation of the Indians.

In testimony of all which said parties have hereunto, on this the 1st day of June, 1868, at Fort Sumner, in the Territory of New Mexico, set their hands and seals.

Delgado, Inoetenito, Juan, Francisco, Guero, Herrero, Torivio, Narbano, Gugadore, Juan Martin, Desdendado, Cabason, Grande and Cabares Colorados.

□ 1615

Mr. Speaker, I thank you for allowing me the time to read this historic treaty on its anniversary 130 years later. It is my concern that the government of the United States keep the intent of this treaty as it was originally signed by the Navajos to provide for those elements of education and for the preservation of their territorial lands.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Ms. EDDIE BERNICE JOHNSON of Texas (at the request of Mr. GEPHARDT) for today on account of official business.

Mr. TANNER (at the request of Mr. GEPHARDT) for today after 11:15 a.m. on account of personal business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. ENGEL) to revise and extend their remarks and include extraneous material:)

Mr. CONYERS, for 5 minutes, today.

Mr. BERRY, for 5 minutes, today.

Mr. ENGEL, for 5 minutes, today.

Mr. ABERCROMBIE, for 5 minutes, today.

Mr. BLUMENAUER, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Mr. FORD, for 5 minutes, today.

(The following Members (at the request of Mr. MICA) to revise and extend their remarks and include extraneous material:)

Mr. CHAMBLISS, for 5 minutes, today.

Mr. JONES, for 5 minutes, on June 9.

Mr. MICA, for 5 minutes, today.

Mr. HORN, for 5 minutes, today.

Mrs. LINDA SMITH of Washington, for 5 minutes, today.

Mrs. KELLY, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. ENGEL) and to include extraneous matter:)

Mr. SERRANO.

Mr. PASCRELL.

Mr. MCGOVERN.

Mr. ORTIZ.

Mr. CLEMENT.

Mr. SHERMAN.

Mr. MENENDEZ.

Mr. LANTOS.

Mr. NEAL of Massachusetts.

Mr. PAYNE.

Mr. HALL of Ohio.

Mr. BONIOR.

Mr. VISCLOSKY.

Mr. LEWIS of Georgia.

Mr. REYES.

Mr. OBEY.

(The following Members (at the request of Mr. MICA) and to include extraneous matter:)

Mr. DICKEY.

Mr. GILMAN.

Mr. SMITH of Michigan.

Mr. FORBES.

Mrs. ROUKEMA.

Mr. HYDE.

Mr. THOMAS.

Mr. PORTMAN.

Mr. BOEHNER.

Mr. HOBSON.

Mrs. NORTHUP.

Mr. DELAY.

Mr. ROHRABACHER.

(The following Members (at the request of Mr. REDMOND) and to include extraneous matter:)

Mr. ISTOOK.

Mr. BOYD.

Mr. ENGEL.

Mr. FORD.

BILL PRESENTED TO THE PRESIDENT

Mr. THOMAS. from the Committee on House Oversight, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 824. An act to redesignate the Federal building located at 717 Madison Place, NW., in the District of Columbia, as the "Howard T. Markey National Courts Building."

ADJOURNMENT

Mr. REDMOND. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 26 minutes p.m.), under its previous order, the House adjourned until Tuesday, June 9, 1998, at 12:30 p.m. for morning hour debates.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

9451. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Azoxystrobin; Pesticide Tolerances for Emergency Exemptions [OPP-300664; FRL-5793-6] (RIN: 2070-AB78) received June 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

9452. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Clopyralid; Extension of Tolerance for Emergency Exemptions [OPP-300657; FRL-5789-8] (RIN: 2070-AB78) received June 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

9453. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Fenbuconazole; Pesticide Tolerances for Emergency Exemptions [OPP-300662; FRL 5791-5] (RIN: 2070-AB78) received June 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

9454. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Polyvinyl Chloride; Tolerance Exemption [OPP-300656; FRL-5789-7] (RIN: 2070-AB78) received June 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

9455. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to authorize the Secretary of Agriculture to impose fees for certain programs of the Department of Agriculture, and for other purposes; to the Committee on Agriculture.

9456. A letter from the the Acting Comptroller General, the General Accounting Office, transmitting a review of the President's second special impoundment message for fiscal year 1998, pursuant to 2 U.S.C. 685; (H. Doc. No. 105—265); to the Committee on Appropriations and ordered to be printed.

9457. A letter from the Administrator, Panama Canal Commission, transmitting a report entitled, "FINANCIAL AUDIT: Panama Canal Commission's financial statements for fiscal year 1997," pursuant to 31 U.S.C. 9106(a); to the Committee on National Security.

9458. A letter from the Under Secretary for Acquisition and Technology, Department of Defense, transmitting notification of a delay in the report on the allocation of core logistics activities among Department of Defense facilities and private sector facilities, pursuant to Public Law 105—85; to the Committee on National Security.

9459. A letter from the Director, Defense Procurement, Department of Defense, transmitting the Department's final rule—Defense Federal Acquisition Regulation Supplement;

Waiver of Domestic Source Restricitions [DFARS Case 97-D321] received May 20, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on National Security.

9460. A letter from the Secretary of Defense, transmitting the certification that the current Future Years Defense Program fully funds the support costs associated with the Family of Medium Tactical Wheeled Vehicles program; to the Committee on National Security.

9461. A letter from the General Counsel, Department of Housing and Urban Development, transmitting the Department's final rule—Manufactured Home Construction and Safety Standards: Metal Roofing; Interpretative Bulletin I-2-98 [Docket No. FR-4271-N-01] (RIN: 2502-AH05) received May 18, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

9462. A letter from the Chairman, Board of Governors, Federal Reserve System, transmitting the Eighty-Fourth Annual Report of the Board of Governors of the Federal Reserve System covering operations during calendar year 1997, pursuant to 12 U.S.C. 247; to the Committee on Banking and Financial Services.

9463. A letter from the Acting Assistant Secretary for Force Management Policy, Department of Defense, transmitting the Department of Defense Education Activity (DoDEA) Accountability Report and the Accountability Profiles for the Department of Defense Dependents Schools, pursuant to 20 U.S.C. 924; to the Committee on Education and the Workforce.

9464. A letter from the Commissioner, Office of Educational Research and Improvement, Department of Education, transmitting the annual statistical report of the National Center for Educational Statistics (NCES), "The Condition of Education," pursuant to 20 U.S.C. 1221e-1(d)(1); to the Committee on Education and the Workforce.

9465. A letter from the Secretary of Health and Human Services, transmitting the sixth Biennial Report of the Director of the National Institutes of Health, pursuant to 42 U.S.C. 283; to the Committee on Commerce.

9466. A letter from the General Counsel, Department of Commerce, transmitting a draft of proposed legislation to reauthorize the U.S. Automotive Parts Advisory Committee through December 31, 2003; to the Committee on Commerce.

9467. A letter from the Director, Office of Rulemaking Coordination, Department of Energy, transmitting the Department's final rule—Energy Conservation Program for Consumer Products: Test Procedure for Water Heaters [Docket No. EE-RM-94-230] (RIN: 1904-AA52) received May 20, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

9468. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Federal Motor Vehicle Safety Standards; School Bus Pedestrian Safety Devices [Docket No. NHTSA-98-3870; Notice 7] (RIN: 2127-AG81) received June 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

9469. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Federal Motor Vehicle Safety Standards; Seat Belt Assembly Anchorages [Docket No. NHTSA-98-3773] (RIN: 2127-AF91) received June 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

9470. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Pennsylvania; Gasoline Volatility Requirements for the Pittsburgh-Beaver Valley Ozone Nonattainment Area [SIPTRAX No. PA110-4068a; FRL-6102-4] received June 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

9471. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans Tennessee: Approval of Revisions to the Knox County Portion of the Tennessee SIP Regarding Volatile Organic Compounds (VOCs) and Process Particulate Emissions [TN-184-1(9812)a; TN-199-1-(9813)a; FRL-6104-1] received June 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

9472. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plan; Texas; Revisions to 30 TAC Chapter 115 for Control of Volatile Organic Emissions from Perchloroethylene Dry Cleaning Systems [TX95-1-7379a FRL-6104-2] received June 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

9473. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—National Emission Standards for Hazardous Air Pollutants: Petroleum Refineries [AD-FRL-6106-4] (RIN: 2060-A100) received June 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

9474. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Standards of Performance for New Stationary Sources and Guidelines for Control of Existing Sources: Municipal Solid Waste Landfills [AD-FRL-6106-8] received June 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

9475. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; Indiana [IN82-2; FRL-6013-5] received June 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

9476. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval of Colorado's Petition to Relax the Federal Gasoline Reid Vapor Pressure Volatility Standard for 1998, 1999, and 2000 [FRL-6106-6] received June 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

9477. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Glyphosate; Extension of Tolerance for Emergency Exemptions [OPP-300652; FRL 5788-4] (RIN: 2070-AB78) received June 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

9478. A letter from the AMD—Performance Evaluation and Records Management, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Parts 2, 15, 18 and Other Parts of the Commission's Rules to Simplify and Streamline the Equipment Authorization Process for Radio Frequency Equipment [ET Docket No. 97-94] received June 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

9479. A letter from the AMD—Performance Evaluation and Records Management, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Pima, Arizona) [MM Docket No. 97-228 RM-9163] received June 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

9480. A letter from the AMD—Performance Evaluation and Records Management, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Coon Valley and Westby, Wisconsin and Lanesboro, Minnesota) [MM Docket No. 97-169 RM-9121 RM-9170] received June 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

9481. A letter from the AMD—Performance Evaluation and Records Management, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (McMillan and Sault Ste. Marie, Michigan) [MM Docket No. 97-222 RM-9180 RM-9214] received June 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

9482. A letter from the Chairman, Federal Energy Regulatory Commission, transmitting the Commission's final rule—Update of the Federal Energy Regulatory Commission's Fees Schedule for Annual Charges for the Use of Government Lands [Docket No. RM86-2-000] received May 29, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

9483. A letter from the Director, Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting the Commission's final rule—Access Authorization Fee Schedule for Licensee Personnel (RIN: 3150-AF90) received May 18, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

9484. A letter from the Director, Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting the Commission's final rule—Requirements for Shipping Packages Used to Transport Vitrified High-Level Waste (RIN: 3150-AF59) received May 29, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

9485. A letter from the Director, Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting the Commission's final rule—Self-Guarantee of Decommissioning Funding by Nonprofit and Non-Bond-Issuing Licensees (RIN: 3150-AF64) received June 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

9486. A communication from the President of the United States, transmitting the bimonthly report on progress toward a negotiated settlement of the Cyprus question, including any relevant reports from the Secretary General of the United Nations, pursuant to 22 U.S.C. 2373(c); to the Committee on International Relations.

9487. A letter from the Chief Counsel, Office of Foreign Assets Control, Department of Treasury, transmitting the Department's final rule—Burmese Sanctions Regulations [31 CFR Part 537] received May 19, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

9488. A letter from the Secretary of Defense, transmitting a report on the proposed obligation to implement the Cooperative Threat Reduction (CTR) Program, pursuant

to Public Law 105—56; to the Committee on International Relations.

9489. A letter from the Secretary of the Interior, transmitting the semiannual report of the Inspector General for the period October 1, 1997 through March 31, 1998, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

9490. A letter from the Attorney General of the United States, transmitting the semiannual report on activities of the Inspector General for the period October 1, 1997, through March 31, 1998, and the Management Report for the same period, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

9491. A letter from the Chief Executive Officer, Corporation For National Service, transmitting the report from the Acting Inspector General covering the activities of his office for the period of October 1, 1997—March 31, 1998, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

9492. A letter from the Director, Office of Rulemaking Coordination, Department of Energy, transmitting the Department's final rule—Determinations and documentation Management controls [FAR Subpart 9.104, 9.105 DEAR Subpart 970.09] received May 21, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

9493. A letter from the Administrator, General Services Administration, transmitting the eighteenth annual report on final audit action by the Inspector General Act Amendments of 1988, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

9494. A letter from the Director, Office of Personnel Management, transmitting the semiannual report on activities of the Inspector General for the period of October 1, 1997, through March 31, 1998, and the Management Response for the same period, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

9495. A letter from the Assistant Administrator, Office of Oceanic and Atmospheric Research, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Sea Grant Industry Fellows Program [Docket No. 980427105-8105-01] (RIN: 0648-ZA41) received May 18, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

9496. A letter from the Secretary of Commerce, transmitting the annual report entitled the "Northeast Multispecies Harvest Capacity and Impact of Northeast Fishing Capacity Reduction," pursuant to Public Law 99—177; to the Committee on Resources.

9497. A letter from the Executive Director, American Chemical Society, transmitting the Society's annual report for the calendar year 1997 and the comprehensive report to the Board of Directors of the American Chemical Society on the examination of their books and records for the year ending December 31, 1997, pursuant to 36 U.S.C. 1101(2) and 1103; to the Committee on the Judiciary.

9498. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting the Department's final rule—Adjustment of Status for Certain Nationals of Nicaragua and Cuba [INS No. 1893-97; AG Order No. 2154-98] (RIN: 1115-AF04) received June 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

9499. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting the Department's final rule—Procedures for the Detention and Release of Criminal Aliens by the Immigration and Naturalization Service and for Custody Redeterminations by the Executive Office for Immigration Review [INS No. 1855-97; AG Order No. 2152-98] (RIN: 1115-AE88) received June 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

9500. A letter from the Secretary of Housing and Urban Development, transmitting the 1995 Annual Report to Congress on the State of Fair Housing in America, the racial and ethnic composition of participants in HUD programs and the enforcement efforts of the Fair Housing Initiatives Program; to the Committee on the Judiciary.

9501. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Saab Model SAAB 340B and SAAB 2000 Series Airplanes [Docket No. 97-NM-134-AD; Amendment 39-10551; AD 98-11-26] (RIN: 2120-AA64) received June 4, 1998, pursuant to 5 U.S.C. 801 (a) (1) (A); to the Committee on Transportation and Infrastructure.

9502. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; de Havilland Model DHC-8-311 and -315 Series Airplanes [Docket No. 98-NM-60-AD; Amendment 39-1550; AD 98-11-25] (RIN: 2120-AA64) received June 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9503. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Modification of Class E Airspace; Porterville, CA [Airspace Docket No. 98-AWP-2] received June 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9504. A letter from the General Counsel, Department of Transportation, transmitting Safety Zone: Macy's Fourth of July Fireworks, East River, New York [CGD01-98-014] (RIN: 2115-AA97) received June 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9505. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Hazardous Materials Ticketing Program [Notice No. 98-5] received June 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9506. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Allison Engine Company AE 3007A and AE 3007C Series Turbofan Engines [Docket No. 97-ANE-60-AD; Amendment 39-10557, AD 98-11-32] (RIN: 2120-AA64) received June 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9507. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Construcciones Aeronauticas, S.A. (CASA) Model CN-235 Series Airplanes [Docket No. 97-NM-43-AD; Amendment 39-10548; AD 98-11-23] (RIN: 2120-AA64) received June 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9508. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; British Aerospace Model BAe Avro 146-RJ Series Airplanes [Docket No. 98-NM-43-AD; Amendment 39-10553; AD 98-11-28] (RIN: 2120-AA64) received June 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9509. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Dornier Model 328-100 Series Airplanes [Docket No. 98-NM-46-AD; Amendment 39-10552; AD 98-11-27] (RIN: 2120-AA64) received June 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9510. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; British Aerospace Model BAe 146 Series Airplanes and Model Avro 146-RJ Series Airplanes [Docket No. 98-NM-52-AD; Amendment 39-10554; AD 98-11-29] (RIN: 2120-AA64) received June 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9511. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A320-111 Series Airplanes [Docket No. 98-NM-22-AD; Amendment 39-10410; AD 98-12-05] (RIN: 2120-AA64) received June 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9512. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; de Havilland Model DHC-8-102, -103, and -301 Series Airplanes [Docket No. 96-NM-58-AD; Amendment 39-10546; AD 98-11-21 (RIN: 2120-AA64) received June 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9513. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Short Brothers Model SD3-60 Series Airplanes [Docket No. 98-NM-32-AD; Amendment 39-10547; AD 98-11-22] (RIN: 2120-AA64) received June 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9514. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment of Class E Airspace; Cedar City, UT [Airspace Docket No. 97-ANM-21] received June 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9515. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment of Class E Airspace; Cortez, CO [Airspace Docket No. 98-ANM-02] received June 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9516. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class D and Establishment of Class E Airspace; Yuma MCAS-Yuma International Airport, AZ [Airspace Docket No. 98-AWP-14] received June 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9517. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; British Aerospace Jetstream Model 3101 Airplanes [Docket No. 97-CE-100-

AD; Amendment 39-10556; AD 98-11-31] (RIN: 2120-AA64) received June 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9518. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Hazardous Materials: Formal Interpretation of Regulations [Notice No. 98-6] received June 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9519. A letter from the Administrator, Environmental Protection Agency, transmitting the 1996 National Water Quality Inventory Report, pursuant to 33 U.S.C. 1315(b)(2); to the Committee on Transportation and Infrastructure.

9520. A letter from the Acting Deputy Director, National Institute of Standards and Technology, Departmen of Commerce, transmitting the Department's final rule—Procedures for the Evaluation of Energy—Related Inventions; Removal of Regulations [Docket No. 970822201-7202-00] received May 18, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

9521. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Veterans Education: Increase in Rates Payable for Cooperative Training Under the Montgomery GI Bill—Active Duty (RIN: 2900-AJ10) received May 19, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

9522. A communication from the President of the United States, transmitting the President's proclamation and memorandum describing the actions taken and the reasons concerning wheat gluten, pursuant to Trade Act of 1974; to the Committee on Ways and Means.

9523. A letter from the Secretary of Health and Human Services, transmitting the annual report on the operation of the Temporary Assistance for Needy Families (TANF) Contingency Fund, pursuant to Public Law 104—193 Public Law 105—89; to the Committee on Ways and Means.

9524. A letter from the Chief of Staff, Social Security Administration, transmitting the Administration's final rule—Federal Old-Age, Survivors, and Disability Insurance Benefits; Supplemental Security Income for the Aged, Blind, and Disabled; Organization and Procedures; Application of Circuit Court Law (RIN: 0960-AE74) received May 20, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

9525. A letter from the Chairman, U.S. International Trade Commission, transmitting the 49th report on the operation of the U.S. trade agreements program during 1997, pursuant to 19 U.S.C. 2213(b); to the Committee on Ways and Means.

9526. A letter from the Director, Office of Management and Budget, transmitting a draft of proposed legislation to grant the government of the District of Columbia control over local revenues; jointly to the Committees on Government Reform and Oversight and the Budget.

9527. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to achieve administrative improvements in the Medicare program, and for other purposes; jointly to the Committees on Ways and Means and Commerce.

9528. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to establish a program of grants to facilitate the development of health insurance purchasing cooperatives, and for other purposes; jointly to the Committees on Commerce, Education and the Workforce, and Government Reform and Oversight.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. YOUNG of Alaska: Committee on Resources. H.R. 2411. A bill to provide for a land exchange involving the Cape Cod National Seashore and to extend the authority for the Cape Cod National Seashore Advisory Commission; with an amendment (Rept. 105-568). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. Report entitled "Abuse of Power: The Hardrock Bonding Rule." (Rept. 105-569). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLILEY: Committee on Commerce. H.R. 3849. A bill to amend the Communications Act of 1934 to establish a national policy against Federal and State regulation of Internet access and online services, and to exercise congressional jurisdiction over interstate and foreign commerce by establishing a moratorium on the imposition of exactions that would interfere with the free flow of commerce conducted over the Internet, and for other purposes; with an amendment (Rept. 105-570 Pt. 1). Ordered to be printed.

DISCHARGE OF COMMITTEE

[Omitted from the Record of June 4, 1998]

Pursuant to clause 5 of rule X the Committees on Commerce, Transportation and Infrastructure, and Government Reform and Oversight discharged from further consideration. H.R. 1778 referred to the Committee of the Whole House on the State of the Union.

[The following action occurred on June 5, 1998]

Pursuant to clause 5 of rule X the Committee on Agriculture discharged from further consideration. H.R. 3035 referred to the Committee of the Whole House on the State of the Union.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

H.R. 3849. Referral to the Committees on Ways and Means, the Judiciary, and Rules extended for a period ending not later than June 19, 1998.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of Rule X and clause 4 of Rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. OBEY (for himself and Mr. MATSUI):

H.R. 3998. A bill to direct the Secretary of Health and Human Services to make payments to each State for the operation of a comprehensive health insurance plan ensuring health insurance coverage for individuals and families in the State, and for other purposes; to the Committee on Commerce, and in addition to the Committees on Ways and Means, and Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. FATTAH:

H.R. 3999. A bill to designate the United States Postal Service building located at 5209 Greene Street, Philadelphia, Pennsylvania, as the "David P. Richardson, Jr., Post Office Building"; to the Committee on Government Reform and Oversight.

H.R. 4000. A bill to designate the United States Postal Service building located at 400 Edgmont Avenue, Chester, Pennsylvania, as the "THOMAS P. Foglietta Post Office Building"; to the Committee on Government Reform and Oversight.

H.R. 4001. A bill to designate the United States Postal Service building located at 2601 North 16th Street, Philadelphia, Pennsylvania, as the "Roxanne H. Jones Post Office Building"; to the Committee on Government Reform and Oversight.

H.R. 4002. A bill to designate the United States Postal Service building located at 5300 West Jefferson Street, Philadelphia, Pennsylvania, as the "Freeman Hankins Post Office Building"; to the Committee on Government Reform and Oversight.

H.R. 4003. A bill to designate the United States Postal Service building located at 2037 Chestnut Street, Philadelphia, Pennsylvania, as the "Max Weiner Post Office Building"; to the Committee on Government Reform and Oversight.

By Mr. HAYWORTH:

H.R. 4004. A bill to authorize the Secretary of the Interior to provide assistance to the Casa Malpais National Historic Landmark in Springerville, Arizona, and to establish the Lower East Side Tenement National Historic Site, and for other purposes; to the Committee on Resources.

By Mr. LEACH (for himself, Mr. BEREUTER, Mr. CASTLE, Mr. BACHUS, Mrs. ROUKEMA, Mr. BAKER, Mr. LAFALCE, Mr. KANJORSKI, Mr. HINCHEY, Ms. WATERS, and Ms. VELÁZQUEZ):

H.R. 4005. A bill to amend title 31 of the United States Code to improve methods for preventing financial crimes, and for other purposes; to the Committee on Banking and Financial Services, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HYDE (for himself and Mr. OBERSTAR):

H.R. 4006. A bill to clarify Federal law to prohibit the dispensing or distribution of a controlled substance for the purpose of causing, or assisting in causing, the suicide, or euthanasia, of any individual; to the Committee on the Judiciary, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. MALONEY of New York (for herself, Mr. HORN, Mr. BURTON of Indiana, Mr. WAXMAN, Mr. KUCINICH, Mr. GOSS, Mr. DICKS, and Mr. CONYERS):

H.R. 4007. A bill to amend section 552 of title 5, United States Code, and the National Security Act of 1947 to require disclosure under the Freedom of Information Act regarding certain persons, disclose Nazi war

criminal records without impairing any investigation or prosecution conducted by the Department of Justice or certain intelligence matters, and for other purposes; to the Committee on Government Reform and Oversight, and in addition to the Committees on Intelligence (Permanent Select), and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BARCIA of Michigan:

H.R. 4008. A bill to amend title XXVII of the Public Health Service Act to permit the exception from the guaranteed issue requirement for coverage offered only through associations to be applied separately to parts of the small group market based upon size of employers; to the Committee on Commerce.

By Mr. MALONEY of Connecticut (for himself, Mr. STUPAK, Mr. RAMSTAD, Ms. HOOLEY of Oregon, Mrs. MCCARTHY of New York, Mr. LAMPSON, Ms. STABENOW, Mr. ETHERIDGE, and Mr. BERRY):

H.R. 4009. A bill to amend part Q of the Omnibus Crime Control and Safe Streets Act of 1968 to encourage the use of school resource officers; to the Committee on the Judiciary, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. REDMOND:

H.R. 4010. A bill to provide that certain Federal property be made available to States for State use before being made available to other entities, and for other purposes; to the Committee on Government Reform and Oversight, and in addition to the Committees on National Security, International Relations, Small Business, and Science, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SHERMAN:

H.R. 4011. A bill to amend the Immigration and Nationality Act to eliminate the diversity immigrant program; to the Committee on the Judiciary.

By Mr. STEARNS:

H.R. 4012. A bill to guarantee honesty in budgeting; to the Committee on the Budget, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. STUMP:

H.R. 4013. A bill to authorize the Secretary of Agriculture to convey certain administrative sites and to use the proceeds for the acquisition of office sites and the acquisition, construction, or improvement of offices and administrative support buildings for the Conconino National Forest, Kaibab National Forest, Prescott National Forest, and Tonto National Forest in the State of Arizona; to the Committee on Resources.

By Mr. YOUNG of Alaska (for himself, Mr. HANSEN, Mr. COX of California, and Mr. BARR of Georgia):

H.R. 4014. A bill to require that new signs installed on Park Service Lands on or adjacent to the George Washington Memorial Parkway in Northern Virginia, Maryland, the District of Columbia, or elsewhere, directing motorists to Ronald Reagan National Airport must comply with the will of Congress, the President, and the American people by prominently including the full name, "Ronald Reagan National Airport," and for other purposes; to the Committee on Resources.

By Mr. FORD (for himself, Ms. CARSON, Mr. HOLDEN, Ms. STABENOW, Mr. FROST, Mr. DIAZ-BALART, and Mr. SANDLIN):

H. Con. Res. 287. Concurrent resolution expressing the sense of the Congress that the President should take certain actions to address violence in schools in the United States; to the Committee on Education and the Workforce.

By Mr. GILMAN (for himself, Mr. ACKERMAN, Mr. LANTOS, Mr. ROHRABACHER, Mr. FALEOMAVAEGA, Mr. PAYNE, Mr. ROYCE, and Mr. KIM):

H. Res. 459. A resolution commemorating 50 years of relations between the United States and the Republic of Korea; to the Committee on International Relations.

By Mr. WEYGAND:

H. Res. 460. A resolution recognizing the 20th anniversary of the founding of the Vietnam Veterans of America; to the Committee on Veterans' Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

330. The SPEAKER presented a memorial of the House of Representatives of the State of Hawaii, relative to House Concurrent Resolution No. 43 memorializing that Congress is urged to require that the importation of all agricultural products into Hawaii have a designation of country or origin and a certification of inspection based on United States Department of Agriculture standards to verify that each imported product has passed all U.S. health and agricultural requirements; to the Committee on Agriculture.

331. Also, a memorial of the General Assembly of the State of California, relative to Assembly Joint Resolution No. 65 memorializing the federal Health Care Financing Administration, and the Congress and the President of the United States to preserve the state plan to implement the Healthy Families Program in its current approved form; to the Committee on Commerce.

332. Also, a memorial of the Legislature of the State of Nevada, relative to Resolution 98-1 memorializing that Congress is urged to enact legislation terminating the Interior Columbia Basin Ecosystem Management Project with no record of decision being approved for the project and to refrain from any further appropriation of money to federal agencies for the project; to the Committee on Resources.

333. Also, a memorial of the General Assembly of the State of California, relative to Assembly Joint Resolution Number 66 memorializing that the Legislature of the State of California supports the granting of an official apology and restitution to World War II Japanese Latin American internees pursuant to federal law; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. SCHUMER introduced a bill (H.R. 4015) for the relief of Kerantha Poole-Christian; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 7: Mr. PETERSON of Minnesota.

H.R. 8: Mr. MCKEON and Mr. PACKARD.

H.R. 350: Mr. STRICKLAND.

H.R. 371: Ms. CARSON.

H.R. 953: Ms. STABENOW and Ms. CARSON.

H.R. 979: Mr. HILL, Ms. VELÁZQUEZ, and Mr. WOLF.

H.R. 1289: Mr. MALONEY of Connecticut.

H.R. 1401: Ms. MCCARTHY of Missouri and Mr. JEFFERSON.

H.R. 1450: Mr. WAXMAN.

H.R. 1628: Mr. FOX of Pennsylvania and Mr. DAN SCHAEFER of Colorado.

H.R. 1883: Mr. BENTSEN.

H.R. 1891: Mr. HUTCHINSON.

H.R. 2023: Mr. NADLER.

H.R. 2173: Mr. HUNTER.

H.R. 2174: Mr. PETERSON of Minnesota, Mr. PRICE of North Carolina, Mr. WEXLER, Mr. NADLER, and Mr. YATES.

H.R. 2281: Mrs. BONO and Mr. PAXON.

H.R. 2327: Mr. DOOLEY of California.

H.R. 2409: Mr. BLUNT, Mr. PAPPAS, Mr. GILMAN, and Mrs. JOHNSON of Connecticut.

H.R. 2456: Mr. BOSWELL.

H.R. 2485: Mr. BLUNT.

H.R. 2588: Mrs. CAPPS.

H.R. 2695: Mr. HILLIARD.

H.R. 2789: Mr. RUSH, Mr. CLAY, Mr. GONZALEZ, and Mr. MCGOVERN.

H.R. 2849: Mr. RUSH, Mr. LAMPSON, Ms. WATERS, Mr. OBERSTAR, Mrs. LOWEY, and Mr. BALDACCI.

H.R. 2914: Mr. HEFNER.

H.R. 2951: Mr. JENKINS.

H.R. 2955: Mr. KING of New York, Mr. ALLEN, Mr. YATES, and Mr. BOEHLERT.

H.R. 3081: Mrs. KELLY and Mr. JACKSON.

H.R. 3176: Mr. BRYANT.

H.R. 3205: Mr. ROMERO-BARCELÓ.

H.R. 3240: Mr. DELAHUNT and Ms. STABENOW.

H.R. 3247: Mr. KUCINICH, Mrs. EMERSON, and Mr. FORBES.

H.R. 3259: Ms. WOOLSEY and Ms. HOOLEY of Oregon.

H.R. 3267: Mrs. BONO.

H.R. 3290: Mr. LAFALCE, Mr. ANDREWS, Mr. FOX of Pennsylvania, Mr. MCHUGH, Mr. LUCAS of Oklahoma, Mr. PALLONE, and Ms. FURSE.

H.R. 3292: Mrs. THURMAN.

H.R. 3547: Mr. FRANK of Massachusetts.

H.R. 3567: Mrs. THURMAN, Mr. MCHALE, Mr. ROTHMAN, and Mr. COSTELLO.

H.R. 3629: Mr. SCARBOROUGH, Mr. TIAHRT, Mr. SALMON, Mr. COOKSEY, and Mr. SMITH of New Jersey.

H.R. 3632: Mr. NETHERCUTT, Ms. ROS-LEHTINEN, Mr. MANZULLO, Mr. HOEKSTRA, Mr. PRICE of North Carolina, Mr. GILMAN, Mr. SHAYS, Mr. FARR of California, and Mr. SHIMKUS.

H.R. 3651: Mrs. KELLY, Mr. SANDLIN, and Mr. STOKES.

H.R. 3662: Mr. YATES, Mr. LATOURETTE, Mr. ROYCE, Mr. BEREUTER, Mr. BARRETT of Wisconsin, Mr. KANJORSKI, and Mr. ENGEL.

H.R. 3684: Mr. GILLMOR.

H.R. 3688: Mr. JEFFERSON.

H.R. 3731: Mr. BLILEY, Mr. DOYLE, Mr. JENKINS, Mr. SHIMKUS, Mr. FAWELL, Mr. MCCOLLUM, Mr. BOEHLERT, Mr. BERMAN, Mr. WOLF, Ms. DUNN of Washington, Mr. ENGLISH of Pennsylvania, Mr. FROST, Mr. GEJDENSON,

Mr. LIVINGSTON, Mr. WELDON of Florida, Mr. GOODLATTE, Mr. MCNULTY, Mr. STOKES, Mr. SHAYS, Mr. KOLBE, Mr. BARR of Georgia, Mr. MANZULLO, Mr. KING of New York, and Mr. DAN SCHAEFER of Colorado.

H.R. 3788: Mr. CHRISTENSEN and Mr. POMEROY.

H.R. 3789: Mr. SENSENBRENNER.

H.R. 3802: Mr. TORRES and Ms. RIVERS.

H.R. 3807: Mr. BOEHNER, Mr. GOODLING, Mr. BOB SCHAFFER, of Colorado, Mr. SUNUNU, and Mr. YOUNG of Alaska.

H.R. 3820: Ms. WATERS.

H.R. 3821: Mrs. MYRICK, Mrs. NORTHUP, Mr. SOUDER, Ms. CARSON, and Mr. GOODLATTE.

H.R. 3858: Ms. GRANGER and Mr. WATTS of Oklahoma.

H.R. 3870: Mr. ENSIGN, Mr. DICKEY, Mr. PITTS, Mr. NORWOOD, Mr. PAUL, Mr. COOK, Mr. WELLER, Mr. SHIMKUS, Mr. ALLEN, and Mr. WATKINS.

H.R. 3875: Mr. MARTINEZ and Mr. FILNER.

H.R. 3881: Mr. DAVIS of Florida.

H.R. 3892: Mr. STUMP and Mr. NORWOOD.

H.R. 3918: Ms. WOOLSEY, Mr. TOWNS, Mr. TORRES, and Mr. LUTHER.

H.R. 3949: Mr. HUTCHINSON, Mrs. CUBIN, and Mr. STENHOLM.

H.R. 3966: Mr. BOSWELL.

H.R. 3975: Mr. WATTS of Oklahoma and Mr. OXLEY.

H.R. 3980: Mr. SMITH of New Jersey, Mr. FOSSELLA, and Ms. CARSON.

H.R. 3995: Mr. RANGEL.

H. Con. Res. 203: Mr. DAN SCHAEFER of Colorado, and Mrs. LINDA SMITH of Washington.

H. Con. Res. 258: Mr. RUSH, Mr. TORRES, and Mr. GREENWOOD.

H. Con. Res. 278: Mr. HALL of Texas and Mr. BOB SCHAFFER.

H. Con. Res. 281: Mrs. MORELLA.

H. Res. 37: Mr. MENENDEZ and Ms. CARSON.

H. Res. 444: Ms. CARSON and Mr. FROST.

H. Res. 451: Mr. WELLER, Mr. SHIMKUS, Mr. FAWELL, Mr. JACKSON, Mr. LIPINSKI, Mr. COSTELLO, Mr. LAHOOD, Mr. POSHARD, Mr. PORTER, Mr. BLAGOJEVICH, Mr. GUTIERREZ, Mr. HASTERT, Mr. EWING, Mr. EVANS, Mr. MANZULLO, and Mr. RUSH.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1054: Mr. SPRATT.

DISCHARGE PETITIONS—ADDITIONS OR DELETIONS

The following Members added their names to the following discharge petitions:

Petition 1 by Mr. YATES on House Resolution 141: Owen B. Pickett, David E. Skaggs, Danny K. Davis, Bill Luther.

SENATE—*Friday, June 5, 1998*

The Senate met at 9:31 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

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

Gracious God, so often we come to You listing out our urgent petitions. With loving kindness and faithfulness, You guide and provide. You bless us beyond our expectations and give us what we need on time and in time. Today, Lord, our prayer is for a much better memory of how You have heard and answered our petitions in the past. Now, we really need the gift of a grateful heart.

We commit this day to count our blessings. We thank You for the gift of life, for our relationship with You, for Your grace and forgiveness, for our families and friends, for the privilege of work to do well, for problems and perplexities that force us to trust You more, and for the assurance that You can use even the dark threads of difficulties in weaving the tapestry of our lives. Knowing how You delight in blessing thankful people, we thank You in advance for Your strength and care today. Lord, thank You, not just for what You do, but for who You are, blessed God and loving Father. In the Name of our Lord and Saviour. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader, Senator SMITH of New Hampshire, is recognized.

SCHEDULE

Mr. SMITH of New Hampshire. Mr. President, on behalf of the majority leader, I would like to announce that today there will be a period for morning business until the hour of 10:30 a.m. Following morning business, the Senate will resume consideration of S. 1415, the tobacco legislation, with several amendments still pending. It is hoped that short time agreements can be reached on those amendments so that remaining amendments to this important bill may be offered and debated.

As a reminder to all Members, a cloture motion was filed by the minority leader to the tobacco committee substitute. Under rule XXII, Senators have until 1 p.m. today to file first-degree amendments to the modified tobacco committee substitute. The leader has also announced that there will be no rollcall votes during today's session. Therefore, the cloture vote and any votes offered with respect to the tobacco bill today will be postponed to occur at a later date. As always, Members will be notified of the voting schedule next week as it becomes available.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. THOMAS). Under the previous order, leadership time is reserved.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to a period for morning business, with Senators permitted to speak therein for up to 5 minutes.

The Senator from New Hampshire is recognized for 30 minutes.

(The remarks of Mr. SMITH of New Hampshire pertaining to the introduction of S. 2135 and S.J. Res. 49 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. CLELAND addressed the Chair.

The PRESIDING OFFICER. Under the order, the Senator from Georgia is recognized for 10 minutes.

THE NEED FOR MANAGED CARE REFORM: A TRAGEDY IN GEORGIA

Mr. CLELAND. Mr. President, the distinguished Senator from New Hampshire has spoken eloquently about young people and the lives of young people and how we ought to be concerned on their behalf. I would like to spend a moment of the Senate's time speaking about a young boy in my State, James Adams, of Fairburn, GA, who is now 5 years old. Because of the rules of his parents' HMO, what happened to him in March of 1993, when he was only 6 months old, has changed his life forever.

The Senator from New Hampshire was speaking of right and wrong about young people. What happened to James Adams of Fairburn, GA, was not right.

James was suffering from a fever of over 100 degrees. Like 160 million other Americans, his parents were enrolled in a managed health care plan. James' mother took him to his HMO plan pediatrician, who diagnosed only a respiratory ailment and post-nasal drip. He prescribed only saline drops, vaporizer use, and Tylenol every four hours. James' mother was told not to worry, that high fevers in young children do not necessarily mean serious illness.

Later that night, his temperature was still rising and he was in great discomfort. James' worried mother called her HMO directly. The nurse on duty recommended bathing James in cold water. A pediatrician then placed a follow-up call, advising the parents to bring James to an HMO-participating hospital—42 miles away.

On the way to the hospital, as his parents' car sped past multiple other hospitals in Atlanta not covered by the Adams' HMO, James suffered full cardiac and respiratory arrest, and lost consciousness. His parents decided they simply couldn't wait to get him to the HMO hospital—James needed care immediately. His parents pulled into the closest hospital they could find—still 6 miles from their target destination. Upon his arrival at that hospital, doctors were able to restore his pulse and breathing. But the circulation to his hands and feet was cut off, and never returned.

James suffered irreparable damage to his extremities. Both his hands and feet had to be amputated. The delay of care caused by driving almost an hour to an affiliated hospital had taken its toll.

Today, James is doing really well. He was able to get to a hospital just in time enough to save his life, and has worked hard ever since to rehabilitate himself. I am confident he will be able to lead a full and productive life. But could things have turned out better for James? Probably so.

The question I have is, if S. 1890, the Patients Bill of Rights had been in effect, could it have helped James Adams and his family? The answer: probably so.

First, the Patients Bill of Rights would have covered access to and payment for emergency services. That is, regardless of what the outcome looked like at the time, since James' parents reasonably believed that emergency care was needed, they would have been able to get it, accessibly, in time. I believe that an individual should be assured that if they have an emergency, those services will be covered by their plan. This bill states that individuals must have access to emergency care, without prior authorization, in any situation that a "prudent lay person" would regard as an emergency.

Second, the Adams family's HMO could not have restricted their choice in service provider. They would have been able to have their own doctor—a regular doctor—convenient to where they live, and covered by their HMO plan.

Third, the Adams' HMO would have been more clearly liable. Luckily, the lawsuit against the HMO that James'

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

family went through was successful, but under current law such an outcome is far from guaranteed. The Patients Bill of Rights includes a provision for health plans that make medical decisions which result in harm to the patient, just as doctors and hospitals are held accountable today.

In addition, the Patients Bill of Rights would mandate a fair and timely appeal process both within the plan and to an independent external body when health plans deny care. It would also provide for access to medical specialists, continued care when a plan or provider is terminated and protection for providers who advocate on behalf of their patients.

Most important, the Patients Bill of Rights would help restore some of the confidence consumers have lost in their health care plans. It would ensure that Americans receive the care they were promised when they enrolled in their plan, and that they paid for with their monthly premiums.

I believe it is imperative that as lawmakers, we work with health professionals, insurance providers and the American people, to create the most efficient, accessible and responsive health care system possible. To that end I am cosponsoring S. 1890, the Patients' Bill of Rights Act of 1998, which would reform the delivery of managed care. We have a responsibility to ensure that the best health care system in the world remains accessible and affordable to all Americans. Though managed care has changed the nature of the health care industry by providing a more coordinated approach to medical care which reduces costs and waste, many beneficiaries believe, with cause, that their quality of care has been diminished.

As the debate over health care reform continues, I will continue to fight to refocus our health care system on patients—like James Adams—and away from the bottom line.

The ultimate goal of any health care provider, including managed care providers, should be to provide the best possible care for the patient. Anything less is unacceptable. Although the financial aspects are important, we cannot let patient care be sacrificed just because of a bottom line issue. I believe that Congress must take swift action to address the issue of managed care reform and I believe that the Patients' Bill of Rights Act of 1998 is a significant step in that direction.

I yield the floor.

The PRESIDING OFFICER (Mr. GRAMS). The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I thank my colleague from Georgia. Not that there are not other Senators who are connected to people back in their States, but the Senator from Georgia, I think, among us, stands out as a Senator who is really connected to people he represents. When he uses the word "fight," I think he will be fighting very hard for people and I think we will have really a historically significant debate on this legislation.

This is a very personal issue for people we are talking about, I say to my colleague, their health and the health of their children. So I thank the Senator from Georgia for his very strong words.

BOBBY KENNEDY AND EQUAL OPPORTUNITY

Mr. WELLSTONE. Mr. President, on June 6, 1968, at 1:44 a.m., Bobby Kennedy passed away. I would like to speak about Senator Kennedy. First of all, I just recommend for people in Minnesota and our country a wonderful documentary that will be shown this week on TV on the Discovery Channel, "Robert F. Kennedy, A Memoir." This was done by Jack Newfield and Charlie Stewart. My wife Sheila and I had a chance to see 2 hours of this, a preview. It is very powerful.

I thought what I would do is read from a book which just came out, written by one of Bobby Kennedy's children, Maxwell Taylor Kennedy. The title of it is "Make Gentle The Life Of The World." This is an excerpt from one of Bobby Kennedy's speeches:

> Let us dedicate ourselves to what the Greeks wrote so many years ago, "to tame the savageness of man and make gentle the life of the world." Thus the title, "Make Gentle The Life Of The World."

Let me just say at the beginning, before quoting from some of Bobby Kennedy's speeches, that I believe—this is just my opinion—that the Senator who really most lives this tradition, of course in a very personal way, but in terms of his just unbelievable advocacy for people and the kind of courage and power, the effectiveness of his advocacy for people, of course, is Senator TED KENNEDY.

Behind me is the desk of President John Kennedy, which is Senator EDWARD KENNEDY's desk. I can't think of any Senator who better represents the words I am now about to quote.

Bobby Kennedy gave a speech. I believe it was at the University of Kansas. He wanted to talk to students and young people. He wanted to talk about the way in which we measure ourselves as a people. It is one of my favorite speeches, and I quote a part of it:

> Yet, the gross national product does not allow for the health of our children—

In other words, do we measure how we are doing as a country just by the economic indicators.

> Yet, the gross national product does not allow for the health of our children, the quality of their education or the joy of their play. It does not include the beauty of our poetry or the strength of our marriages, the intelligence of our public debate or the integrity of our public officials. It measures neither our wit nor our courage, neither our wisdom nor our learning, neither our compassion nor our devotion to our country. It measures everything, in short, except that which makes life worthwhile. And it can tell us everything about America, except why we are proud that we are Americans.

Mr. President, another speech that Senator Kennedy gave is relevant to our times:

> There are millions of Americans living in hidden places whose faces and names we never know, but I've seen children starving in Mississippi, idling their lives away in the ghetto, living without hope or future amid the despair on Indian reservations with no jobs and little help. I've seen proud men in the hills of Appalachia who wish only to work in dignity, but the mines are closed and the jobs are gone and no one, neither industry nor labor nor Government, has cared enough to help. Those conditions will change, those children will live only if we dissent. So I dissent, and I know you do, too.

Interesting words about crime:

> Thus, the fight against crime is, in the last analysis, the same as the fight for equal opportunity, or the battle against hunger and deprivation, or the struggle to prevent the pollution of our air and water. It is the fight to preserve the quality of community which is at the root of our greatness, a fight to preserve confidence in ourselves and our fellow citizens, a battle for the quality of our lives.

About the importance of work:

> We need jobs, dignified employment at decent pay.

What many today call living-wage jobs.

> The kind of employment that lets a man—

And I add, and I am sure Senator Kennedy would add, a woman——

> say to his community, to his family, to his country and, most important, to himself [or herself], "I helped to build this country; I'm a participant in this great public venture; I am a man"—

And, I add, "I am a woman."

The importance of work—

Community:

> Today, we can make this a nation where young people do not see the false peace of drugs. Together, we can make this a nation where old people are not shunted off, where regardless of the color of his skin or the place of birth of his father, every citizen will have an equal chance at dignity and decency. Together, Americans are the most decent, generous and compassionate people in the world. Divided, they are collections of islands—islands of blacks afraid of islands of whites; islands of northerners bitterly opposed to islands of southerners, islands of workers warring with islands of businessmen.

Government:

> Governments can err, Presidents do make mistakes, but the immortal Dante tells us that divine justice weighs the sins of the cold-blooded and the sins of the warm-hearted in a different scale. Better the occasional faults of a government living in the spirit of charity than the consistent emissions of a government frozen in the ice of its own indifference.

Courage—I think the pages will especially like this:

> It is from numberless, diverse acts of courage and belief that human history is shaped. Each time a man stands up—

Or a woman stands up—

for an ideal or acts to improve the lot of others or strikes out against injustice, he sends forth a tiny ripple of hope and crossing each other from a million different centers of energy and daring those ripples build a current which can sweep down the mightiest walls of oppression and resistance.

These are really beautiful words.

Mr. President, I had an opportunity about a year ago to travel just to a few communities Senator Kennedy visited. I started out in the delta, Mississippi, and actually just this past Friday, a week ago, I went back to Tunica in the delta, just by myself, mainly to teach classes. I went back because there was a marvelous teacher, Mr. Robert Hall, who said a year ago at a community meeting, "I wish you could come back around graduation time, because only about 50 percent or just a little bit more of our students graduate, and our students need to have more hope."

In Tunica, the public high school is all African-American, and the private schools are all white. So I came back. I landed, and a man named Mr. Young picked me up at the airport. He said, "Before you go to the high school, you will be addressing the third and fourth graders." I say to the Chair, I thought to myself, addressing the third and fourth graders the last day of school, like a policy address? It didn't sound like this was going to work very well.

I went to the elementary school, and the third and fourth graders were all sitting in the auditorium. A principal, a young man, introduced me, and we were high on the stage. I told the principal, "I think I will not stay on the stage." I went out to where the students were.

This one young girl helped me out so much, because we were talking about education and school and why you like school. She said, "I like it because a good education will help me be all I want to be in my life." Then 40 hands went up at one time. That is a teacher's dream, and these children had all sorts of dreams—doctors, lawyers, psychiatrists, professional wrestlers, boxers, football players—you name it—teachers, on and on and on. I thought to myself, this is what it is about. The only problem is that for too many children, that is the way they start out, and then this just gets taken away from them. The same spark isn't there later on by the time they get to high school.

I then went to East L.A. and to Watts and went to public housing projects in Chicago and inner-city Baltimore and Letcher County, KY, and inner-city Minneapolis, Phillips neighborhood, rural Minnesota. The point is there are heroines, and heroines are doing great work. That is my point.

The other point is, everywhere I went, I really believe—and these are my words, I summarize it—what part of the people were saying with a lot of dignity was, "What happened to our national vow of equal opportunity for every child? We don't have it in our communities." And the jobs—where are the jobs with decent wages? That is what we want to be able to do. Just think about Robert Kennedy's words, about the importance of work. That is what people are saying today. "We want to have jobs at decent wages so that we can earn a decent living and we can give our children the care we know they need and deserve."

Really, Mr. President, as I think about that travel—and travel in any community—this is the focus: On jobs and education, health care, earning a decent living, being able to do well for your children. That is the focus.

Different people think about Senator Kennedy's career, Bobby Kennedy, and what he stood for, and different people in different ways, to try to use that inspiring example to do good work. I want to just raise one question before the Senate today, as I feel that this is very connected to Senator Kennedy's life and what he tried to do for our country. And this is the question. I pose this question for my colleagues and the people in the country: How can it be that in the United States of America today—not June of 1968—June of 1998, how can it be the richest, most affluent country in the world, at the peak of our economic performance—we are all writing about how well the economy is doing—how can it be that we are still being told that we cannot provide a good education for every child, that we cannot provide good health care for all of our citizens, that people still cannot find jobs at decent wages that they can support their families on, that we cannot at least reach the goal of making sure that every child who comes to kindergarten is ready to learn? She knows how to spell her name; she knows colors and shapes and sizes; she knows the alphabet; she has been read to widely; and she or he is ready to learn. And we are still being told we can't reach those goals as a nation?

And how can it be that in our peak economic performance today, one out of four children under the age of 3 are growing up poor in America—under the age of 3; and one out of every two children of color under the age of 3 are growing up poor in our country? How can this be? How can it be that we have a set of social arrangements that allow children to be the most poverty-stricken group in America? That is a betrayal of our heritage. The impoverishment of so many children is our national disgrace.

I just feel—and I am just speaking for myself—as I think back about Robert Kennedy's life, he would surely say today that this is not acceptable and that we can do better. He would probably say, "We can do betta." And I think those words are very important.

One final point, if my colleague would indulge me.

I had a chance to speak at a baccalaureate at Swarthmore College this last weekend. And I was saying to the students—a lot of people have given up on politics. A lot of people, it is not that they don't care about the issues, they care deeply, they care desperately, but they don't think there is much of a connection between their concerns and our concerns. They read all about money in politics, and they just do not think it is that important.

A friend of mine was telling me he was teaching a seminar class on electoral politics, and he was talking about Presidential races and some of his involvement in the past, and students said, "Well, that's when elections mattered." Elections do matter. All of us in public service, I think, believe that, even if we have different viewpoints.

I said to the students—and I want to conclude this way, in just talking with young people, not at young people—that I read—and certainly this was the case in Swarthmore College—an incredibly high percentage of students in our colleges and universities are involved in community service, and also high school students. It is not true that young people do not care about community, do not want to serve our country. There is a tremendous amount of good work being done. The problem is that I think many young people say community service is good and politics is unsavory.

I just say today, on the floor of the Senate, to the young people: We need you to be mentors and tutors. We need your community service. We need you to volunteer at battered women's shelters. If my wife Sheila was here, she would say, "Mention that, PAUL." We need you to be advocates for children. We need you to help other children. We need you to do community work. When you go on to college and universities and get degrees, and you are lawyers and businesspeople, we need you to take some of your skills and give it to the community. We need you to do that. But we also need you to care about public policy. We need you to care about good public policy, and we need you to make sure that our Nation does better.

Mr. President, I want to say today—since I wanted to take a few minutes to speak about Robert Kennedy and his life, the meaning of that life, to me and I think to many Americans—I think that the final point that I would want to make—feels right to me, at least—is to say, especially to younger people, the future is not going to belong to those who are content with the present. The future is not going to belong to cynics; it is not going to belong to people who stand on the sidelines; it is not going to belong to people who view politics as a spectator sport.

The future is going to belong to people who have passion and people who are willing to make a personal commitment to making our country better. And the future is going to belong—these are not Bobby Kennedy's words; these are Eleanor Roosevelt's words—"The future is going to belong to people who believe in the beauty of their dreams."

Bobby Kennedy had many beautiful dreams. His life was cut short, and he was not able to realize all those dreams. But his dreams and his hope and his work for our country is as important to our Nation today as it ever was while he was alive.

I yield the floor.

Mr. JOHNSON addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. JOHNSON. I ask unanimous consent to address the Senate for such time as I may consume.

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

TORNADO IN SPENCER, SOUTH DAKOTA

Mr. JOHNSON. Mr. President, I returned Wednesday night from my second tour of what is left of the small community of Spencer, SD, which was devastated, as many know, by a tornado this past Saturday night. Many of you may have seen the media reports and the pictures of the utter destruction in Spencer.

After touring the site for the second time on Wednesday, I can honestly say the pictures simply do not do the site justice, and it is almost impossible to fathom the indiscriminate totality of the destruction.

This tornado, which hit this small town, has been classified as an F4 on the Fujita rating scale of the National Weather Service. The rating means winds have been estimated between 207 to 260 miles an hour.

As I toured the remains of this small town, the wind literally blew the bark off the trees—what trees still remained standing.

To the community of Spencer, the rating means that the tornado was powerful enough to destroy 80 to 90 percent of their town.

The grain elevator, service station, post office, and library were all destroyed, as were all four churches, an antique store, the fire hall, and water tower. The town had no sewer, water or power.

All that is left of Spencer's 120-foot tall water tower is the crumpled metal on the side of the street with the word "Spencer" written upside down now. A tan car hung suspended 5 feet off the ground in the tower's mangled legs.

The grain spilled from the Spencer Grain Company elevator out onto a field. Spiky tops of tree trunks stuck up out of the ground, their branches stripped of leaves—and furniture, bedding, miscellaneous items stuck in the tree tops of what trees did remain.

Most tragically, the tornado was powerful enough to injure, out of the 300-some in the community, 150 people—almost half the population—and to take the lives of 6.

The victims were Bev Bintliff, Elizabeth Burnham, Mildred Pugh, Gloria Satterlee, Ron Selken, and Irene Yost.

Bev Bintliff was 68, a Spencer native. She and her husband, Robert, moved back to Spencer after living in Oklahoma for a number of years. She worked for several local businesses before becoming the city's finance officer. Her husband is a painter. And they also operated a music shop in the nearby community of Mitchell.

Elizabeth Burnham was 85, lived in Spencer most of her life. She was a widow, and lived alone in her home. She is survived by two daughters.

Mildred Pugh, 93, a widow, moved from her home of 60 years in Spencer to an apartment in the mid-1980s. She was born on the family homestead northeast of Spencer and lived in the area all of her life. Her husband was a rural mail carrier, and she was a homemaker. Friends say that she loved her garden and she loved to deer hunt with her husband. Mildred had lived through other disasters. She survived floods, cyclones, famine, the Depression, wars, but could not survive this tornado. She is survived by a great-nephew, a grandson, and two granddaughters, and a sister.

Ron D. Selken, 62, has been described as a quiet man who enjoyed spending time with his family. Selken was born in 1936. He attended Hawthorne Elementary in Sioux Falls. He served in the Korean War. He worked as a laborer at Gage Bros. Concrete in Sioux Falls until becoming disabled because of back problems. In his spare time, Selken liked to work on his cars, watch sports and fish.

He recently became a grandfather for the third time and tragically did not get to hold his new granddaughter who was born May 2. On my first trip to the tornado site last Sunday, I met Ron's daughter, Kris Roelfs, of Sibley, Iowa. I have to say, it was a very touching meeting and I felt inadequate that I could only give her my heartfelt condolences. Her father had moved to Spencer about eight years ago from Sioux Falls. In addition to his daughter, Kris, Ron Selken is survived by another daughter, Vicky Selken of Sioux Falls, a son, Kelley of Lake Benton, MN. Three grandchildren, two brothers and four sisters.

Gloria Satterlee, was in her mid 70's and was an organist and pianist at the Nazarene Church where her husband, Ward Sr. has been pastor for the tiny congregation. Reverend Ward Satterlee was hospitalized at Queen of Peace Hospital in Mitchell with broken ribs and cuts but on my second visit to the tornado site yesterday, I had the chance to speak briefly with Ward as he explained his predicament to Vice President GORE.

The Satterlees celebrated their 50th anniversary last year and had lived in Spencer for more than 20 years. Mrs. Satterlee was a homemaker who was interested in music and caring for elderly people. In addition to her husband she is survived by two children one in Kansas and one in northern Minnesota.

Irene Yost, in her mid 70's was retired and living in a downtown apartment complex in Spencer. She had been ailing and had just been getting back on her feet when it happened. She was a lifelong resident of Spencer, and once owned a business establishment in the community, worked as a telephone operator and in a Salem factory and operated a Bingo Gas Station for a number of years.

While we mourn the tragic loss of these people and pray for their families, we are grateful for those who survived. Many descriptions of the terror the residents felt last Saturday night and of different individual's determination to survive have been shared with me personally over the past few days or have been shared with the public through the news media.

Linda Morehead's first thought was, "Oh God don't let it be a tornado." As the tornado hit, Linda tried to open her basement door, but it stuck. She finally got it open and made it down one step when the wall between her dining room and the staircase fell and her roof blew off. She said that the roof flew off like a frisbee then it was all over and that she was down in a pit with stuff all around me like a hill.

Linda was trapped in her home after the storm because her left leg became pinned under cement and a radiator. Her leg was broken in two places and a chunk of flesh was ripped off when the cement was removed by rescue workers. Morehead's arms and shoulders were covered with bruises and cuts, but her face was untouched. As rain and marble-sized hail began to fall while she was trapped she covered her face with a nearby pair of sweatpants. In spite of the pain she continues to suffer and the long road ahead to recovery, Linda recognizes her good fortune to have survived and remembers moments when she didn't think she was going to live through it.

Linda has mixed emotions as she said "I am angry because everything you own is gone. Everything Mom and Dad worked for all their life is gone. I get so angry. And then I'm thankful the kids are all right.

Late Sunday afternoon Linda was still finding debris in her hair—rocks, pine needles, glass, wood splinters.

Tammy Kreutzfeldt remembers that she and her family all screamed as the

pressure built and the roof of their house blew off. She and her family looked up and could see the tornado and the sky from their basement. Tammy had cuts on her head inflicted from falling bricks as she huddled with friends and family members in the basement of her home during the tornado.

Lucille and Jimmy Mone, 89 and 95 years old respectively, crawled over glass to safety. Jimmy who had been blown right out of bed crawled with Lucille on their hands and knees through shards of glass from blown out windows and broken pictures to their downstairs where they stayed until the storm had passed. Again, these two amazingly strong fighters recognized their good fortune as they looked back on their minutes of terror and acknowledged that, "We're still alive and that's the important thing."

Arnold Eldeen was driving Saturday night when he spotted the tornado that demolished much of his hometown. He raced home and arrived about 15 minutes after the tornado hit. While Arnold had been able to call his two sons before the tornado hit Spencer, it took almost three hours for him to find them to ensure they were both alive—thankfully, his sons had been able to make it out of Spencer before the tornado ravaged the community.

Amanda Stevens, 85, was in a corner of her basement when the tornado struck and she prayed that she would not be pulled out of her basement. The tornado ripped the roof off her home, but miraculously the ceramic tile remained in place which she tediously laid on the walls 27 years ago as she and her now-deceased husband built their home.

On Sunday, South Dakota's Governor William Janklow acted expeditiously to request a disaster declaration for the Spencer area from President Clinton. I was extremely pleased that the President acted swiftly and responded positively on Monday with a declaration for McCook County. While the declaration opens up a lot of assistance to help the victims start rebuilding their lives, the assistance certainly won't make anyone whole.

I was also pleased that on Monday, Vice President GORE and FEMA Director James Lee Witt both announced they would tour the tornado ravaged area. I was pleased to join them on their tour Wednesday. I truly believe their visit helped lift the spirits of many of the victims.

South Dakota has been hit by many devastating acts of Mother Nature in recent years. While the natural disasters South Dakota has faced in the recent past have all been different, two things are consistent in the wake of every disaster my state has experienced:

First, the victims of the disaster always have a positive spirit and are determined to survive and rebuild their lives. Having met with residents of Spencer twice in the past 6 days, I have been moved by their resilence and their ability to remain focused on the future, after an act of Mother Nature wiped away the town they called home and a lifetime of personal possessions in a matter of minutes. The victims have shown a quiet determination to rebuild their lives and I commend them for their attitude. It can't be easy and I am committed to doing what I can to help each and every resident of Spencer move forward with their lives.

I am always impressed and heartened by the selfless giving of concerned individuals coming to the aid of their fellow South Dakotans. South Dakotans have made it through tough times before and I think South Dakotans rush to reach out to our neighbors in need because we all realize that the next disaster could hit us.

The response was tremendous. The tornado hit Spencer at approximately 8:45 pm on Saturday night. By 10 pm 300 emergency rescue workers and medical personnel were on the scene.

Volunteers came from almost every city in the region to assist and help ease the shock from Kimball to Stickney to Dell Rapids. As a stream of ambulances entered city limits packed with volunteers, water, and blankets, other ambulances screamed out, loaded with wounded en route to hospitals in Mitchell and Sioux Falls.

Members of the National Guard and the State Highway Patrol were also on the scene immediately to assist victims.

While almost all families had their homes destroyed, very few victims have had to seek shelter provided by the Red Cross of FEMA because family and friends in the area have opened their homes to the victims.

Within a day of the devastating tornado in Spencer, businesses and individuals from across South Dakota provided tornado victims with financial and moral support to help them rebuild their lives. I have been extremely touched—though I must say not surprised—by the many examples of generosity and compassion exhibited by individuals all over our state.

The community is working together to assist victims, including collecting items needed by tornado victims. The Chapter of the American Red Cross has set up a fund. The United Methodist Church in Huron will give their entire offering of the next weekend to assist the victims. A television telethon raised over $500,000 in a matter of hours. Some 8,000 volunteers—more, frankly, than could be efficiently utilized—showed up at the Spencer city limits to volunteer. Many other communities around the State have set up funds for the disaster victims. The South Dakota Community Foundation, which grants money to worthy causes, announced it will give $1,000 to every Spencer resident.

Two nights ago, KELO TV conducted an impromptu telethon to collect funds for the victims. The effort collected over $500,000 in a matter of hours.

Perhaps most impressive, in response to a request by Governor Janklow for volunteers to come to Spencer yesterday morning, again an estimated 8,000 people showed up to volunteer in this small town. Governor Janklow originally asked for 1,000 volunteers.

The leaders of Spencer, South Dakota have continued their commitment and loyalty to their community all throughout the disaster. Mayor Rocky Kirby, owner of the destroyed grain elevator, has spent day and night dealing with not only his own personal loss of his business but working with Governor Janklow and FEMA officials to get their town back together.

City Council member Donna Ruden stayed up the entire first night putting together a map of the community with the names and locations of all citizens to assist Governor Janklow, the National Guard, and the cleanup crews. As an employee of the Security State Bank, which was also destroyed with only the vault left standing, opened her home immediately as a make-shift bank, a meeting place for citizens and their insurance companies and a place to stop and share their accounts of the storm. She placed a sign on her front door, "please come in".

The Red Cross and Salvation Army have done a remarkable job and I would be remiss if I did not recognize these people.

In closing, Mr. President, I just want to again commend the victims for their resilience and positive spirit in the wake of this tragedy. I also want to assure them that in the coming weeks as the tv cameras and media leave and they are left to the day-to-day effort of rebuilding their lives, I will not forget about them. I am committed to working with individuals and with the different federal agencies offering assistance to ensure aid comes when people need it and with as few bureaucratic strings attached as possible.

Again, my thoughts and prayers are with the families of those who lost their lives in this tragedy and my best wishes to all of the survivors during the next few critically important weeks as they take steps to rebuild their lives.

Mr. CONRAD addressed the Chair.

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

Mr. CONRAD. Mr. President, I commend our colleague, the Senator from South Dakota, Senator JOHNSON, for drawing the attention of this body to the extraordinary tragedy in South Dakota. I think all of us were stunned to see those photos of this town, the town of Spencer, which was just wiped out. It really is stunning to see the complete devastation of that small town.

I remember seeing the press reports and seeing the pictures and being reminded of the devastation we suffered in North Dakota last year with the 500-year flood, on top of the worst winter in history, the most powerful winter storm in 50 years, and in the middle of all that, the fires that destroyed much of downtown Grand Forks, ND.

Our hearts go out to the people of South Dakota. Our hearts go out to the people who have suffered this extraordinary tragedy, to those who lost their lives, to those whose lives have been disrupted forever. And I think it is important for them to know that those in this body on both sides of the aisle will reach out and will help. We certainly saw that in our tragedy, and we will never forget the assistance of our colleagues. We want our friends in the South Dakota delegation to know that we are prepared to help and to reach out and to be of assistance, just as they were of help to us in our disaster. So we want to say to our colleague, Senator JOHNSON, when you are back home talking to the people who have suffered, they can count on this Federal Government to reach out and be there to help in their time of need, just as they were there to help others when they were afflicted.

I also want to say to Senator DASCHLE, the other Senator from South Dakota, obviously, those of us in the Dakotas have a special bond. We will do everything we can to help as you go through this difficult process of rebuilding.

Mr. COVERDELL. Mr. President, it is interesting how each of our States has experienced disasters in the last several years—you a 500-year flood, we a 500-year flood, and now this devastating tornado. In April, we have had four natural disasters in Georgia: a flood, an early freeze wiping out the entire first peach crop, and three separate tornadoes. No matter how many times you experience it, the power of it is just mind-boggling. I remember years and years ago, on the eve of my high school graduation in Lee's Summit, MO, being hit by one of these tornadoes that leveled 700 homes to the foundation. I have never seen anything like it. It was like a bomb hit.

You are right. All of our colleagues have been so responsive, and it makes an enormous difference when you are faced with that kind of situation when neighbors and friends across the country are there to help. So I appreciate the remarks of the Senator from South Dakota and the Senator from North Dakota.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The time for morning business is closed.

NATIONAL TOBACCO POLICY AND YOUTH SMOKING REDUCTION ACT

The PRESIDING OFFICER. The Senate will now resume consideration of S. 1415.

The clerk will report.

The legislative clerk read as follows:

A bill (S. 1415) to reform and restructure the processes by which tobacco products are manufactured, marketed, and distributed, to prevent the use of tobacco products by minors, to redress the adverse health effects of tobacco use, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Gregg/Leahy amendment No. 2433 (to Amendment No. 2420), to modify the provisions relating to civil liability for tobacco manufacturers.

Gregg/Leahy amendment No. 2434 (to Amendment No. 2433), in the nature of a substitute.

Gramm motion to recommit the bill to the Committee on Finance with instructions to report back forthwith, with amendment No. 2436, to modify the provisions relating to civil liability for tobacco manufacturers, and to eliminate the marriage penalty reflected in the standard deduction and to ensure the earned income credit takes into account the elimination of such penalty.

Daschle (for Durbin) amendment No. 2437 (to amendment No. 2436), relating to reductions in underage tobacco usage.

Lott (for Coverdell) modified amendment No. 2451 (to amendment No. 2437), to stop illegal drugs from entering the United States, to provide additional resources to combat illegal drugs, and to establish disincentives for teenagers to use illegal drugs.

AMENDMENT NO. 2451

Mr. COVERDELL. Mr. President, we are returning to the tobacco legislation, by previous order, and specifically to the amendment that I introduced last evening along with Senator CRAIG of Idaho and Senator ABRAHAM of Michigan, which is now commonly called the drug amendment.

To put this in context, Mr. President, the point that we are making is that you cannot talk about teen addiction and be silent on the No. 1 teen addiction problem, which is drug abuse. So the purpose of this amendment is to make certain that any legislation being considered by this Chamber about teen addiction and teen problems must also include a title to deal with the raging epidemic in our country—teenage drug abuse.

Mr. President, in the last 6½ years, teenage drug abuse has increased by 135 percent. Well, what does that mean? Does that mean that 10 more youngsters are using drugs than were 6 years ago? No. It means that almost 2 million teenagers are using drugs today that were not 6½ years ago.

This is a massive problem and it is a consequence, unfortunately, of altered Federal policy. We decided early in this administration that the battle against drug abuse would be altered, changed, downsized. The drug office was virtually closed, interdiction facilities were drastically reduced, the Coast Guard was diminished in the Caribbean, and we quit talking about the problem. Simultaneously, we entered into new trade agreements with Mexico, which enormously increased the amount of travel between the two countries, upwards to 4 million vehicles now. So that interdiction apparatus was down and the transportation across the border was up, and we quit talking about the problem. Well, consequently, massive amounts of new drugs came into the country, and because they were coming in such quantities, the price fell. So we had a product that was everywhere, inexpensive, and very, very dangerous.

You can go into any school in the Nation and ask students and they can tell you the name of all these designer drugs; they can tell you exactly where to buy them, and in most cases, it doesn't take over 30 minutes. As I have said, the price plummeted 50, 60, 70 percent. Dropped interdiction, increased border crossings, flooded the market with drugs, the price falls, and the targets are kids, age 8 to 14 years of age. What happened? It doubled and almost tripled drug abuse among teenagers.

Today, in high schools across the country, one in four are using drugs regularly. In junior high, it is 1 in 10. We now have almost 2 million more kids caught up in this lethal snare, drug abuse. To be specific about the numbers, in 1979 at the peak of the last epidemic, 14.1 percent of the entire teenage population ages 12 to 17 was using drugs regularly. The Nation said we can't tolerate this. And from the President to the sheriff, the whole Nation began to fight this epidemic. And what happened?

By 1992, we had reduced drug use among this population by two-thirds. Instead of 3.3 million teenagers using drugs, we drove it down to 1 million. This is very important because it demonstrates that we can correct this problem. There are some in our society, and very powerful people, who would like Americans to believe you can't do anything about this. That is an utter absurdity. We have proven, and very recently, that you can attack this problem and make a difference. But in 1992, as I said a moment ago, we quit talking about the problem. And so today, 2 million-plus are back using drugs regularly. It is a very, very disturbing situation. It just sort of snuck up on us.

A lot of our parents are not talking to their children about this problem, which is very unfortunate, because we know that if parents are talking to their children about this issue, the odds of the children using drugs are cut in half. It is cut in half. But if you went into a classroom, and there are 100 students out there, and say, "How many of you talk to your parents about this problem?" you would be lucky if 10

held up their hands. There is just not that interplay, which explains a little bit here this recent survey. It is most interesting. Forty-three percent of parents believe their teens could find marijuana easily. Sixty percent of the teenagers said it is easy to find. Thirty-three percent of the parents thought their children viewed marijuana as harmful. But only 18 percent of the kids thought it was harmful. It is just a complete disconnect going on here. Forty-five percent of parents felt teens had a friend who smoked marijuana. But if you ask the kids, 71 percent know somebody smoking marijuana. It is just a total disconnect.

So one of the purposes and reasons of this amendment is to assert Federal policy, bold Federal policy that attacks this drug epidemic at every level—at the border, in our communities, in our law enforcement agencies—everybody. It substantially increases funding for interdiction and for education, and it attacks it at every level. If this is put into play, within 24 months there will not be a poll that has 21 percent thinking their teenage children knew someone who experimented with marijuana while 44 percent of the teens said they actually had. This disconnect will be ended in America, and you will begin to drive the numbers of teenagers using drugs down. But not if we bring a major bill about teenage addiction to the Senate and before the American public and never mention drugs and just totally be silent on it as if that is not a problem.

Teenage drug abuse is the No. 1 teenage problem. It is No. 1. Myself, my colleague from Idaho, and my colleague from Michigan felt this almost is damaging if it is so much focused on teenage smoking, which is a problem, but it is a fourth problem. The first one is teenage drugs. So you would almost be saying, "Look, we are accomplishing something here," and looking completely away from the fact that we are in the midst today in this country of one of the most singular alarming epidemics we have ever faced: teenage drug abuse.

I am going to yield, because I see the Senator from North Dakota is prepared to talk here in a minute on the bill.

But one of the saddest things about this whole teenage drug abuse epidemic is that in the last epidemic, in the 1960s and 1970s, most of those teenagers were 16 to 20 in age. Now they are 8 to 14. The cartels have focused. We talked about tobacco focusing on teenagers. It is an unconscionable policy. But the narcotic cartels are totally focused on a young teenage market 8 to 14, as vulnerable a market as could be.

We will pay an unbelievable price—and are—if we do not attack this problem forcefully with the Nation's will, and boldly; not deja vu, just another day. We have to turn this thing around.

Mr. President, I am going to yield to my colleague from North Dakota.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I am going to speak on a number of subjects this morning. I am going to talk about a Web site contest that I sponsored in North Dakota on this question of tobacco. I am going to talk about the marriage penalty debate that we have ongoing. Then I am going to file a cloture motion on behalf of the leader.

First of all, I want to say to my colleague from Georgia that there are some of us who agree that dealing with drugs as part of this legislation makes some sense. We hope we are able to work together and see if we can't find a formula that works so it can be included here. We know there are others who do not think it is appropriate to include it here, and we respect their views. But some of us do believe it is appropriate to deal with the question of other drugs in this bill. Hopefully, we can find a way to be successful at the end of the day. There is no question that it is a serious problem, just as tobacco is a serious problem that imposes enormous health and financial costs on society. Illegal drug use is also creating enormous difficulties.

When we are in Washington, my wife and I live eight blocks from the Capitol. From the steps of the Capitol, we can look right down the street that leads to the house we live in here in Washington. In 1991, my wife was abducted at gunpoint by a crack addict. I tell you, I will never forget the trauma it caused our family. It is an epidemic in many parts of our country. I am proud to say it is not an epidemic in North Dakota, but even there we have a problem.

I think all of us who are serious about improving the lives of people we represent want to address this problem in this bill if we possibly can. So I thank the Senator from Georgia for the effort he has made.

Mr. President, I sponsored a Web site contest for kids from my State on the question of tobacco use. I asked them to create electronic pages, or electronic posters, to help spread the word that tobacco use causes problems. We just had an outpouring of kids from around the State who entered the contest. One of the winners was Justin Grueneich of Ellendale, ND. His Web site said, "Smoke Is No Joke." He is right. His Web site was packed with statistics and information.

One of the things that impressed us was, we found there was more information there than we have heard on the Senate floor. He actually found facts that we haven't heard in the debate on the Senate floor.

So Justin did a superb job.

Another person who did excellent work was Anne Erickson, a senior at Cavalier High School. She was very creative. Her graphic design was great, and her messages were right on target. She wrote, "To smoke or not to smoke, there is no question." She also posted that in addition to being unhealthy, smoking was also unattractive.

As we know, the tobacco industry has tried to present smoking as cool and attractive and sophisticated. She wasn't buying it.

So thank you, Anne, for seeing through those advertising gimmicks by the industry.

Six fifth graders from Dakota School in Minot joined forces and created a Web site they called "The Healthiest Web Site in North Dakota."

Congratulations to Cierra Bails, Christina Leyrer, Mikey Perron, Jr., Nicole Rogers, Jessica Sarty, and Nicki Taylor for their excellent work.

These fifth graders designed a colorful and informative Web page that included links to North Dakota facts and laws on tobacco. They did really a great job in reminding kids that buying tobacco is illegal and it is unhealthy.

Now, younger students also entered the contest and published electronic posters on the Internet. I brought some of them here to the floor to share with my colleagues today. These are from third graders at North Hill Elementary School in Minot, ND. These are very young children, some as young as 7 years old. This one was done by Annie Kirchofner. It has a very simple message. Fruit is healthy, yes to grapes and apples, no to cigarettes. That is Annie Kirchofner.

Devin Blowers doesn't think that smoking is cool. He says, "Smoking is bad for you. Be cool. Don't smoke." And then he has down here this alligator figure. I guess this is his alternative to Joe Camel, and he has sunglasses on the top of his head here and he says "Yuk" to tobacco.

That is pretty good for 7- and 8-year-old kids. They certainly have the message.

Courtney Sluke, another third grader, produced this poster: "Do not smoke." She is saying to her friend, "Hey, you should not smoke." Again, a third grade student from Minot, ND.

The next was Nicole Belgarde. She had a very interesting message. She says, "Don't always take the advice off T.V." That is a pretty good message. She realizes. Here is the television and it is sending the message that "Smoking is cool." And a fellow youngster is picking up that message saying "Smoking is cool" and she is countering it saying, "No, smoking is not cool."

Alex Deck gets right to the point. He says, "Smoking is bad." He has the universal symbol here, the crossing out of the cigarette, and he has this little figure who is chanting "Smoking is bad."

Bryan Moe, he also was able to get right to the heart of it. He says, "Don't smoke cause you might die." He put the victim right in his deathbed. He was on top of this. And he has X's for his eyes. Pretty tough message. If you smoke, you die. That poor victim is right on his deathbed.

The first place winner—the first place winner is Amanda Roise. She shows that price does matter. I really like very much what she did.

Now, remember, these are 7- or 8-year-old children who designed these. And these are electronic posters. It is just amazing; these kids posted them on the Internet after we had a call statewide: Send us your ideas. And really we got a tremendous response from all around the State.

Her theme is, "Don't waste your money on cigarettes." And here they have a price of $2.95 and a customer saying, "I don't have enough." And here is a sign "Don't do drug." She ran out of room so she put the "S" down here. "Don't do drugs." And it is a store, obviously, and one of my favorites is she has excellent coloring, wonderful coloring. These are Cheerios boxes, and I like to eat my Cheerios every morning, so I thought this was especially good. Amanda Roise, the first place winner in our contest for electronic posters.

Congratulations to all of the winners and all of the contestants. We are going to be having fun with this when we go back home presenting the awards to not only these very young children but older ones as well who participated in this web site contest. Gee, we have had so much fun with this. I can tell you, we had a number of distinguished judges make the determinations, and my thanks to them as well.

Mr. President, I wanted to direct my main remarks this morning to the question of the marriage penalty because that has become an important part of the debate here as to what alternative we ought to pursue in addressing the marriage penalty. I thought it might be helpful to discuss for a moment what the marriage penalty is, who is really being hurt by it, and what we could do to address it in some rational way.

Let's put up the first chart that shows the question of who really is facing the marriage penalty. This is according to the Congressional Budget Office, and it shows that 51 percent of noncorporate filers in this country are singles. So, of course, they don't face the marriage penalty. Of all the noncorporate filers, 51 percent are single people. They don't have a problem with the marriage penalty. And 3.5 percent are joint returns that are unaffected by the so-called marriage penalty, so we don't need to focus on them.

Then when you look at the rest, what you find is that 24.5 percent, in fact, face the marriage penalty; that is, they pay more taxes because they are married than if they were filing separately. Interestingly enough, 21 percent get a bonus by being married; that is, they pay less by being married than they would pay if they filed separately as single individuals.

I want to indicate that the Democratic alternative to the Gramm amendment focuses its relief on those taxpayers who are actually being penalized. That seems to make sense. Unfortunately, Senator GRAMM's offering deals not only with those who are actually being penalized but he also gives relief to those who are getting a bonus. I am not quite sure what logic there is to that, but that is, in fact, what the amendment of the Senator from Texas would do, and as a result there are insufficient resources to help those who are really hurt by the marriage penalty. What sense that makes escapes this Senator.

What we have done is instead of diluting the relief that would go to couples paying a marriage penalty, we focus on those who are paying the marriage penalty. It seems to me that tax fairness would require that married couples with equal incomes ought to be taxed equally. That seems to be a basic kind of concept, one that makes common sense.

The Democratic alternative recognizes, as did the Congress in 1981 when it enacted the Kemp-Roth tax cuts, that to eliminate or reduce the marriage penalty, it is necessary to draw a distinction between one-earner and two-earner couples. As in 1981, the most efficient way to provide relief to couples who are incurring a marriage penalty is to allow a percentage of the earned income of the spouse with the lower earnings to be, in effect, free from income tax. Because the alternative offered by the Democrats is targeted on low- and moderate-income couples, we can make this two-earner deduction more generous than the one that was enacted in 1981. At that time, they provided the 10-percent deduction. Our alternative, when fully phased in, will provide a 20-percent deduction from the lower earner's income. This represents a much more potent assault on the marriage penalty than either the 1981 provision or the proposal offered by the Senator from Texas.

Let me direct my attention for a moment to the proposal of the Senator from Texas. His proposal is a one-size-fits-all approach that scatters the modest relief that it provides to all joint filers, whether they actually incur a marriage penalty or not. He gives it to those who have a bonus from being married instead of focusing on those who actually are penalized by being married. As a result, he gives much less help to those who actually are paying a penalty. Again, the logic of his approach I do not think holds up under scrutiny.

In fairness, there is marriage penalty relief in the Gramm proposal, but there is also a considerable tax cut for people who are already getting a marriage bonus. I just do not think that makes sense. The Senator from Texas would spend about half of the revenue he is all too willing to take away from health research and public health efforts in order to spend the money on tax relief for people who already enjoy an advantage under the system and, in the process, shortchanges the couples who are actually being penalized.

The next chart demonstrates the weakness of the Gramm approach in comparison to what we are offering. This looks at the alternative that we are proposing on the Democratic side to cut the marriage tax penalty more than the Gramm proposal does for most families. This would be in 2002, when fully phased in. The first example is for a couple earning $35,000 a year, split, with one member of the couple getting $20,000 a year of income and the other, $15,000 a year of income. The Gramm amendment would provide a tax deduction of $1,650. Our proposal would provide a deduction of $3,000—far more generous, because it makes much more sense, in order to provide actual relief to those who are being penalized by the marriage penalty.

The second alternative is a couple earning $50,000, evenly split between the two. Again, the Gramm amendment, the one-size-fits-all approach, gives a deduction of $1,650. That doesn't really make much sense because, again, he is conferring benefits not only on those who are being penalized by the marriage penalty but he is conferring benefits on those who are already getting a bonus, those who are being given favorable treatment. He treats them all alike. Those who are helped, those who are hurt—he treats them all alike. We say you ought to focus the resources you have on those who are hurt, so we say a $5,000 tax deduction for that couple who has $50,000 a year of income, evenly split between the two.

By the way, this is precisely the situation in which the largest marriage penalties occur, yet Senator Gramm treats them the same way as the others. And, in addition, he is giving that same benefit to couples who are actually advantaged by being married because of their tax circumstances under the current Tax Code. Again, the Gramm approach just does not stand up under much scrutiny.

I think if we analyze what has happened here, the fact is that we know who the taxpayers are who face a marriage penalty and we know that some penalties are harsher than others. Why should we opt for an approach that treats everybody the same, especially when it is substantially more expensive than a tailored approach that responds to the marriage penalty in a proportional way on a couple-by-couple basis?

Senator GRAMM calls our approach a figleaf. I think moderate-income families who are struggling on two incomes would welcome our figleaf when they compare it with the pine needle the Senator from Texas would provide. The fact is, ours is far more generous to those who are actually experiencing a marriage penalty. If we are going to call it marriage penalty relief, we ought to target it to those who are actually facing a marriage penalty.

I think it is also important to say that when the Senator from Texas asserts that this bill which is moving through Congress is regressive and imposes a harsh penalty on those who are at the lowest end of the income continuum in this country, that there is another side to the story that he is not telling. The fact is, smoking is a huge tax on low-income Americans. An average pack-a-day smoker will spend more than $25,000 on cigarettes over his lifetime. An average pack-a-day smoker will have an additional $20,000 in medical costs over his or her lifetime. And the average low-income American, both smokers and nonsmokers, will pay his or her share of the $4.7 trillion in costs that smoking will impose on society over the next 25 years. That is something that has been left out completely by the discussion of the Senator from Texas.

He talks a lot about tax increases, but he does not mention the hidden tax that is being imposed on members of this society every year: $130 billion that this industry is imposing in costs on society—$60 billion in health costs, $60 billion in lost productivity, and $10 billion in other costs. The fact is, low-income workers' payroll taxes are paying for about $18 billion a year in Medicare costs; low-income workers' income taxes are paying for about $12 billion a year in Medicaid costs. Those are hidden taxes that low-income people are paying each and every year because of the costs being imposed by the tobacco industry in this society. The fact is, low-income workers are also paying higher health insurance costs and getting lower wages as a result of the costs to our health care system of smoking.

Again, let me stress the bottom line: $4.7 trillion in costs being imposed on this society over the next 25 years. The biggest tax cut that we could give low-income Americans is to reduce that cost. The McCain bill will cut smoking by about a third. That would produce savings of about $1.6 trillion for this society from the $4.7 trillion price tag imposed on us by the tobacco industry. That is the smart way of helping low-income Americans. Obviously, when we couple that with the proposal of the Democrats to focus on the marriage penalty, not to be giving the same treatment to those whether they are hurt or helped by the current tax system, we have a potent combination.

Mr. President, I ask unanimous consent to have printed in the RECORD an analysis by the Congressional Budget Office describing what causes the marriage penalty and what causes the marriage bonus, so people might see how it comes about, the situations in which people are adversely affected by the marriage penalty, and how others benefit by being married and actually pay less taxes than they would pay if they were filing as singles.

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

TABLE 3.—FACTORS DETERMINING WHETHER COUPLES FACE MARRIAGE PENALTIES OR BONUSES, 1996

Tax parameter or feature	Conditions leading to marriage penalty	Conditions leading to marriage bonus
Personal Exemptions ($2,550 for all individuals, regardless of marital status)	None	One spouse cannot use full single exemption but other spouse would have positive taxable income if taxed as an individual.
Standard Deduction ($4,000 for singles, $6,700 for couples)	Combined use of two single deductions exceeds value of married deduction	One spouse cannot use full single deduction but other spouse would have positive taxable income if taxed as an individual.
Tax Brackets (Lower brackets for singles are 60 percent as wide as those for couples; top bracket starts at same income for all).	Spouses have more nearly equal incomes; as married couple, more of combined income taxed at higher rate; high earners have more income subject to top tax rate.	Spouses have unequal incomes; as singles, income of higher-earning spouse taxed at higher rate.
Earned Income Tax Credit (Parameters same regardless of filing status)	Low-earning parent married to spouse whose income causes loss of some or all of earned income tax credit.	Low-earning childless person married to parent with no or very low earnings.
Phaseout of Personal Exemptions (Starting income for singles equals two-thirds of that for couples).	Spouses have more nearly equal incomes; as married couple, more of total income falls in phaseout range.	Spouses have unequal incomes; as singles, more income of higher-earning spouse subject to phaseout.
Limitation on Itemized Deductions (Starting point same regardless of filing status).	Spouses have more nearly equal incomes; as married couple, more of total income falls in limitation range.	None.
Other Fixed Dollar Limitations (For example, income limit for individual retirement accounts, thresholds for taxation of Social Security).	Either marriage does not increase limit or increase is less than spouse adds to measure subject to limit.	Marriage increases limit and one spouse adds less to measure subject to limit than the increase in limit.

Source: Congressional Budget Office.

CLOTURE MOTION

Mr. CONRAD. Mr. President, on behalf of the Democratic leader, I would like to close by sending this cloture motion to the desk.

The PRESIDING OFFICER (Mr. SMITH of Oregon). The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on the modified committee substitute for S. 1415, the tobacco legislation.

John Kerry, Bob Kerrey, Kent Conrad, Harry Reid, Paul Wellstone, Dick Durbin, Patty Murray, Richard Bryan, Tom Harkin, Carl Levin, Joe Biden, J. Lieberman, John Glenn, Jeff Bingaman, Ron Wyden, and Max Baucus.

Mr. CONRAD. I thank my colleague from Georgia for his indulgence and his patience.

I yield the floor.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I suspect this most recent cloture motion has the potential of engendering some controversy. It puts into rather tenuous circumstances the amendment we are discussing, because if we cannot vote—if cloture were secured, this amendment would not be in order, along with a number of other very core components of the debate about this very contentious legislation. So I hope that is being thought through very carefully by all parties concerned, that this is a very significant piece of legislation that has an enormous effect on our country and there are some very important amendments that cloture could arbitrarily remove from the debate.

I will leave that to the leadership and another day.

AMENDMENT NO. 2451

Mr. COVERDELL. Mr. President, returning to my amendment for a few minutes—I see Senator GRAHAM has been waiting—I will take a couple of minutes and then yield the floor. But I want to reiterate the importance of this amendment that puts teenage drug addiction in the mix.

I have said repeatedly throughout the debate that I think it is unconscionable policy to be talking to the country about teenage addiction and skip the No. 1 problem of teenage addiction, which is drug abuse. It almost is an extension of the silence that we have witnessed over the last several years about this problem. This Senator does not intend to allow that silence to occur here. In other words, the idea being we will pass a bill that deals with teenage smoking and somehow will have comfortably addressed teenage addiction problems is the wrong message. It certainly should be part of the message that we are dealing with teenage smoking, but we cannot—I repeat—cannot ignore the teenage drug issue which is, of course, related to smoking.

I point out here, someone who smokes marijuana regularly may have many of the same respiratory problems that tobacco smokers have. These kids may have daily cough and phlegm, symptoms of chronic bronchitis and more frequent chest colds. Continuing

to smoke marijuana can lead to abnormal functioning of lung tissue injured or destroyed by marijuana smoke. Regardless of the THC content, the amount of tar inhaled by marijuana smokers and the level of carbon monoxide absorbed are three to five times greater than among tobacco smokers. This may be due to marijuana users inhaling more deeply and holding the smoke in the lungs.

A very large component of teenage drug abuse is directly related to the smoking of the most prominent drug abused by teenagers, which is marijuana. When they smoke marijuana, the effects and damage are far greater.

Again, I reiterate, as I will repeatedly, you cannot talk about teenage addiction without the two. You have to talk about teenage smoking of tobacco, but you cannot be silent on the smoking of marijuana or the other drug-related abuses.

Mr. President, I yield the floor.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, I look forward at the appropriate time to discuss the amendment of the Senator from Georgia because I agree with his premise that there is a relationship between tobacco smoking and the use of drugs. I have spent a great deal of my time in public office trying to increase our ability to deal with illicit use of drugs, both in terms of effective enforcement at all levels of government and those things that will reduce the likelihood of persons desiring to use drugs.

Let me say the most fundamental relationship between the tobacco issue that we debate today and the amendment of the Senator from Georgia is that virtually no one starts with the use of illicit drugs. Tobacco is the gateway to the use of illicit drugs. So our ability, by effective legislation or otherwise, to substantially reduce the number of persons who commence the process of experimentation, use and then addiction to tobacco will make one of, if not the most, fundamental contributions to the reduction of the use of illicit hard drugs. That is an issue that we will have an opportunity to discuss in more detail later.

My concern today is a series of ads that are being run, ads that are being run either under the specific sponsorship of the tobacco industry or by organizations which we know are supported by the tobacco industry.

Typical of these ads is one in which there is a lady, a waitress who is looking into a television camera and is stating how much her cost of smoking will increase if legislation such as that proposed by the Senate Commerce Committee were to become the law.

There are other ads that make the same point through other appealing messages. There is a fundamental error in those ads. There is a fundamental deception. There is the latest example of the manipulation for which this industry has become so well known. What is that error? What is that fraud? What is that manipulation? It is the assumption that the status quo is an option. It is the assumption that we can roll back the events of the last several years and go back to 1970 and everything will be as it was then; that that lady in the ad will not be threatened with the possibility of higher prices for her cigarettes.

The fact is that the status quo is not an option. There are two basic options that are before us as we continue this debate, and I think that it is important that we reassert what our real alternatives are.

Our alternatives are either comprehensive, and I believe as Senator CHAFEE and Senator HARKIN and I have believed for many months, that it also must be bipartisan, health-oriented national legislation. That is one alternative.

The other alternative is not the status quo. The other alternative is a continuation of the pattern of State-by-State litigation, a pattern which has already increased the price of cigarettes in America between 17 to 20 cents per pack to pay for the settlements that have been reached thus far in only four States—Mississippi, Florida, Texas and Minnesota.

It is projected that if the increase in cigarettes that will be a result of the other 46 States successfully pursuing litigation against the tobacco industry is at the same per capita level as these first four States, Mr. President, that the cost per pack will go up by an additional dollar or to a level higher than that which is being proposed by the Senate Commerce Committee.

So the option that we have is not one of whether there is going to be an increase in the price of cigarettes; the question is whether it will come through a comprehensive, bipartisan, health-oriented national legislation, or whether it will come by a series of State-by-State litigations augmented by the kinds of litigations that are now being brought by Blue Cross-Blue Shield as an example of insurance carrier litigation, being brought by labor unions on behalf of their members and, Mr. President, I believe eventually will be brought by the Federal Government to secure its appropriate compensation for the additional cost that it has paid for tobacco-related illnesses through programs such as Medicare, the Veterans' Administration, CHAMPUS—the health care program for military personnel and their dependents—and a variety of other programs in which the Federal Government is either the total or a substantial contributor to their financing.

The choice is either we do this through comprehensive, bipartisan, health-oriented national legislation, or it occurs on a State-by-State, litigation-by-litigation basis.

My personal feeling is that by every criteria that we have used to assess what is the public interest, that the public interest would be better served by a comprehensive, bipartisan, health-oriented national legislation.

What are some of those interests? Our most fundamental interest, the issue that has brought us here today and for the last several days and will for several more to come, has been our concern over teenage smoking. We know that every day 3,000 American youth, under the age of 18, commence the process that will eventually lead to the regular use of tobacco. We know that of that 3,000, that a third—1,000—will become so addicted to tobacco that they will die, that they will die prematurely of a tobacco-related affliction.

That is the fundamental objective of this legislation, to reduce this unnecessary carnage of America's youth and adult population because of the continuation of a youthful introduction to tobacco.

Which of the two approaches is most likely to achieve the objective of reducing youth smoking? We know some things, Mr. President, as to what is the effective combination of initiatives. We know that the most effective plan will be a broad-based, comprehensive public health-oriented plan. It will include items such as the funding of smoking cessation programs and the funding of education programs on the consequences of the use of tobacco. It will include limitations on marketing and promotion. It will include penalties against the industry and individual companies which fail to meet national standards for the reduction of teenage smoking. It will include, and probably most significantly, a substantial increase in the price of cigarettes, because it is that increase in price that will have the greatest deterrent effect on the use of cigarettes.

The Centers for Disease Control has estimated that in the initial stages of an increase in price, that for every 10-percent increase in price, there is a 7-percent reduction in use. Those relationships begin to change as you reach higher levels of price increases. But the legislation that the Senator from Arizona has presented to us is projected to have, by the price alone, a reduction in teenage use of in the range of 40 to 50 percent.

It is also important, Mr. President, that that price be instituted on a shock basis. If the price increase is gradual, incremental, drop by drop, then it is more likely to be absorbed, become the norm, and set the foundation for acceptance of the next increase. But if that price increase is dramatic—is imposed quickly—it will have the greatest affect in terms of achieving our objective of reducing teenage smoking.

It is obvious that on all of those counts, comprehensive, bipartisan, public health-oriented national legislation will better achieve our objective of reducing teenage smoking than will the pattern of State-by-State, litigant by litigant courtroom action that will be the alternative to a national, comprehensive, bipartisan public health-oriented resolution of this issue.

On the standard of enforcement, much is made in these ads that the tobacco industry is promoting that there will be a burgeoning of black-market sales if there is a substantial increase in the price. The fact is that by a legislative settlement—which among other things will provide the funds for those areas of enhanced enforcement that may be necessary, a national settlement that can contain provisions for strengthening our enforcement, a national settlement that will result in less variation State to State in terms of the price of cigarettes, and therefore less likelihood of black-market sales domestically within the United States—that a national legislative settlement will reduce the potential of black-market activities to a substantially greater degree than the alternative of State-by-State litigation.

We also know that, on the issue of tobacco farmers, there is great recognition of the necessity to provide some transition. That transition is contained in every serious piece of legislation that has been introduced in the national Congress.

There will be a debate over which of those alternatives is preferred, but the fact that it is a recognized part of a national, comprehensive, bipartisan health-oriented tobacco resolution is unanimously agreed to. But, Mr. President, that has not been included in the State-by-State settlements, and will not likely be included. Only a relatively small number of States are directly affected by the issue of tobacco farmers and, therefore, could not be expected to include, in their settlements with the tobacco industry, funding for tobacco farmers.

If there is going to be a transition, it has to be done at the national level, not at a State-by-State level. So the interest of that constituency and that important part of this overall complex issue will be much better served by national legislation than they will be by a State-by-State settlement.

Finally, having a rational distribution of the funds, yes, this is going to raise a substantial amount of money. It may raise more money on the State-by-State basis, it may impose higher costs on the industry, and eventually on the users of this product than national legislation, but in either event there will be a substantial amount of funds raised by either national legislation or by State-by-State litigation. But it is at the national level that we will have a better likelihood of being able to allocate the funds to important programs, such as research in our national health institutes so that we will learn more about the consequences of past tobacco use and an effective means of avoiding such use in the future.

It is less likely that the States will be equitably treated through a series of State-by-State matters as opposed to doing it on a national basis. There will not be the funds likely to be available for effective counteradvertising, which will require a national program just as the national program that the Federal Government is now underwriting as it relates to advertising against the use of illicit drugs.

So, Mr. President, based on our principal objective, which is the reduction of youth smoking, and other important subissues of this current effort, including appropriate use of the funds, enforcement against black marketing, the effect on tobacco farmers, it is much more likely that we will achieve our objectives through a national legislative settlement than what is the real alternative, which is for us to do nothing and then allow the course of action which is already in place, State-by-State, private, soon to be, I hope, Federal litigation against the tobacco industries to be the alternative.

So, Mr. President, as we conclude this week's debate, I hope as we return next week we will be prepared to focus on what the real options are and get the business of America done and stop the carnage of American children that is resulting every hour we delay in this effort to mitigate the carnage of American youth that occurs as they take up the use of tobacco.

PRIVILEGE OF THE FLOOR

Mr. President, I ask unanimous consent that Mr. Jason Westin of my staff be allowed floor privileges for the remainder of the consideration of this legislation.

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

Mr. HARKIN. Would the Senator yield for a question? I compliment the Senator on his outstanding statement and thank him for all of his diligence and hard work on the whole issue of cutting down on teen smoking. I know the Senator from Florida has made that one of his key principles, which is in this bill. Really, the essence of this bill is to cut down on teen smoking. I appreciate all of the work he has done, and with Senator CHAFEE and with me on this.

I know Senator CHAFEE will be speaking next. We hope to engage in some colloquy here on the Senate floor to talk about some of the issues that have come up that are extraneous—important issues, but extraneous to the bill.

I just want to basically ask the Senator from Florida—before I know Senator CHAFEE will make his opening statement—about that aspect, about the other issues that seem to be coming up on this bill and whether or not we could address those later on and just keep the focus on the main issue here.

Mr. GRAHAM. Senator, I agree with your statement. We have one principal objective with this legislation, and that is to reduce teenage smoking, to reduce this unconscionable level of death and damage that is inflicted upon our young people by their early addiction to tobacco.

There are other issues that are being suggested—from reforming the tax law to an enhanced enforcement effort against illicit drugs—which are all important issues, and many of us have supported and advocated and led the charge on those issues on other days and in other forums.

Our concern is—and I will not impugn the motives of any of the advocates of those other provisions—that some outside, and maybe a few inside, this Chamber would be pleased at the objection of these "tantalizing but extraneous issues" because they would see them as a means of delay, obfuscation, and, eventually, defeat of comprehensive national legislation.

What stuns me is that they don't also see what the alternative is. The alternative is not that defeat here will mean the American public will throw up its hands and say, "I guess we have to accept the fact that 125 American young people will take up smoking every hour of every day of the 365 days of the year." That will not be the alternative. The alternative will be that the American public, having disdained of our ability to deal with this problem, will go to their States, will go to their labor unions, will urge their insurance carriers to enter the fray, as they have in other States, and we will have a 50-State shootout in the courts on this issue.

We will move toward our objective, but not nearly as effectively as if we accept the responsibility and the opportunity to probably make the greatest contribution to the enhancement of public health of Americans that has occurred in this century by the adoption of this legislation.

Mr. HARKIN. I thank the Senator.

Mr. CHAFEE. Mr. President, over the past several days it seems to me that the Senate debate on the tobacco bill has taken a very unfortunate turn. It is a turn away from what I strongly believe are the purposes and objectives of the legislation. I want to remind my colleagues that the very name of the bill that we are dealing with is the National Tobacco Policy and Youth Smoking Reduction Act. I want to accent the "Youth Smoking Reduction Act" portion of the title.

Now, the purpose of this tobacco legislation is to fundamentally change the way tobacco products are marketed

and sold in this country. Clearly, there is an epidemic sweeping the Nation. That is the rapid growth of teenage smoking and tobacco use. The Centers for Disease Control, as has been said many times on the floor, estimates that every day 3,000 young American children, teenagers, take up smoking and that one-third of these 3,000 will die prematurely because of smoking-related diseases.

Thus, if you multiply that out, it is a million children a year, a million young American children under the age of 18, who join the ranks of adult smokers, and more than 300,000 of them will die prematurely. Over a 25-year period, that amounts to 8 million Americans dying early because of smoking. That is more Americans than were lost in all the major wars that our Nation has been involved with.

As has been pointed out all so frequently, tobacco use is the largest preventable cause of death in America today. In other words, if we want to look where can we do something about preventing deaths in our country, and should we tackle alcohol or should we tackle accidents or should we deal with illegal drugs or automobile accidents—yes, all of those are important, but none of them compares with the reduction in fatalities that would occur if we could eliminate smoking among the young people.

The statistics are chilling. Tobacco-related deaths are four times the number of Americans who die every year from alcohol-related deaths. Tobacco-related deaths kill 9 times the number who die from accidental deaths and 44 times the number of Americans who die from illegal drugs. In America alone, 419,000 deaths occur as a result of tobacco-related illnesses, diseases. Nearly half a million every year in our country die from tobacco-related diseases.

So, obviously, the way to prevent and discourage young people from taking up tobacco is in the beginning and doing all we can to encourage adults to cease smoking.

Some of the amendments before us would take us far afield from that purpose. In other words, the objective of the exercise is to reduce teenage smoking, prevent it if possible, and to encourage adults to give up smoking. But these amendments we have before the Senate now go far afield from that.

Let me begin with the drug amendment currently pending. This amendment would take $3 billion annually out of this bill to combat illegal drugs, which means we will have $3 billion less per year available for the war on tobacco. Now, we already have a war on drugs, and we are spending billions of dollars every year to combat the serious problems of illegal drugs. This may be a meritorious amendment. Maybe we should spent $3 billion more fighting drugs. But this isn't the place to do it. If there is an antidrug amendment to be brought up, bring it up as a freestanding amendment. See if the money is there somewhere to fund this initiative. If it is all that important, let's find the money for it. But it doesn't belong in this bill.

Now, the next one, Mr. President, the marriage penalty tax relief proposal. Now, maybe that is a good proposal, but it has no place in this legislation. Correcting a bias in the Tax Code may make sense, but not on this bill. As the fiscal year 1999 budget process advances, we will have a chance to consider the marriage penalty. Indeed, the Senate budget resolution which we adopted here has $30 billion provided for tax cuts. That is the place where marriage penalties should go if it is that important. The budget resolution reported from the House Budget Committee calls for $100 billion in tax cuts. There is ample opportunity to do something about tax cuts and the marriage penalty.

Now, I know one of the arguments for doing a tax cut in this bill is, it is enunciated they want to return some of the money that will be paid in the form of higher cigarette prices paid by smokers. It is said that the great majority of smokers are in the low-income or the middle-income group and that we ought to do something for them. Somehow that has a twist to it that isn't really sensible. I reject the argument that these individuals somehow need to be reimbursed. The fact is, because of the smoking of individuals in America, we all are paying vastly higher taxes than we ever would otherwise. We are paying higher Medicare costs, we are paying higher Medicaid costs, we are paying higher private health insurance premiums, because smokers insist on smoking, and they are the ones in whom, unfortunately, so many smoking-related illnesses occur.

The fact of the matter is, smoking is a hidden tax on all taxpayers. The direct medical costs of treating smoking-related illnesses exceed $60 billion a year. We are all paying that—higher premiums on our health insurance, as I mentioned before. The current Federal excise tax on cigarettes does not begin to approach offsetting these additional costs. Thus, in my judgment, it is perfectly proper that smokers pay more than they are currently paying in taxes on cigarettes.

Now, let me conclude by making a simple point. Here, the original McCain bill provided an increase in revenues of $65 billion. How is that money to be spent?

It was to be spent with $26 billion going to the States. This is over 5 years—$26 billion to the States. NIH is to get $14 billion plus. In other words, cessation and prevention programs were to receive $14 billion. Agriculture, $10 billion over 5 years. This is the total; it comes to $65 billion.

But now what is happening, Mr. President, is a whole series of things have been added on. Yes, the States stay at $26 billion. In comes illegal drugs, $15 billion, and marriage penalty, $15 billion. Veterans—we adopted that already—is at $3 billion, agriculture at $18 billion, public health at $14 billion, and NIH at $14 billion. In other words, the spending equalling the revenue—the revenue being $65 billion over 5 years, and suddenly it is up to $105 billion. Obviously, the traffic can't bear that. That is not what the taxes are going to produce. So something has to give.

Mr. President, I remember this: There is a strong constituency for the States. Oh, yes, they want their money. The marriage penalty is very enticing and veterans has already been adopted. In agriculture, there is a strong constituency. What is going to fall out is the NIH and the public health programs.

Mr. President, I think that is terribly unfortunate. And we see here what is going to lose. When we talk about health-related programs, we are talking not only about NIH, which is a separate thing, but there are cessation, prevention/education, counteradvertising, antismuggling, and youth access restrictions. Those are the things that are so important if we are truly concerned with reducing smoking amongst our young people, as the very name of this legislation provides. These are the things that will go out if we adopt these other proposals, attractive though they may be, for marriage penalty and antidrug activities.

Mr. President, the point is there won't be resources for these programs that are so important. So I don't think that is where we want to be at the end of the day. I don't think we want to end up with these programs losing out because we have adopted the others. If the others are all that important—the antidrug provisions, illegal drugs, the marriage penalty relief—there will be a chance at another time to address those. But in this legislation let's stick with the objective, which is to reduce teenage smoking, prevent it from occurring in the beginning, and do all we can to encourage those who are smokers to give up that unfortunate habit.

So for these reasons, I urge my colleagues to reject the antidrug and the tax cut amendments. They are not about tobacco; they should not be in this bill.

I thank the Chair.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. LOTT. Mr. President, first, I listened with great interest to the comments of the Senator from Rhode Island about these two amendments. I urge him to think about the end game and not just look at this vote or this

amendment at this time. Like everybody else around here, people are assuming that if we have a bad bill at this point—which we do—or if we add an amendment here or there, that is going to become law. Somebody needs to think about how do we get to an end result that will achieve the things we want.

If there ever is a bill, it will have a teenage smoking cessation campaign and it will have a drug abuse cessation campaign. It is very appropriate that we tie these two together. It will have additional help for health programs that have been affected by smoking. NIH, obviously, would be a major beneficiary, and it should be. We need research on the health problems caused by smoking. Medicaid and Medicare—that would be the end result. Somebody better think about how do you ever get an end result. If we don't add something on marriage penalty, tax relief, and on drugs, there won't be a bill. There will not be a bill.

I want to remind everybody how we got to this point. First of all, Senator MCCAIN, the manager of the bill, chairman of the Commerce Committee, had hearings; his committee met. They reported the bill out. I think it was 19 or 20–1. Republicans and Democrats voted for it. All of them had to sort of hold their noses, knowing there were too many things in here that were the wrong thing to do, and they had gone too far. They had some problems, but they got it done. It was a Republican chairman and every Republican but one voted to report it out of that committee.

I want the record to show, once again, that I am the guy that called up this legislation for it to be considered. But I am here to say that at this point it looks to me like it is over because of the games that are being played. Now, efforts were being made this very morning to work out a reasonable compromise on the tax cut proposal by Senator GRAMM. We were going to have to have a good debate and a vote on this drug-related amendment. There were going to have to be additional votes on the attorneys' fees issue. There is going to have to be votes on the substitutes, if offered, by Senators HATCH, GRAMM and DOMENICI. At that point, perhaps cloture could begin. That is not what has been happening.

Yesterday, Senator DASCHLE filed a cloture motion and, frankly, I did not appreciate the way that was being done. We are not ready for cloture on this. We have some other issues that have to be considered before cloture would ever be invoked. And now, for the information of all Senators, the junior Senator from North Dakota, Senator CONRAD, has filed a cloture motion on the pending committee amendment to the tobacco bill. Now, who else is going to file a cloture? We have a good man back here in the cloakroom, Tiny; maybe he can file cloture on this bill. Is everybody going to wander in and file a cloture? Do we want two cloture votes on Tuesday, or one every day, or do we want a bill?

Frankly, Mr. President, I am offended by this. I consider it a breach of the good faith that we have worked in within this Chamber. I was not notified this was going to happen until 5 minutes after 11. I never had a discussion with my counterpart on the other side, and then Senator CONRAD files his cloture motion at about 11:20. I resent it. I don't appreciate it. It is counterproductive and it is killing this bill. So I truly regret this action by our minority colleagues.

As all Senators know, rule XXII, the cloture rule, is one of the most rigid of our rules, as far as imposing an arbitrary schedule for the consideration of a bill. Amendments and even dictating the convening time of the Senate with respect to the time of a cloture rollcall vote are locked in under this rule. The bill before us would require eight cloture motions—that is an important point—to be invoked and each of the eight cloture items to be disposed of with up to 30 hours of debate on each.

They are as follows: cloture on the Commerce Committee amendment; cloture on the bill, S. 1415; cloture on the motion to proceed to a House revenue bill; cloture on the substitute amendment to insert the Senate text into the House revenue bill; cloture on passage of the House revenue bill; cloture on the motion to insist on the Senate amendment required to send the bill to conference; cloture on the motion to request a conference with the House on disagreeing amendments; and cloture on the appointment of conferees.

I am not the only guy in the Senate who knows where all these cloture motions can be filed. Of course, that is assuming you get cloture, which then would require 30 hours and hundreds of amendments. This is a very complex, very important piece of legislation, no matter what your viewpoint is, for or against. Everybody has to acknowledge that it has many moving parts, is very complex, and there are many opportunities for amendments to be offered and for mischief to be caused. It could take forever or, in fact, never, as far as this bill being completed, unless we have some modicum of cooperation on both sides of the aisle and some effort to be fair to Senators that do have amendments that they think should be offered.

So I am disappointed. But if this is the way we are going to proceed, if it is going to be done this way, then I will join the ranks of those that are going to use every procedural parliamentary tool to work against this legislation, and we can just go ahead and admit that it was a good thought.

We tried our best. It didn't work. I think that is unfortunate. But the way that this is set up now, that is exactly where we are.

I yield the floor.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER (Mr. CHAFEE). The minority leader.

Mr. DASCHLE. Mr. President, I am disappointed that the majority leader has taken the floor to criticize what has occurred this morning. I notified the majority leader last night of our intention to file cloture again. We have been on the bill 42 hours, 39 minutes as of 11:53. Eight days we have been here debating. We have sought some cooperation from our colleagues on the other side in terms of reaching some agreement on how we can proceed on amendments. We have attempted to do that. We were getting nowhere. It was only after we filed cloture last night that we were able to get a vote finally on the Durbin amendment.

The majority leader talks about fairness being the criterion by which we judge a Senator's right to offer an amendment. In the name of fairness, we need to offer Senators their opportunity to come to the floor to offer amendments. I wish we would use the same standard. Let's use the same standard for the tobacco bill as we used for the Coverdell bill, as we used for all other bills that we have had before the Senate this year. We were arguing fairness when Senators were denied the opportunity to offer amendments. In fact, somebody said, "Can you believe they are offering a tax amendment on the Coverdell bill?" We said, "Well, this is a tax bill." But we were accused of destroying what harmony there may have been to reach some agreement. And Senators on this side of the aisle were precluded from offering amendments on the Coverdell bill even though it was a tax bill, because they said this is an education bill. Do you remember that debate? Because it was "an education bill," we were not supposed to offer tax amendments. But it was a tax bill.

Now we have the tobacco legislation, and our colleagues on the other side of the aisle are saying we want to offer a tax amendment. We are saying this is a tobacco bill. They say it doesn't matter. We are going to offer this tobacco amendment, and you are not being fair unless you ensure that we have a right to offer tax amendments.

I am just asking, let's play fair. Let's use the same standard. That isn't too much to ask. Once we have agreed on what that standard is, let's accommodate Senators on both sides who have amendments they wish to offer. We have a tax amendment. We don't understand why it would be that difficult for us to come to some agreement about having a vote on two competing ideas on the same exact issue. Let's have our debate. Let's lay the amendments down. Let's have a vote back to back on the amendments, and let's

move on. We will have an amendment to the amendment that has now been offered by the distinguished Senator from Georgia. We laud him for many of the things that are incorporated in his amendment. There are some concerns that we have. If we can't work through those, we will certainly have an alternative there as well.

But it seems to me that we have a double standard here, Mr. President. When it was in circumstances in the past, we had one set of rules. Now, with circumstances with this bill, there is another set of rules. Let's play by the same rules. Let's work together and see if we can't find some resolution of this problem. I think that can be done, but we have a ways to go.

I yield the floor.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I listened with interest and great attention to the words spoken by the majority leader. He used the phrase, "Let's keep in mind the end game." I go back to what my colleague from Florida, Senator GRAHAM, and Senator CHAFEE just spoke about before the two leaders took the floor. What is the "end game"? It is right here. This is the end game. The number of high school students smoking is going up at a precipitous rate, higher than ever. The end game of this bill is to cut down on teenage smoking. That is the end game.

The majority leader says if there is no marriage penalty tax in there and no illegal drug money, then there is going to be no bill. I hope I still have some rational reasoning power. I have to ask, Why? Why is that? The majority leader didn't expound on why that would be. You mean to say that we are holding these teenagers being addicted every day—3,000 teenagers every day being addicted to tobacco—hostage to the marriage penalty tax provision or illegal drug money? Holding them hostage? Yet, the majority leader says there will be no bill unless we have this. I don't understand that. The committee-reported bill didn't have them in it. The committee-reported bill that was reported out by a huge vote under the leadership of Senator MCCAIN didn't have that in it.

And the majority leader went on to say—I don't understand where he is getting his figures—that we are going to have money for research, we will have money for cutting down teenage smoking. I don't know where he is going to get the money. Look, I am using the same chart that Senator CHAFEE used just a minute ago. Here is the original McCain bill: $65 billion over 5 years for public health, NIH, health research, States, and agriculture. Add it up—$65 billion. If we keep the States at $26 billion, we keep agriculture, we add in illegal drugs, the Coverdell amendment, the marriage penalty, and veterans, we are up to $65 billion, and we have no money for NIH and no money for public health, period.

Does the majority leader mean to say that he is going to bring another bill on the floor to magically find some money floating around someplace for NIH research and for public health for cutting down on teen smoking? I am sorry. The facts are simple.

If you put in the $15 billion on the illegal drugs, the $15 billion on the marriage penalty, the veterans' $3 billion, agriculture $18 billion, you can forget about public health and NIH. There is no money left, unless, of course, the majority leader is going to come back on the floor with a provision to raise the price of tobacco to even more than $1.10 a pack. Maybe the majority leader would like to raise the price of cigarettes to $1.50 a pack or $2 a pack. That might get you the money. But with the $1.10 a pack you have in there now, you are not going to have the money, period.

So I just do not understand what the majority leader can possibly be talking about and where he could possibly be finding all of this money that he is going to have.

The majority leader said he was offended. Enough happens around here to offend each and every one of us every single day of the year, I suppose. But I have learned after 13 years here—14, I guess—that you can't be too offended too much by what goes on around here.

I guess you have to look at the reality of the situation, and the reality is very simple. There are those in this body who do not want a tobacco bill, period. They do not want the tobacco companies to have to shell out this money. They don't want to have a bill that will provide for an increase in the price of cigarettes per pack. That is legitimate. That is their viewpoint. They are welcome to it. They can defend it all they want. Maybe they have good reasons they can defend it. But that is the reality of the situation.

For example, the Senator from Texas, I believe, propounded the amendment on the marriage penalty tax, doing away with that. I believe—I think I am correct—that he even said if this amendment was adopted he would still vote against the bill.

So what kind of games are being played around here? I don't take offense at that; I just simply point it out for the reality of the situation. The reality is that we have a battle going on on this Senate floor, a big battle, and it is a battle between those who want to stop 3,000 kids a day from starting to smoke, 1,000 who will die from it, and those who say business as usual; the tobacco companies, that is OK; let them go ahead; it is a legal product.

We don't have to do anything to them. And if we just add all these amendments on, it is going to fall of its own weight.

That is the game being played around here. It's a game that is played all the time. That is just sort of the way the Senate operates. What I guess we have to do is continually point out what is in fact being done.

Now, let's talk about at least illegal drugs. We all want to stop illegal drugs. I have been here 13 years, 14 now. It seems like every year we have a bill to do something about illegal drugs: We are going to beef up the Border Patrol; we are going to raise the penalties; we are going to have mandatory sentencing. Year after year after year we go after illegal drugs because it makes nice headlines and we know that 100 percent of the American people are against it so it is kind of an easy thing. It makes you feel good. You can hit at illegal drugs. It gets popular support. It gets in the newspapers. That's all well and good.

But, Mr. President, what are we talking about? When you are talking about death and illness to the youth of America, illegal drugs doesn't hold a candle to tobacco. And here are the figures. I welcome anyone to dispute the findings by the Centers for Disease Control and Prevention. If someone would like to take the Senate floor and dispute this, please let me see the data you have. But the data we have from the Centers for Disease Control and Prevention says, "Tobacco kills more Americans than alcohol, car accidents, suicides, AIDS, homicides, illegal drugs and fires combined" every year. Here is tobacco over here: 418,000 deaths in 1 year. Here is illegal drugs, 9,463. What's important? Year after year we come here going after illegal drugs, and we let the biggest killer and destruction of youth in America go by—tobacco. Let it go by every year. And we are about to do the same right here by loading on all these amendments.

Now, the marriage penalty needs addressing. I think I would agree with others who have said it before, yes, it needs to be addressed. Yes, it is an unfair tax. But we are going to have a tax bill later this year. It is not going to take effect until next year anyway. Address it at that time.

Illegal drugs, we can address that at another time. Keep our eye on what the majority leader said, "the end game." Is the end game of this bill to go after homicides or illegal drugs? No. It is go after tobacco. That is the end game. And the end game is to make sure that we have the money to fight it.

That is what this is all about. It is not just about getting tobacco companies to put a lot of money into the Federal Government. If that is all that was happening, I would be opposed to it. What it is about is saying to the tobacco companies you have for years through your advertising, through covering up the health risks, you have for years hooked a whole generation of

Americans on tobacco. You know that it is carcinogenic. You know that nicotine is addictive. You know that it causes emphysema and cancer and heart disease. And yet through your slick advertising year after year you hook more young Americans.

We know what the tobacco companies have known for years, that smoking begins early, that by age 18, 89 percent of all adult smokers have started smoking. We know that. Tobacco companies know that. Oh, they have said for years, no, no, we advertise for brand selection, to get people off of one brand and onto another. Hogwash. They know that if they can hook someone when they are young, they have them later on.

As I have said many times, Joe Camel never appealed to me. Joe Camel does not appeal to someone my age. Neither do all these slick advertisements of young people on the beach and having a lot of fun and they are all looking healthy and they are out there. They don't appeal to older people. The Marlboro gear that you can get with your coupons, that doesn't appeal to older people. They are after young people. How many older people do you see wearing the Joe Camel beach togs. You don't see that. How many older people do you see wearing Marlboro gear. You see teenagers wearing it but not older people.

The tobacco companies systematically for years have been targeting young people because they knew if they got them hooked young, they got them later on.

What we are saying today is no, tobacco companies, don't dump a lot of money into the Federal Government so we can take care of the marriage penalty, illegal drugs, this and that. We are saying, we are telling you that you are going to have to pay money in so that we can put the money out for public health, to help take care of those people you hooked years ago, to bring money in so we can put it into NIH on research, so we can put money into the Centers for Disease Control and Prevention on research on how to cut down on smoking, how to keep kids from smoking, have smoking cessation programs and prevention programs in all of our schools.

That is what we are after right here. NIH Health Research. End game: NIH health research, smoking cessation programs, smoking prevention and education in our schools, counter advertising, which we know is very effective and which the tobacco companies probably dread more than anything else, antismuggling, and youth access restrictions.

This is the comprehensive bill that we are talking about. You add in the add-ons that are now before us and all of this is gone. Every single one of these is gone because you don't have the money for them unless again can someone please get on the floor and tell me where are we going to find the money if in fact we adopt all of these extraneous provisions.

So that is what the end game is about. It is saying to the tobacco companies it is time for you to cough up, cough up enough money to take care of those you have addicted through your advertising and that you did not warn about the health aspects even though you knew what the health aspects were going to be. It is time for you to cough up enough money for research in heart disease and lung cancer and emphysema and all the illnesses that tobacco plagues us with. It is time for you to cough up enough money so we can go out to our schools and we can have prevention programs and education programs for our kids. It is time for you, tobacco companies, to cough up enough money so we can have counter advertising, not the slick ads that tell you how good smoking is but ads that really tell you how death and illness will occur if you do in fact take up smoking.

That is what this money is all about. It is not about the marriage penalty or illegal drugs or anything else. It is about taking care of the youth of America who have been hooked on tobacco. For the life of me, I don't understand why it is the majority leader can say that if these add-ons are not adopted, the tobacco bill is dead. I would like to see a vote out on the Senate floor. I think we ought to vote on the amendment by the Senator from Texas on the marriage penalty. Let's vote it up or down. Let's vote on all these amendments. Let's just vote on them. And then let's have a final vote on this bill and see where we come down. Let's cut out the games. Let's cut out all this game playing.

I bet the tobacco industry CEO's today, Mr. President, are slapping each other on the back and they are laughing all the way to the bank, gleefully watching us hack away at the programs designed to prevent young people from smoking and to help those smokers quit who have already taken it up.

They must be really happy watching us go through all of this when they know that tobacco is the biggest killer of youth.

This is the end game right here. This is the end game. I have used this chart before on the floor. Two young, attractive women coming in to buy cigarettes. Which one is 16? You don't know. You don't know which one is 16. Melissa and Amy—it turns out Melissa is 16 and Amy is 25.

We want to keep Melissa from taking up tobacco, and if Amy has taken it up, we want her to quit. That is what the end game here is all about. It is not about marriage penalty or anything else. To those who say it is, to those who say, as the majority leader said, that if we don't have these extraneous measures on here the bill is going to die, I say, come out and explain to the American people why it is we had a bill reported from the Commerce Committee under the leadership of Senator MCCAIN that came out with one dissenting vote, out of committee, and we cannot have a vote on that bill here on the Senate floor; why it is we are going to have all these extraneous measures, and they have to be adopted, according to the majority leader, or the bill will not pass? These were not in the committee bill, and it passed out of committee with only one dissenting vote.

So, I don't know what the majority leader is talking about, unless what the majority leader is talking about is that he really wants this bill killed, that he wants no tobacco bill, that he wants to load it down with a number of amendments that will surely mean the end of any tobacco legislation this year.

I hope that is not the case. As I said, I do not know what the majority leader had in mind. All he said was if these amendments are not adopted, the bill is dead. I don't know what he means by that. Hopefully, in the coming days, he will explain himself further in that regard.

Mr. President, our charge is clear and simple here. Our charge is only one—cut teen smoking. We know what does it. The Senator from Florida, Senator GRAHAM, spoke about it. It has to be a comprehensive bill encompassing a rapid and significant increase in the price of tobacco; and, second, smoking cessation and education programs, research, and counteradvertising. If you do all of those, you will cut teen smoking. You can save those lives. You will save a lot of illness in America. That is what we have to be about.

Senator CHAFEE and Senator GRAHAM and I have worked very hard on this legislation in a bipartisan manner going back several months. I think we can still, hopefully, have a good bipartisan bill come out. The committee bill was bipartisan. I am sorry to see that we have gotten now into this partisan wrangling over the marriage penalty, or motions, cloture motions and things like that. I think our leader, Senator DASCHLE, had it right. We ought to have one set of rules and we ought to abide by those rules. Whatever those rules are for one bill, we ought to attach them to the other bill.

I think the best course of action for us here is to vote on these amendments, move on, and vote on final passage. Let's exercise the Senate's will. We have been on the bill long enough. Hopefully, we can finish it next week.

I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. ABRAHAM. Mr. President, I rise to join my colleagues Senator COVERDELL and Senator CRAIG in offering the

Drug Free Neighborhoods Act as an amendment to the tobacco bill.

I fervently believe that we must do everything we can to reduce teenage smoking. But we are not here to deal with one issue a year. We are here to deal with the priorities of our constituents and our country. So I think we also must address the serious problem of teenage drug use in America today as well.

In my view it is crucial, given our continuing struggle in the war on drugs, that we send an unwavering and unambiguous message to all Americans, and to our children in particular, that the use and sale of illegal drugs is dangerous, wrong, and will not be tolerated.

As the father of three young children, I am deeply disturbed by recent trends in drug use. Indeed, since 1992 Washington has been losing important ground in the war on drugs. Let me cite just a few of the alarming statistics:

First of all, over the past five years, the average number of Federal drug defendants prosecuted has dropped by almost 1500 cases from the 1992 level. And the average number of drug convictions has gone down by a similar amount since 1993.

The drug interdiction budget was cut by 39 percent from 1992 to 1996 and drug surveillance flights were cut in half.

The impact on our kids has been serious. In the last six years, the percentage of high school seniors admitting that they had used an illicit drug has risen by more than half.

Incredibly, 54 percent of the Class of 97 had used an illicit drug by graduation.

For 10th graders during that same time, drug use has doubled.

And—perhaps worst of all—nearly 20 percent of our 8th graders use illegal drugs.

Faced with this bad news, this year the Administration finally submitted a comprehensive long range National Drug Strategy to Congress.

Unfortunately, it took them nearly five years to take this step. And, as the numbers show, our children have been paying the price.

That is why today we are offering the Drug Free Neighborhoods amendment. This amendment addresses the alarming trends in drug use among teenagers. Let me describe briefly what this amendment entails:

First, it provides additional resources for drug interdiction programs in the U.S. Customs Service, the Coast Guard, and the Department of Defense. It would double the interdiction budget for each of these departments.

Second, this amendment provides additional resources to combat drugs that reach our schools and neighborhoods. For example, it authorizes $50 million per year for the Drug Free Communities Act. It also promotes drug free schools by allowing federal funds to be used for voluntary random drug testing programs—and to provide school choice for K–12 students who are victims of drug-related school violence.

Third, the amendment increases disincentives for teens to use illegal drugs through the Drug Free Student Loans Act. This act would deny student loans to those convicted of drug possession. In addition, the amendment's Drug Free Teen Drivers Act, would provide grants to States that enact and enforce laws to crack down on teen drivers who use drugs.

Finally, this amendment would ban taxpayer funding for needle exchange programs. In my judgment, Washington must constantly reinforce the message to our kids that drugs are dangerous, and drug use is unacceptable.

Federal funding of needle programs sends the wrong message. And the statistics gathered from programs in Vancouver, Montreal, Zurich and Manhattan all clearly show that these programs significantly increase drug use. Every program studied has shown a significant increase in the use of narcotics among those receiving free needles—every study.

Mr. President, we owe it to the thousands upon thousands of families struggling to protect their children from the scourges of drugs and drug violence to stay tough on the criminals who prey on their neighborhoods.

Washington has to renew the war on drugs. We must provide needed resources, and we must reinforce the message that drugs aren't acceptable and that drug dealers belong in prison—for a long time.

Our kids deserve no less.

Mr. President, let me close by just commenting briefly on the majority leader's earlier remarks. There are, obviously, a lot of issues that are on this floor. I don't want to attempt to address every one of them. But I think the point the majority leader is trying to make, as he outlined some of his thinking as to the final version this legislation might take, is a very important point for us to remember, which is that the tax dollars we are talking about here are not coming from tobacco companies. They are coming from taxpayers. They are coming from citizens. They are coming from people, for the most part, in lower-income categories. So I think we do have a responsibility to determine, if we are going to increase taxes on working families in this country, exactly how those resources ought to be spent.

The notion that we cannot, in any sense, change any of the formula for the expenditure of those resources or we are somehow undermining this legislation, I think is an incorrect conclusion. This bill, like every other bill we have, is about priorities. In offering the amendment that we are offering, that the majority leader spoke to in his comments, we are trying to establish as a priority of this Congress that we will do more in the battle against illegal drugs.

There may be some Members—I am not sure in which States—but there may be some Members in some States where illegal drug use is not a significant problem in their communities, where they are not hearing from their constituents about this, where this is not a serious problem. Maybe that is the case. I do not know. I cannot speak for other States, but I can speak for my State, and when I go around my State I hear families in virtually every corner of Michigan talking about the problems, the threat to their kids, of drugs.

If we are going to tax the families of this country to the tune of billions of dollars a year—not the tobacco companies but the families—billions of dollars a year, and the notion we are not going to do anything about illegal drugs, that this is somehow inappropriate on this legislation, that the majority leader is wrong to come to the floor and say there needs to be a drug component here—I don't know what State that represents, but it doesn't represent mine.

I think the majority leader is right on target, and I think this amendment is a critical part of this legislation. I think it makes sense for us to do this now. We are not going to have many more opportunities to do this, and I think we will be sending a terrible message to the people of this country and our kids if we pass this legislation and say we are worried about tobacco and we are worried about smoking, but drugs can wait for another day. In my State, that won't sell. Maybe it will in other places. The majority leader is right, Senator COVERDELL is right, Senator CRAIG is right, and I am happy to join them.

Mr. President, I yield the floor.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER (Mr. GORTON). The Senator from Georgia.

Mr. COVERDELL. Mr. President, first, I associate myself with the remarks of the Senator from Michigan. I think his comments on the appropriate nature of this amendment as it relates to teenage drug abuse is absolutely correct.

I was taken aback by the suggestion by a couple of our colleagues that somehow teenage addiction to drugs was something that ought to be left for another day. I suggest my colleagues need to ask Americans what they think the most important teenage problem is today. When you ask American families, not CDC or some think tank, but you ask American families what they think the No. 1 teenage problem is, it is drug abuse—No. 1, and there is not even a close 2.

The Senator from Iowa has a chart from CDC that shows the numbers of

deaths. Of course, that is over a lifetime of the entire population. It shows substantial more deaths related to tobacco than to drug abuse on an annual basis. I don't dispute the numbers, but I do dispute the point he is trying to make. He is trying to say that tobacco is the most significant problem, and I guess just measured against deaths, he is correct. But I wonder if he would be interested in looking at America's prison population, the millions of Americans in prison today. There is just one little kernel, one nugget that would be of interest to him, and that is that 80 percent—80—8 out of 10 prisoners in America are in prison on a drug-related charge, direct or indirect—80 percent of the prison population.

Drugs are fueling havoc in our cities, in our States and communities because they fuel crime and they fuel violent crime, disconnected mindless crime. We all know that the nature of criminal activity, particularly among our juveniles, is becoming more violent. We have had a lot of discussions about it. It is drug driven. The fact that we are talking about addiction and silent on the most pressing problem facing teenagers, in my judgment, isn't even debatable; it is unconscionable.

The Senator from Michigan alluded to it when he said we will be sending the wrong message, it will be sending a message, "Well, we've gotten to the most prominent, most difficult problem for teenagers because we have passed a program dealing with teenage smoking."

Teenage smoking is up. It is up about 40 percent, and it needs attention. Drug abuse among teenagers is up 135 percent and escalating as we stand here, fueling not only enormous personal disruption, family disruption, but community disruption as it expands itself into criminal behavior.

Not long ago, I was at a youth detention center in my State. It was a female center. There were about 20 young people aged 12 to 16. They were in this detention center for prostitution, assault and battery, auto theft, attempted murder, and the root of every one of the crimes was drugs. The real reason they were there was drugs. You can walk into any school, I venture to say in any State, and you ask the children what the No. 1 problem is—alcohol, cigarettes, drugs? Ninety-five percent, drugs.

If we are going to talk about addiction of teenagers, we have to talk about the combined problem. Yes, tobacco. It is not healthy for them to use tobacco products, and we want to direct our guns at that. But the most important problem, Mr. President, for teenagers is drugs. It is almost an extension of the message coming out of this city for the last 6 months: We don't want to talk about drugs; we will shut the drug czar's office; we will cut the interdiction in half. And we are surprised because suddenly we are in an epidemic of teenage drug abuse? The message was silence. To let a teenage addiction bill come through this Senate and be silent on drugs is unconscionable.

I, along with my colleagues, Senator CRAIG of Idaho and Senator ABRAHAM of Michigan, are not going to allow that to happen. We are going to talk about teenage addiction, yes; we are going to talk about tobacco, but we are going to put drugs in the mix because it is the No. 1 problem.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Ms. COLLINS. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, with Senators permitted to speak for up to 10 minutes each.

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

NINTH ANNIVERSARY OF THE MASSACRE OF PRODEMOCRACY DEMONSTRATORS ON TIANANMEN SQUARE

Ms. COLLINS. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 244 submitted earlier today by Senators COLLINS, LOTT, HUTCHISON, and ABRAHAM.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

A resolution (S. Res. 244) expressing the sense of the Senate on the ninth anniversary of the massacre of prodemocracy demonstrators on Tiananmen Square by military forces acting under orders from the Government of the People's Republic of China.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Ms. COLLINS. Mr. President, yesterday was the ninth anniversary of the massacre of hundreds of prodemocracy students on Tiananmen Square in Beijing by troops acting under the orders of the Communist Government of China. In memory of the brave students who suffered and died there for speaking out peacefully against political repression, and in memory of those who are imprisoned still, last night I attempted to introduce this resolution expressing the sense of the Senate that our Government should remain committed to honoring the memory of these victims of oppression and also that supporting China's peaceful transition to democracy should be a principal goal of our foreign policy.

I know that such sentiments are shared by all Members of this body. After all, who could possibly object to honoring the Chinese student martyrs to democracy on the ninth anniversary of their massacre? After all, our most cherished political ideals are those of inalienable rights and democratic self-rule. Unfortunately, however, we were unable to get the resolution cleared last night on the Democratic side. This objection prevented the Senate from making any statement in memory of the victims of Tiananmen Square on the ninth anniversary of their murder.

I am pleased, however, to report today that the cold light of morning has helped bring some perspective to this issue and that the objection to my resolution has now been withdrawn. I am very grateful for the cooperation of the Democratic leader in resolving the issue on his side.

I spoke at some length last night about the purpose of this resolution, so I will not repeat those remarks now. Let me merely say that it is deeply gratifying to see all of us join together in expressing our heartfelt commitment to democracy and human rights in China and in honoring the memory of those slain in the pursuit of these ideals. It may be 24 hours late, Mr. President, but history will not find the U.S. Senate to have been voiceless in remembrance of the victims in the Tiananmen Square massacre of June 4, 1989.

Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble agreed to, and the motion to reconsider be laid upon the table.

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

The resolution (S. Res. 244) was agreed to.

The preamble was agreed to.

The resolution (S. Res. 244), with its preamble, reads as follows:

S. RES. 244

Whereas in the spring of 1989, thousands of students demonstrated in Tiananmen Square in Beijing in favor of greater democracy, civil liberties, and freedom of expression in the People's Republic of China (PRC);

Whereas these students' protests against political repression in their homeland were conducted peacefully and posed no threat to their fellow Chinese citizens;

Whereas on the evening of June 4, 1989, these students were brutally attacked by infantry and armored vehicles of the People's Liberation Army (PLA) acting under orders from the highest political and military leadership of the PRC;

Whereas hundreds of these students were killed by the PLA in Tiananmen Square on June 4, 1989 for offenses no more serious than that of seeking peacefully to assert their most basic human, civil, and political rights;

Whereas many of the leaders of the student demonstrations thus attacked were subsequently imprisoned, sought out for arrest, or otherwise persecuted by the Government of the PRC;

Whereas during or shortly after the brutal assault of June 4, 1989, at least 2,500 persons were arrested for so-called "counter-revolutionary offenses" across China and dozens of persons were executed;

Whereas the Chinese government has never expressed grief for its actions on June 4, 1989, still imprisons at least 150 persons in connection with the Tiananmen Square demonstrations, and has continued to deny its citizens basic internationally-recognized human, civil, and political rights;

Whereas the Government of the PRC, as detailed in successive annual reports on human rights by the United States Department of State, still routinely and systematically violates the rights of its citizens, including their rights to freedom of speech, assembly, worship, and peaceful dissent; and

Whereas the Tiananmen Square Massacre has become indelibly etched into the political consciousness of our times as a symbol both of the impossibility of forever denying a determined people the right to control their own destiny and of the oppressiveness and brutality of governments that seek to do so: Now, therefore, be it

Resolved, That, in the interest of expressing support for the observance of human, civil, and political rights in China and around the world, it is the sense of the Senate that—

(1) the United States Government should remain committed to honoring the memory and spirit of the brave citizens of China who suffered and died in Tiananmen Square on June 4, 1989 for attempting to assert their internationally-recognized rights; and

(2) supporting the peaceful transition to democratic governance and the observance of internationally-recognized human, civil, and political rights and the rule of law in China should be a principal goal of United States foreign policy.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

Ms. COLLINS. Thank you, Mr. President.

I thank the distinguished senior Senator from West Virginia for allowing me to precede him.

I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. BYRD. Mr. President, what is the state of things at this point?

The PRESIDING OFFICER. We are in a period of morning business, with Senators permitted to speak for up to 10 minutes.

Mr. BYRD. Mr. President, I ask unanimous consent, in view of the fact that my statement may require more than 10 minutes—it may not—that I may use as much time as I may consume, with the understanding that I will not use more than 15 minutes.

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

Mr. DORGAN. Mr. President, reserving the right to object, and I shall not object, I wonder if the Presiding Officer might entertain a consent request that I be allowed to follow Senator BYRD.

The PRESIDING OFFICER. Does the Senator yield for that purpose?

Mr. BYRD. Yes.

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

"POLITICAL CORRECTNESS"—ENOUGH IS ENOUGH

Mr. BYRD. Mr. President, it seems that concern with so-called "political correctness" has been elevated to a near religion in recent years.

I thought it might be well to speak on this subject this afternoon when we are not overly busy with other matters. I am sure it is a subject on which not everyone will agree with me. But that doesn't necessarily concern me. I feel that I have something to say, and I am going to say it at this point.

It seems, I say, that concern with so-called "political correctness" has been elevated to a near religion in recent years. Well, I have long been puzzled by the doctrine, if it may be termed as such, the doctrine of political correctness. When it comes to benefits of this overtly patronizing assault on thought patterns and contemporary speech, I have to admit that I guess I just don't get it.

It has always seemed to me that one of the intrinsically valuable things about America is its "melting pot" aspect. I heard about the melting pot when I was a boy, and there have been many, many, many valuable aspects of the melting-pot policy.

The phenomenon of American life and culture has been its uncanny ability to absorb a reasonable number of people from all around the globe of different races, religions, nationalities, abilities and talents, and inspire them to embrace the ideals of freedom, and work toward the common good of the Republic, without destroying their individuality.

But today's trendy, misguided urge to vigorously emphasize in contemporary thought, and speech, not the value and worth of individual difference, but merely the inoffensive security of "sameness" seems to be going against the time-honored grain that has facilitated the successful achievement of a richly diverse, yet united nation.

The gross, linguistic overreaching for the goal of being perfectly politically correct that goes on in most public discussions, both written and spoken, is not only insultingly gratuitous, but, at times sublimely ridiculous as well. It is as if everyone who writes or speaks in the public arena today is making a concerted and rather forced effort to banish from the face of the Earth the obvious differences in gender, race, religion and genetic codes inherent in all human beings through the clumsy device of disavowing verbally all dissimilarities. And the results are often either humorous or downright sad.

In order to avoid offending anyone in anyway we have come up with such linguistic acrobatics as Chair or Chairperson to replace chairman.

When I think of the Chair there in the front of the Chamber, I think of the position. I address the Chair. I am thinking of the position. But the person who is in the chair is not a chair. He is not a piece of wood; he is not a piece of furniture; he is the chairman.

Well, one may say what if it is not a "he," what if it is a lady? Then I would say "Madam Chairman." I would still refer to the person as the chairman. That has been the case for centuries—eons of time. And here in this latter part of the 20th century we have decided we have to change all that. So, I don't think of the distinguished Senator from Ohio, who presently presides over the Senate in a very dignified and efficient way—I don't think of him as a piece of wood. If I would refer to him personally, I would not call him "the Chair." I would just as soon that nobody referred to me as a piece of wood, as a "chair." I was the chairman of the Appropriations Committee. If we want to address the Chair, that is the position. I have no problem with that. But don't refer to me as "the Chair." I may object to it.

I see letters that come to my office with reference to the "chair." And I have told my staff, when you respond to such a letter, you should use the word "chairman." Don't use the word "chair." I am not going to get in that parade and go down that road, falling into that pothole of "political correctness."

So, we have come up with other linguistic acrobatics, in order to replace any reference to skin color other than white; and Native American to replace American Indian. Well, I am a native American. I was born in North Carolina. If I am not a native American, of what country am I a native? I am a native American. I have no problem with referring to the Indians as "original" Americans. But when they are referred to as "Native" Americans, I think that is demeaning to the Indians. I am a native American. But I don't pretend to be an original American—the American Indian.

Some day, in the misty future when political correctness is dead and gone, (may that day come with all speed) our descendants may remark on the peculiarity of such terms as "Chairperson." Did it mean that the poor unfortunate soul possessed a body like a chair? Could it refer to the quality of one's intellect? Or maybe it was related somehow to one's lack of mobility—perhaps

akin to the popular expression, "couch potato."

Gender neutrality, which is an absolute fetish in our country at this time, produces a plethora of strange choices for its adherents. What, for example, to be gender-neutrally correct, do we call a man-hole cover? How do we neutralize the very necessary "his" and "her" designations on restrooms? And whatever do we do to purge such common expressions as "man-alive," "he's a macho-man," "he's a ladies man," and "man overboard" from the population at large?

If one stops to think about such things, it becomes absolutely ridiculous. It is laughable, indeed.

This insane preoccupation has even been carried so far as to apply to the good Lord and his words as related in Holy Scripture, as some "new age" Bibles have done.

I don't want any of them in my house. They won't find a resting place in my house. That kind of Bible will find its way to the wastebasket if it ever gets to me or to anybody in my family. We will stick with the King James version.

Personally, I think enough is enough when it comes to political correctness. I think we should all stop this unhealthy preoccupation and consider what effect it has had on the content of public dialogue in general. Far from erasing differences from the public mind, I think political correctness in all of its suspect forms has tended to overly accentuate them. In order not to risk offending anyone, we spend so much time focusing on race, gender, country of origin or whatever aspects of an individual we have to tiptoe around, that we then tend to ignore all of the other truly valuable and important aspects of that individual, such as brainpower, level of achievement, talent or quality of character. In other words, our anxious efforts not to emphasize such surface differences as race and gender have, in my view, paradoxically, had precisely the opposite effect.

On a more subtle level, political correctness has encouraged us to become much less honest with one another and with ourselves and, as a result, much less willing and able to come to grips with the troubling problems which beset our land. In our obsequious efforts not to offend anybody, we in public life thereby mentally partition our population into groups by race or by gender or by some other category, obscuring the inarguable fact that we are all citizens of the United States of America, that our fates hang together, and that public debate should, in the best of all worlds, be about what is good for the country, not what may appease this group or that group or this individual. That is one reason why I absolutely abhor hyphenated-American designations. They separate and divide us into arbitrary categories which are based for the most part solely on what the eye can readily see. And we find the same problem in our textbooks in the schools.

How can we help the entire population of our land, the men, the women, the blacks, the Hispanics, the white or the Asian populations, if we submerge honest and forthright discussions of what is best for the Nation in favor of pandering to the sensibilities of this group or that group? The answer is we can't. And the real answer is we don't want to. It is far easier to observe the customary taboos and the popular, awkward, and thoroughly phony norms of political correctness than to actually grapple with real problems in a meaningful and substantive way.

Personally, Mr. President, I hope that "political correctness" will soon go the way of high-button shoes or the lace-up corset. It is shop-worn window dressing far, far too constraining for a fast-moving, difficult age, crying out for courageous leaders, frank discussion, and innovative solutions.

Mr. President, I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I believe we are in morning business.

The PRESIDING OFFICER. That is correct.

Mr. DORGAN. I ask unanimous consent to speak for as much time as I may consume in morning business.

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

KIDS AND SMOKING

Mr. DORGAN. Mr. President, we have been debating the tobacco bill in the U.S. Senate and will continue to debate that piece of legislation into next week and perhaps even beyond. I will begin a discussion on the subject of kids and smoking, and I will read into the RECORD pieces of information from the tobacco industry itself. Then, at the conclusion, I will ask the question and have all Americans ask the question: Were the tobacco companies and was the tobacco industry in America targeting our children as customers for their tobacco products?

If the answer is yes, then the question is not any longer whether there should be tobacco legislation; the question will be exactly what kind of legislation must we pass and how quickly can we enact it.

Let me begin with a few quotes. These are quotes from the tobacco industry that have been unearthed in various lawsuits and discovery proceedings.

Brown & Williamson, a 1972 company document:

> It's a well-known fact that teenagers like sweet products. Honey might be considered.

Talking about the potential of adding honey to cigarettes to make them more appealing to teenagers.

RJR tobacco company, 1973:

> Comic-strip-type copy might get a much higher readership among younger people than any other type of copy.

Talking about advertising, clearly a strategy that says—how do we advertise to kids? This from the RJR tobacco company.

Brown & Williamson, 1973:

> Kool—The brand Kool—has shown little or no growth in share of users in the 26-and-up age group. Growth is from 16- to 25-year-olds . . . at the present rate, a smoker in the 16- to 25-year-age group will soon be three times as important to Kool as a prospect in any other broad-age category.

Is this a company interested in getting kids addicted to cigarettes? Sure sounds like it to me.

Philip Morris, 1974:

> We are not sure that anything can be done to halt a major exodus if one gets going among the young. This group—now speaking of the young, according to Philip Morris—follows the crowd, and we don't pretend to know what gets them going for one thing or another . . . Certainly Philip Morris should continue efforts for Marlboro in the youth market . . .

R. J. Reynolds, 1974:

> They represent tomorrow's cigarette business . . . As this 14- to 24-age group matures, they will account for a key share of the total cigarette volume—for at least the next 25 years.

In a 1975 report, a Philip Morris researcher writes:

> Marlboro's phenomenal growth rate in the past has been attributable in large part to our high market penetration among young smokers . . . age 15 to 19 years old . . . my own data, which includes younger teenagers, shows even higher Marlboro market penetration among 15- to 17-year-olds.

That is a 1975 report from a researcher in Philip Morris. These are internal company documents:

> To ensure increased and longer-term growth for Camel filter—This according to a 1975 RJR memo—the brand must increase penetration among the 14- to 24 age group which has a new set of more liberal values and which represent tomorrow's cigarette business.

RJR Nabisco, 1975, talking about increasing penetration among 14- to 24-year-olds.

R. J. Reynolds, 1976:

> Evidence is now available to indicate the 14- to 18-year-old group is an increasing segment of the smoking population. RJR-T must soon establish a successful new brand in this market if our position in the industry is to be maintained . . .

Fourteen to 18-year-old kids. This is a tobacco document that says, "We have to go after this to maintain our position."

1978, Lorillard cigarette company:

> The base of our business is the high-school student.

Philip Morris, 1979, writes:

> Marlboro dominates in the 17 and younger category, capturing over 50 percent of this market.

What a cause for celebration at Philip Morris in 1979!

Marlboro dominates the 17-and-younger category, capturing over 50 percent of this market.

Marlboro Red, 1981, a Philip Morris researcher writes:

. . . the overwhelming majority of smokers first begin to smoke while in their teens. At least part of the success of our Marlboro Red during its most rapid growth period was because it became the brand of choice among teenagers who then stuck with it as they grew older.

Does this sound like a set of documents—and I am going to go on at some length to talk about these documents from the industry—does it sound like a set of documents from an industry without morals, without values? From an industry that sees 14-year-olds with dollar signs painted on their baseball cap?

Is that a company or an industry without values? I think so.

The Tobacco Institute, 1983. It says:

[Brown & Williamson] will not support a youth smoking program which discourages young people from smoking.

Well, there it is, I guess. They know who their customers are, and they target their customers. They try to addict these kids to cigarettes. And then they say, "We will not support a youth smoking program discouraging young people from smoking."

"Strategies and Opportunities," by R.J. Reynolds, 1984:

Younger adult smokers have been the critical factor in the growth and decline of every major brand and company over the last 50 years. They will continue to be just as important to brands [and] companies in the future for two simple reasons: The renewal of the market stems almost entirely from 18-year-old smokers. No more than 5 percent of smokers start after age 24. . . . Younger adult smokers are the only source of replacement smokers. . . . If younger adults turn away from smoking, the industry must decline, just as a population which does not give birth will eventually dwindle.

That is according to a strategies memo from R.J. Reynolds.

R.J. Reynolds, 1986, Camels.

[Camel advertising will create] the perception that Camel smokers are non-conformist, self-confident, and project a cool attitude, which is admired by their peers. . . . Aspiration to be perceived as cool [and] a member of the in-group is one of the strongest influences affecting the behavior of [young adults].

Well, those are just some, and the list is long.

After reading what has been unearthed from the bowels of the records of the tobacco industry about their attempts to addict our children to cigarettes, starting with a single sentence by one cigarette company that says "the base of our business is the high school student," does anyone doubt that we have a tobacco industry who, for years in this country, has decided that their customers must be children? Because when you reach age 30—just as one of the researchers suggested, and wonder what will further enrich your life that you are now missing, you will not conclude that smoking is the activity you have missed. No adult that I know says, at age 30, "Gosh, if I could just start smoking, I would further enrich my life." The only opportunity for new customers for the industry is to addict a child.

That brings me to the point of the legislation on the floor of the Senate. Some say this is punitive. Some say, "What's all the fuss about?" Well, fuss is about a country that says to the tobacco industry:

Tobacco is a legal product, but for adults, and it is amoral to try to addict our children, and we want to stop it. We want to say to the industry, "We will not allow you to continue to profit by trying to addict America's children to nicotine. We will simply not allow it. And if you don't like it, tough luck. And if you lose money, too bad. But you cannot continue with impunity in this country to try to addict America's kids to cigarettes.'"

There have been a lot of claims about this legislation. I want to talk about a couple of those claims. We know from statistics that America is full of a lot of wonderful people. I do not know anyone that I am acquainted with who would want to live elsewhere. It is not that the rest of the world isn't wonderful—this is just a great place. And we are blessed to be able to live here in this time.

But there are challenges. Among those challenges is that every day 3,000 additional kids in our country start to smoke, and 1,000 kids will die because they started to smoke today. Today, and every day, when those 3,000 take their first cigarette, they consign—one-third—all with names, all with families, all with potential careers and dreams and hopes and aspirations—one-third will be consigned to die because they took up a habit that can kill you. And 300,000 to 400,000 people a year die in this country from smoking and smoking-related causes.

Smoking rates among high school students—10th and 12th graders—have increased for the last 6 years in a row. In my State of North Dakota, according to statistics 39 percent of high school kids under age 18 smoke.

We can do something to stop this, and that is the genesis of the tobacco legislation. Senator MCCAIN, from the Commerce Committee, the committee on which I serve, passed a piece of legislation to the floor of the Senate. I voted for it. Senator CONRAD, my colleague from North Dakota, has done exceptional work in this area working with Senator MCCAIN.

Incidentally, Senator CONRAD produced his own piece of legislation with a task force.

But we are attempting, on the floor of the Senate, to pass a piece of legislation that tells the tobacco industry: "You cannot addict America's children. We won't allow it."

In this debate, we are describing the record of the industry, because some still deny that the industry is targeting our kids. I do not think they can deny it any longer with any credibility. I think unearthing all of these memos, strategies, and words of the industry itself, saying—"We're going after your kids"—I think that destroys any credibility anybody had who says that the tobacco industry isn't targeting America's kids.

What does this legislation do? The legislation will increase the cost of a pack of cigarettes. The legislation on the floor will increase it by $1.10 a pack over 5 years.

What is going to happen with this money? Let me describe how the money will be used. First of all, the largest share of the money, 40 percent, will be returned to the States to compensate the States for the costs they have incurred as a result of tobacco-related illnesses—for example—the substantial increase to health costs, Medicaid, and others. The substantial increased costs that the States have incurred as a result of tobacco-related causes will be reimbursed by this price increase of tobacco.

The medical costs of smoking are estimated to be somewhere around $50 billion a year annually. Lost economic productivity, as a result of the medical conditions caused by smoking, is somewhere around $47 billion a year. The States incur medical costs of about $4 billion just caring for smokers. This legislation will reimburse them and their taxpayers for that range of costs that I have just described, somewhere close to $100 billion.

Twenty-two percent of the funding—aside from funding I have just described that will go to States—will be devoted to public health programs. Half will be dedicated to educate children about the dangers of smoking, to fund programs to reduce youth smoking, and a counteradvertising program to offset the extensive marketing efforts of the industry.

Rather than create the big bureaucracies that the tobacco industry claims would happen, what will happen is, these funds will be used by the States to try to develop efforts and coordinate advertising and other smoking cessation programs that we are convinced will work to teach and to persuade America's kids not to begin smoking.

Twenty-two percent of the funding will go to health and medical research largely through the National Institutes of Health (NIH). Frankly, I cannot think of anything we do in this country that has more impact, value and importance to every American than investments in health research.

What is happening at the National Institutes of Health is really quite remarkable. From breathtaking changes and breakthroughs in health coverage to health remedies which attempt to

deal with disease and problems. And what we are trying to do is to increase the amount of investment and research for health care at the National Institutes of Health. That makes a great deal of sense to me.

So we are talking about a range of things—offsetting the costs the States have, smoking cessation programs, counteradvertising programs, prohibition on the industry's advertising, substantial investments in the National Institutes of Health, and a range of other things—that I think will be very beneficial. It will also allow someone 20 years from now to say that these companies were unable to devote advertising and unable to devote efforts to try to addict 14-year-olds. First, because you cannot advertise to them, and second, because we are going to counteradvertise, and we are going to have smoking cessation programs and other efforts to try to prevent you from addicting America's children to cigarettes.

There is in this piece of legislation some assistance for farmers, as well, because tobacco farmers will be impacted by this legislation, and we should be mindful of the problems caused for tobacco and to tobacco farmers as a result of this piece of legislation. Senator FORD has crafted an amendment that I think goes a long way in addressing the issue that will affect tobacco farmers from this legislation. We will be talking about that, I think, next week.

We have liability issues that are dealt with in this piece of legislation. I mentioned advertising restrictions. We had a problem affecting veterans that I think has been solved thanks to the work of Senator ROCKEFELLER from West Virginia and Senator WARNER, as well as the Senator from Arizona, Senator MCCAIN.

Those are the issues that I think are very important to our country with respect to the tobacco bill. My hope is that in the coming days, whether it be 3 or 5 days or a week and a half, that we will pass in the Senate a piece of legislation that all of us can be proud of.

I defy anybody, I defy one person of any political persuasion or of any philosophical bent, I defy one person to stand up on the floor of the Senate and defend this sort of behavior: Page after page after page of evidence that this industry knew that the teenagers of this country were their target audience and deliberately tried to addict children to smoking. I defy anybody to read this evidence and then tell me that is not the case. If you believe, as I do, that this industry has seen dollar signs on the heads of America's kids, and you believe that is wrong, then we must believe, together, that we have a responsibility to pass legislation of this type.

I am not saying every word is sacrosanct. There are plenty of ideas here to add to this that perhaps can improve it. I say at the end of the day we had better pass a piece of legislation that acknowledges the bankruptcy, the moral bankruptcy approach we have seen when we unearthed the information from the bowels of the tobacco industry.

COMPANY MERGERS

Mr. DORGAN. Mr. President, I spoke 2 weeks ago on a subject that I care deeply about. I want to just make a couple of additional points about it, and that is this orgy of mergers that is occurring in America today. You can't wake up and take a look at the business section of any newspaper in the country without seeing another big megamerger announcement.

I come from, I believe, the Jeffersonian side of my party and share very deeply the notion that the broad-based political freedoms in this country are nurtured by broad-based economic freedom. Broad-based economic freedom comes from dotting the landscape all across this country with individual entrepreneurs, businesses, broadly based and owned businesses all across this country. That represents the free enterprise system, people having dreams and hopes and starting a business and nurturing this business.

It doesn't mean to say that big is always bad or that small is always beautiful. It is just to say this country works best, our free enterprise system works best and the market system works best when this is not dominated by enterprises that choke competition. We have decided in law a long, long while ago those that are choking down competition and trying to clog the arteries of the marketplace are violating the law. There is precious little enforcement these days. Antitrust activities are kind of out of favor. But we are seeing an alarming growth of mergers in this country.

As I start, let me again say not every merger is bad. I am not here to say that. There are times when the mergers of a couple companies make sense. But what is happening now is a wave of mergers that ought to be alarming to this country. Former Senator Hart, Phil Hart from the State of Michigan, did a lot of work on this issue. There is a building named after him here on Capitol Hill. He is probably the last person in Congress to talk much about merger activity and antitrust enforcement. It is not sexy and it does not win any friends. But it does lose friends.

Let me describe what happens. This chart shows merger completions in the last 15 years. Take a look at the exponential growth of mergers. This merger mania means you have fewer enterprises. They are buying each other, merging, some hostile takeovers, and two become one. It is like getting married. You have two people that court each other; you have two companies that court each other and they get married. You read it in the paper, but you don't even know they are dating. Sometimes it is a forced marriage as the case with hostile takeovers.

Here on this chart are all the marriages going on in corporate America—two become one. The railroad industry—we used to have a lot of railroads. Now we have a very few railroads. They tell us what they are going to haul and how they are going to haul it. If you don't like it, tough luck. The airline industry—we used to have a lot of airlines in this country. Now we have a few. They have retreated into regional hubs and dominate the hub and say here is where we will fly and here is what it will cost. If you don't like it, go buy a jet. The telecommunications industry—you talk about what is happening in telecommunications. All of these big telecommunications companies are looking around for suitors to find out who they can romance and who they can add to their collection. Pretty soon, ten companies become five and five become one. We have Baby Bells—they are not so baby anymore. Now they are getting married. So there are fewer Baby Bells because they are combining.

Let me just go through a couple of other charts to describe this circumstance. Here we have the value of merger activity in this country. In 1998, $1.7 trillion. It is moving up exponentially. Those who say that we believe in the free enterprise system, those who say that the market system is critically important to the success of this country ought to be concerned about this.

Let me show a chart briefly with respect to the largest mergers. I showed this 2 weeks ago and it has since changed because we had a chemical company and a pharmaceutical company that started dating and then they decided to announce they were getting married—Monsanto and American Home Products. On this chart are the 25 largest corporate U.S. mergers through June 2, 1998. Seventy billion, CitiCorp wants to join with Travelers Group. Fifty-nine billion, BankAmerica wants to join with National Bank.

While I am speaking about it, the banks, they of course, are a go-go industry with respect to mergers. Last year, there were 599 bank mergers. The biggest banks are merging as quickly as you can open your paper these days. About 75 percent of the domestic banking assets are held by 100 of the largest banks. The Federal Reserve Board has a policy. In fact, if you are big enough, they call it "too big to fail." If you are big enough, you are never going to be allowed to fail because the consequences of the failure would be too detrimental to the country. There used to be 11 too-big-to-fail banks. Eleven is now 21 because all the big banks are

getting bigger. So the next merger you see with one of those banks, there is no risk to them. They can't fail. The American taxpayer has to pay the risk of a merger that turns sour.

Small community banks especially understand this problem. Let me talk about the testimony of the president of the Independent Bankers Association of America. He says "The evidence shows that increased concentration in banking has not benefited bank customers." He adds that "larger banks charge higher fees, bank mergers have an adverse effect on consumer deposit prices, and small business lending receives a short shrift in a world of ever-larger banks."

Banks are just one area. I just stop to say that if you take a look at this list, it is banks, railroads, telecommunications companies, defense companies. Frankly, I think it is alarming. I think Congress ought to pay some attention to this.

I represent a lot of farmers. Family farmers aren't merging. They are out there fueling up a tractor, trying to plow in seeds, hoping to get a crop. But when they market, they market back up through the neck of the bottle. If they market meat, if they are raising a cow and are going to market the meat from the cow. In 1980 the big four packing plants had 36 percent of the market. In 1994, the big four meatpacking plants in this country had 82 percent of the market. This means that if you are a farmer trying to market up through the neck of that bottle, the products of meat—in this case perhaps pork or beef—you are discovering that you are marketing up towards a monopoly. On the top they tell you what they will pay you for it. The same is true for the grain farmer.

My point is it doesn't matter whether you are on Main Street or running a family farm. If you are operating in an economy in which big interests are clogging the marketplace arteries, you have to be concerned that this system doesn't work for you. Congress has a responsibility and there are laws on the books that would require us to look carefully and closely at merger proposals to see, is this in the best interests of the country or will this injure the marketplace? Will this injure the free enterprise system? In some cases, maybe not; in some cases, maybe it will. In those cases, Congress has a responsibility to act.

We had a circumstance with respect to airlines. For example, not too many years ago we had a whole raft of merger proposals go to the Department of Transportation. The then-Secretary of Transportation never met a merger she didn't love. It didn't matter what it was. "Just bring them up, and we'll try to merge them. We say amen, and we stamp 'Approved.'" The result is that we have had fewer airlines that retreated into regional monopolies. I think whether it is railroads, airlines, meatpacking plants, banks, or telecommunications companies, this country functions best and our market system and free enterprise system functions best when you have robust, aggressive competition. I worry very much that those who are supposed to be minding the store are paying precious little attention to some of these issues.

Finally, let me say an encouraging word about one person who is paying some attention, and that is Joel Klein over in the Justice Department. I will not talk about any of the specific cases before them, because I am not interested in doing that. But he is someone who heads the Antitrust Division. I hope this Congress provides substantial resources so that he has the capability and the people over there to investigate these mergers to determine whether they are in the best interest of the country or whether they violate the law with respect to antitrust. I want those who are supposed to be the referees with respect to the market system to make sure that competition abounds and the market system works. I want Mr. Klein, head of the Antitrust Division at Justice, to have the resources necessary to do that, and I hope my colleagues agree with me.

I am going to speak at greater length at another time. I apologize to the Senator from Arizona. He has been waiting. I wanted to make the point on mergers. I hope my colleagues on both the Republican and Democratic sides who have an interest in this issue and an interest in making certain that those mergers that are fine proceed unimpeded, but those that restrict and constrict and impede the market system ought to be looked at with a fine-tooth comb to determine whether they ought to be approved or rejected. I will have more to say on this at some point later.

With that, I yield the floor.

Mr. KYL addressed the Chair.

The PRESIDING OFFICER (Mr. ENZI). The Chair recognizes the Senator from Arizona.

PRIVILEGE OF THE FLOOR

Mr. KYL. Mr. President, I ask unanimous consent that Jim Savage of my staff be accorded floor privileges during my remarks.

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

THE TOBACCO LEGISLATION

Mr. KYL. Mr. President, I want to discuss today the matter pending before us, S. 1415, the tobacco legislation. It is, as we have been told by many people, one of the most expensive, complex, far-reaching legislative proposals ever considered by the U.S. Senate. The stated goal of the proposal is, of course, nonpartisan and universally recognized—the reduction of teenage smoking. We all agree on that.

What a parent wants is for his or her children to grow up healthy and strong. No parent really desires that their children become addicted to tobacco use. The issue is, what is the best way of achieving that goal, to go about discouraging teen smoking and highlighting the dangerous health risks associated with tobacco while also preserving individual adult liberties.

At the Federal level, I think we should also remind ourselves that underage smoking is, at this time, illegal in all 50 States by State law. I think that as the Senate considers this legislation, we should keep some fundamental principles in mind and they should be part of any legislation we should eventually adopt.

Specifically, I think our legislation should include the following components:

One, we should ensure that teen smoking is reduced. There are a variety of mechanisms for doing that, including making vending machines inaccessible to children, conducting an advertising campaign specifically directed toward children's tobacco use. I think we should ensure that any tobacco tax increase does not create a black market. It is very difficult to know the magic point at which you have raised the price enough to discourage its use without having, however, raised it so much that you create a black market. I think it is probably very difficult to do that, as testimony before the Senate Judiciary Committee has confirmed.

I think we need to ensure that proceeds raised by any tax increase are primarily used for health-related purposes, such as Medicare, research for NIH, reimbursement to the States for their Medicaid expenses, particularly associated with tobacco illnesses, and increasing the self-employed health care tax deduction to 100 percent. In that regard, incidentally, if there are excess moneys left over from a tax, I think we should return it to the people. We could do that, among other ways, by significantly reducing the marriage penalty which is currently built into the Tax Code, that proposal already having been made by Senator GRAMM.

I think another principle that should be embodied in this legislation is to ensure that proceeds not be used to create new, or expand existing, non-health-care-related Federal programs. One of the worst things this body could do is to impose a huge new tax ostensibly relating to tobacco use and curing its effects but, in fact, generating money to serve totally unrelated purposes, as some of our colleagues suggest. That would be wrong.

I think another principle that should be embodied in any legislation we adopt is that attorneys involved in the

litigation regarding tobacco not reap windfall profits at the expense of these education and smoking prevention programs, particularly when they are established for kids.

Finally, I think we should ensure that no provisions are included that are virtually certain to later be adjudged to violate the first amendment's protection to speech or other constitutional provisions.

Mr. President, the rest of the time I would like to address the link between tobacco use and drug use, especially by children, because while there has been much legitimate concern expressed about the dangers of teenage smoking—and about that, as I said, I think there is no disagreement—I think there has been insufficient attention paid to children's use of drugs and abuse of drugs and the Federal Government's responsibility to deal with that problem as well. There is an even greater danger of drug addiction, and the relationship between tobacco and drugs makes it clear that, in dealing with one, we can and should deal with the other. I think our outrage should have some perspective here, and if it does, we should all agree that drug use among children is much more dangerous than tobacco use, as bad as it is.

Now, I noted the connection between the two. Ironically, it appears to work both ways. For example, we have known for some time that cigarette smoking is often a precursor to drug addiction. So, obviously, this is another reason to deal with the problem of youth tobacco use. For example, a survey by the Substance Abuse and Mental Health Administration reported that almost 75 percent of teens surveyed had tried cigarettes before marijuana. Moreover, a 1996 national health survey on drug abuse showed that current smokers are more likely to be heavy drinkers and illicit drug users.

Equally disturbing is the apparent innovation by youth in combining tobacco and drugs. For example, some teens are now smoking cigarettes after they smoke marijuana in order to enhance their high. I learned last night that the reason for this is that apparently the methanol in some cigarettes physiologically allows greater absorption of the THC in marijuana and therefore does prolong or enhance the high. Others hollow out cigars and replace the tobacco with marijuana in order to maintain a better high. This behavior illustrates the undeniable connection between tobacco and drugs. For this reason, I support linking our effort to reduce teen smoking with that expanded antidrug effort.

I believe we have to keep in mind recent polls which show that the parents of this country are much more concerned about drug use than tobacco use. Their No. 1 fear is their children will become involved in illegal drug use. By contrast, in the May 1998 survey published by The Polling Company, a very recent survey, parental concern about juvenile tobacco use ranks No. 6 on the list. Only 3 percent of the parents cited that, whereas with respect to the No. 1 concern, drug use, 39 percent of the parents mentioned that as their primary concern with respect to their children.

According to Centers for Disease Control research, recently speaking to the New York Times, some kids maintain an illegal drug high by using tobacco, the same point that I had made earlier. And, obviously, what this means is for these kids illegal drugs are the gateway to tobacco use, and not the reverse, as I indicated earlier.

Drugs should be taken at least as seriously as tobacco. The two are undeniably linked. In dealing with one, we should deal with the other. I believe, therefore, that our effort to reduce teen smoking has to be tied to a renewed Federal commitment to reduce marijuana, cocaine, heroin, and methamphetamine use among both youth and adults. Incidentally, if we do that by a comparable amount, we will be reflecting the purpose of the Ashcroft proposal that has been presented to the Senate.

Let us look at some of the disturbing statistics. Prior to 1992, illegal drug use by high school seniors had fallen sharply, from 30 percent in 1985 to 14 percent in 1992. This is a very important statistic, because today people say we are losing the war on drugs, we can't win it, and therefore we ought to give up. Obviously, if we had said the same thing about tobacco use, we wouldn't be engaged in this important effort today to try to reduce tobacco use. But the people who say we have lost the war on drugs are wrong because of the statistic that I just cited. Once this country became engaged in the war on drugs, particularly trying to reduce the use of drugs in schools, the use by schoolkids of drugs dropped dramatically. It was cut in half.

Again, remember the statistics I am talking about. When we began this effort in about 1985, remember we created a drug czar's office, and Bill Bennett and others went out and campaigned fervently against drug use by kids. From 1985 to 1992, illegal drug use by high school seniors fell from 30 percent to 14 percent. So we were clearly making progress. We had made substantial progress. We were doing good.

What happened after 1992? The process reversed. And, frankly, the reason for that is inattention, and in some cases downright hostility to the effort by the Clinton administration, and only recently reversed by the appointment of Gen. Barry McCaffrey as the drug czar. I think we can see that once we began to reassert our effort, we have begun to just barely see a little bit of progress.

During the first Clinton administration, illegal drug use among high school students doubled. Heroin use for 8th and 12th graders has more than doubled in the last 5 years. By 1996, one in four high school seniors and sophomores reported using drugs in the previous 30 days; 15 percent of 8th graders reported using drugs in the previous 30 days.

So the point of these statistics is that once we became engaged in the war on drugs, we dramatically reduced their use by kids. We cut it in half. What happened when we stopped? It went right back to where it had been.

Equally disturbing about our inattention to this problem over the last 5 years is the fact that, as a result, drug users are getting younger and younger. A survey last year by the Center for Addiction and Substance Abuse at Columbia University showed that 500,000 eighth graders began using marijuana in sixth and seventh grades. As we all know, there are more victims, incidentally, in this drug use than just the user because, of course, drugs are linked to crime. According to the Bureau of Justice Statistics, 36 percent of convicted jail inmates said that they were using drugs at the time of their offense in 1996. That was compared to 27 percent in 1989.

So by a third we found more drug use among those people committing crimes. Moreover, 16 percent of convicted jail inmates said they had committed their offense to get money for drugs. We believe the statistics are much higher. But at least it is astonishing that that number would admit that they committed their crimes in order to get drugs. We know one in four property and drug offenders had committed their crimes to get money for drugs. And in a place like Arizona, where you have such high property crime rates, we know the strong connection between the two. In my hometown of Phoenix, for example, we lead the country in another kind of theft—postal theft by addicts in order to get money.

According to the postal inspector, 90 percent of these thefts are committed by meth addicts. It is their preferred method of maintaining their high.

I also note, Mr. President, that in reminding ourselves of the connection between drug use and crime, to make the point that drug use is not a victimless crime, we should also think of the individual drug user and his or her family.

I recently held a field hearing in Phoenix primarily on the subject of methamphetamine use and the costs to society of having to clean up the meth laboratories and the environmental concerns and the dangers to people as a result of these toxic substances in their midst. But one of the witnesses was a young woman named Heather, a student, who told us about her beginning the use of drugs, starting with a free offer of drugs when she was in grade

school, and working on up through the use of harder and harder drugs until, by her own words, she was a "mess" by the time she was in high school. She noted the fact that she wasn't the only person who was affected by her drug use. Her friends, her family, and, in particular, her mother were deeply affected by what she went through and what they had to bear as a result of her drug use. Fortunately, she was one of the ones who decided to try to kick the habit, and, after several difficult tries, appears now to be on a path of recovery and abstinence and of getting her life turned around.

But it is a terrible, terrible struggle for anyone, but certainly including kids who have become addicted to drugs, to try to get off of the drugs and turn their life around. In the context of the tobacco debate, I just ask everyone to think about this for a minute. We all get used to doing certain things that we know aren't good for us. It is hard to change our habits. We all, most of us at least when you get to our age, would like to lose a little more weight. We don't like the fact that gravity has its inevitable impact on our bodies, and we begin to not quite look like we did when we were 20 years old. We would like to eat a little less and have more self-discipline about our weight. It is hard to do. We would like to discipline ourselves to do other things. It is hard to do. We get to tobacco use, and we know it really becomes hard because there are physiological addictive qualities to nicotine that makes us crave tobacco. For many people, it is very, very hard to stop using tobacco as a result of that addictive quality. But as hard as that is, it is orders of magnitude more difficult for hard drug users and even soft drug users to stop their behavior to get over their addiction. It is much, much harder.

When you hear the story of a young woman like Heather and what she has gone through and how difficult it was for her, I think it makes it crystal clear to us that as we are focused on tobacco and because of the connection between tobacco and drugs it is also very important for us to take this opportunity at this time to also recommit ourselves to fight this war on drugs for the sake of the people who are becoming addicted to drugs every day, for the sake of their friends and the sake of their families, as well as the rest of us in society who end up bearing the costs of their addiction.

Because of the seriousness of this increase in drug use by our youth, I am very troubled that the goal of the administration in its 1998 National Drug Control Strategy is not more ambitious. What is its goal? Its goal is to get us back, a couple of years after the turn of the century, to where we were when President Clinton took office. That is not only not very ambitious, but I think we could say it does not even begin to express the degree of commitment that we ought to be making.

For the sake of the kids who at least are of junior high age today, we have to do better than that. That is why I am an original cosponsor of the Gramm-Domenici-Kyl Teenage Health Preservation Act. Let me just tell you a little bit about what the Teenage Health Preservation Act will do and why we think it is so important to be included within this tobacco legislation.

Because of the link between underage tobacco use, illegal drugs, and crime, as I indicated earlier, we have established several important provisions in this legislation that I think get to each of those problems.

First, we would establish a $5 billion antismoking, antidrug advertising campaign. We know that kids watch a lot of television. We know that they are susceptible to advertising. We know that there can be some very effective, good advertising telling them why they should not take on drugs or tobacco use. We would establish a five-member commission, with members nominated by the President, confirmed by the Senate, responsible for developing a comprehensive antidrug and antismoking advertising campaign. This $5 billion over 5 years would be funded out of the National Teenage Health Security Trust Fund established under the legislation.

We also establish some antidrug and antismoking provisions and penalties, increasing, for example, by 50 percent the drug interdiction budgets of the Customs Service, Coast Guard, and the Department of Defense for activities along the U.S.-Mexican border and the Caribbean region; doubling the number of Border Patrol agents to achieve a level of 15,000 over the next 5 years; increasing the law enforcement budgets of the DEA and FBI by 25 percent; adopting the McCain antismuggling language which directs the Treasury Department to require the placement of a unique serial number on each pack of cigarettes to assist in determining the location and date of production. It would impose penalties of not less than 10 years of imprisonment for any adult who sells drugs to a minor, and a second offense would be life in prison.

We would establish a Federal penalty of not less than 20 years for any person convicted of smuggling illegal drugs into the United States and, again, for a second offense, a penalty of life imprisonment. We would impose a fine of up to $100,000 and a term of imprisonment of up to 5 years for smuggling cigarettes into the United States. Those who would knowingly sell smuggled cigarettes to teenagers would face up to a year in prison and up to a $10,000 fine.

Mr. President, let me just note, some of these fines may sound very drastic, but if we are going to get serious about this problem we have to do some very different kinds of things. I don't think it is too much to say that a fine up to $10,000 and up to a year in prison is too much for people who are smuggling cigarettes and selling them to teenagers, if we are really serious about this problem.

We would suspend Federal student loan eligibility for teenagers who use drugs or purchase cigarettes. The penalty for drug convictions would be a year's suspension of eligibility for Federal student loans, and a second offense would be a permanent loss of eligibility for student loans. For teen cigarette purchase, it would be a warning the first time around, a 6-months suspension of eligibility for the second offense, and a year's suspension for the third offense. So there would be important penalties attached to all of these.

We would establish a Teenage Health Security block grant program to the States. The distribution of the funds is linked to State adoption of sanctions for teenage tobacco use. The States themselves need to do more to enforce their already existing laws against youth smoking.

We would adopt the McCain requirement that warning statements on cigarette packages take up not less than 25 percent of the upper space on the pack on the front and back of each package. Importantly, as I said before, vending machine sale of cigarettes would be restricted to areas that are not accessible to children or teenagers.

The payment that would be called for here, we think, should be capped at a per-pack amount that is estimated to be below the trigger point of significantly increased black market activity. After financing the tax reductions—in other words, the self-employed health insurance deduction that we talked about earlier—all of the remaining amounts would be deposited in a new National Teenage Health Security Trust Fund. We think the total amount of the tax that would be required in this case would be on the order of 75 cents per pack.

We think that full deductibility of health insurance and smoking cessation programs is called for, and therefore under this legislation we would provide for an accelerated phase-in of a 100-percent deductibility of health care insurance for the self-employed, to be effective January 1, 1999. We would allow all workers not covered by an employer-provided insurance to deduct fully the cost of health insurance. This is the Roth proposal on the above-the-line deduction, so to speak.

In addition, low-income working taxpayers who are eligible for the earned-income tax credit could take advantage of the health insurance deduction. Specifically, the cost of health insurance premiums would be excluded from their modified adjusted gross income

for purposes of the earned-income tax credit. This would not apply to an individual covered by employer-provided health insurance or by Medicaid. The cost of an FDA-approved smoking cessation program would be deductible and treated as an above-the-line deduction as well.

I mentioned the National Teenage Health Security Trust Fund in this proposal. It would finance all the programs and initiatives which are created by the legislation. The Department of the Treasury would establish an accounting mechanism necessary to ensure that the trust fund deposits and outlays are credited properly, and all expenditures from the fund would be outside the spending caps, but all would have to be appropriated on an annual basis. There would be no new entitlement or mandatory spending programs.

No distributions or expenditures from the fund would be permitted for any purpose other than a specific authorization provided in the Teenage Health Preservation Act. Any moneys remaining in the Trust Fund after the annual appropriations process has concluded would be transferred to Medicare.

I mention the increased funds for the National Institutes of Health. This legislation would earmark an additional $5 billion over the next 5 years from the trust fund to the NIH in addition to—in addition to—the $15.5 billion increases over 5 years already provided in our budget resolution of this year.

With regard to the State settlements with tobacco companies, we would guarantee the right of tobacco companies and the individual States to enter into legally binding—within the border of each State—settlement agreements, including limiting liability if that is what the States negotiated.

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

Mr. KYL. Mr. President, I ask unanimous consent for 3 additional minutes to conclude my remarks.

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

Mr. KYL. Thank you. I will conclude with this brief description.

The windfall profits tax on lawyers' fees that I mentioned earlier would provide, for States where there have been tobacco settlements reached, lawyer fees above $1,000 per hour but below $1,500 an hour would be subject to a surtax of 20 percent, and fees in excess of $1,500 an hour would be subject to a surtax of 40 percent.

Bear in mind the level of fees I am talking about. While a good lawyer today might charge up to $200, $250 an hour—you know, the really superstars, maybe even $300 or $400 an hour—we are talking about $1,500 an hour here before this would kick in. But, amazingly, there are some lawyers who are getting far more than that in these tobacco settlements.

There are some other provisions in here, but I will not go into the details in the interests of time. Also pending before us right now is the Coverdell-Craig-Abraham Drug Free Neighborhoods Act. I also strongly support that legislation. That legislation has been adequately described by Senator COVERDELL a little bit earlier this afternoon. It has the drug-free teen drivers provision, the drug-free schools provision, which is very important. It emphasizes drug-free workplaces. I think it is very important for us to recognize that we are not going to be able to have drug-free workplaces if it is possible for people in this country to use drugs legally. Finally, there are key provisions for drug-free communities support.

I might just note, too, a couple of the very specific provisions of the bill that I particularly like. It bans free needles for drug addicts and has a very important money laundering provision and a registration of convicted drug dealers.

These are some important things that we can be doing to enhance the tobacco legislation before us to apply to the drug problem that also faces our youth today.

We can't let this opportunity slip to address the national drug problem at the same time that we are addressing the important tobacco issue. Underage smoking is a serious problem, but smoking doesn't result in the crimes against the person and property that illegal drug use does. We have to focus at least as much attention on the problem of illegal drug use as on the problem of underage smoking. It is important to remember, Mr. President, that underage smoking represents only 2 percent of all smoking occurring in the United States. Teenage drug addiction is a critical and growing problem within this country.

Thank you, Mr. President.

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, will the Senator from West Virginia be speaking in morning business?

The PRESIDING OFFICER. The Senate is in a period of morning business with speakers allowed to speak up to 10 minutes.

Mr. ROCKEFELLER. I thank the Presiding Officer.

VETERANS AND HIGHWAY TECHNICAL CORRECTIONS BILL

Mr. ROCKEFELLER. Mr. President, I will address two subjects, primarily veterans and the highway technical corrections bill. But in this morning's Congressional Daily, the majority leader, when referring to the question of the matter of the treatment of disabled veterans who have been addicted to smoking and have become disabled because of that, said, "Where was ROCKEFELLER when we passed this bill?" And that is a quote.

The majority leader has publicly questioned my record on the issue of veterans' smoking-related disability rights, and I really thought I had a duty to set the record straight.

The Clinton administration has met with me on several occasions on the veterans smoking issue. I told the Director of OMB and I told the Secretary of Veterans' Affairs at least a year ago that I would vigorously oppose their proposal to deny veterans' disability rights. I have maintained that exact position all along.

When the Senate considered this year's Republican budget resolution in March, I offered an amendment to strike the budget language which would have transferred the smoking disability rights issue to the Transportation Appropriations Subcommittee and assumed denial of smoking-related disability rights—assumed denial of those rights. My amendment was defeated, frankly, fairly much along party lines.

When the ISTEA bill was brought to the floor by the committee, there were no provisions at all in that highway bill which would have denied veterans disability rights. I support, therefore, highways and I supported the ISTEA bill. I voted for it.

But in the course of the highway bill conference, language was inserted to deny smoking-related disability rights in the deep of the night, with no consultation—nothing. Of course, as we know now, even this midnight raid was not done correctly and requires major corrections, and I refer to the highway technical corrections bill. Since the conference report was not amendable, there was nothing that I could do about that. There was no opportunity to reverse at that point the injustice that was being done. I could not offer an amendment. It was called a conference report.

The corrections bill on TEA 21 provides for the first time, therefore, the opportunity to fully protect highways and veterans. We no longer need to make a choice of one over the other. Highways will remain fully authorized. They will not lose a dime. Veterans' disability rights will be preserved.

The Republican leader asked where was ROCKEFELLER? I am pleased to respond that I have been busy protecting the rights of disabled American veterans. That is where I have been.

Further, Mr. President, I rise to urge the Republican leader to bring up H.R. 3978, the highway corrections bill, for immediate floor consideration in the Senate. Our failure to have this corrections bill considered immediately will have a devastating impact on veterans' disability rights.

As I indicated yesterday to my colleagues, when H.R. 3978 is considered, I

plan to offer an amendment—and nothing will stop me from offering an amendment if that bill comes up, and I will object to other bills coming up in order to force that bill to come up if I am able to so exercise my due parliamentary rights —I plan to offer an amendment to strike the veterans' disability compensation offset from the underlying conference report on H.R. 2400. I have asked for a very limited time agreement of 30 minutes equally divided—15 minutes for each side does not seem to me unreasonable—and then a vote.

As the Presiding Officer is very well aware, adoption of my amendment will have the effect of preserving current law; that is, it will preserve existing disability rights for veterans, the status quo. It will simply preserve what already exists—nothing new—what already exists, and will fully preserve each and every highway project that was included in the ISTEA bill. That is such an important point to make.

Some people think we are talking about removing billions of dollars from highways. We are not. Not one dime will be lost to highways. All of that money is going to have to be appropriated by the Appropriations Committee in any event. Let me repeat that: Every highway project in ISTEA, now TEA 21, will remain fully authorized after my amendment is adopted, if adopted. They will be in law, so to speak.

The highways will be in law. If the leadership permits the TEA bill to stand as is by failing to raise the corrections bill, veterans' disability rights will be eliminated and the current law will be changed. Smoking will be considered an act of "willful misconduct" in the military, and we will be cutting smoking-related disability benefits for veterans who became ill on active duty and those who became ill due to exposure to Agent Orange and those who became ill due to exposure to ionizing radiation. This goes far beyond the intended scope of even the conferees, I have confidence in that.

Mr. President, roads and bridges are, obviously, very important to the State of West Virginia, which is only 4 percent flat. I support highways. I support highway funding. Not a single project in West Virginia or in any other State—I repeat and repeat again—will be affected in any way by the amendment which I will put forward if given a chance.

This amendment is a proveteran amendment. It is simply whether we are going to deny disabled American veterans the rights they now have under the law. There has been a great injustice done to America's veterans, and this corrections bill is an opportunity to remedy that injustice.

Existing law requires the payment of disability compensation to veterans who can prove in a very complicated process that they became addicted to tobacco while in military service, if that addiction continued without interruption and resulted in an illness and in a disability. Addiction is the illness; addiction is the issue. The conference report on the highway bill rescinded—that is, cut—this compensation to disabled veterans for tobacco-related illnesses resulting from nicotine addiction that began in service.

This cut in veterans' disability compensation generated $17 billion in what only can be called the most extraordinary paper savings that I have come across in my 13 years in the Senate, and these paper savings were literally stolen from veterans and used to partially fund an unprecedented increase in the ISTEA fund.

Of course, anyone familiar with these claims for compensation for tobacco-related illnesses, and there will be few who are, knows that OMB's cost estimate is just a guess. They just guessed, and they sort of guessed in a way that they could pay for a lot of the other President's program ideas. I didn't appreciate that, but that is the game they decided they were going to play, and so that is what they did. They tried to talk me out of my objections to it, and they could not. That is my administration, not the Presiding Officer's. The so-called savings we are spending on highways are just that, they are paper savings.

Since 1993, the Veterans' Administration has only received less than 8,000 claims—the Presiding Officer will be interested in this; since 1993, there have been only 8,000 claims for these tobacco-related disability illnesses—and has granted only 200 to 300—200 to 300. So 27 million veterans and only 200 to 300 disability claims for smoking-related illnesses granted by the Veterans' Administration.

In arriving at its $17 billion estimate, the administration, for some unexplained reason, estimated that 500,000 veterans would apply for tobacco-related claims every year, Mr. President. It is absurd; it is ridiculous. It is a shell game. It was intended to pay for some of their other programs. And in the process, they wanted to cut off disability claims for veterans who are owed them. It is make-believe.

The amendment that I offer would maintain current law as is by reversing the highway bill's raid on veterans.

My amendment strikes no highway project. My amendment merely preserves VA's disability compensation for tobacco-related conditions as is.

I am sure we will hear a good deal of doomsday projections about the effect of this amendment. Again, here are the facts. The amendment does not otherwise affect the highway bill or the projects that it authorized. They remain the same. They are unaffected. My amendment will not bring down the highway bill, will not create a sequester. I can read you law on that. But I will spare the Presiding Officer that. But those who say that, "Oh, this will cause a sequester and a cut in Medicare, Social Security," the Presiding Officer and others will hear that argument—that argument is wrong. That argument is wrong. Those are the contentions of those who would deny disability benefits to veterans.

When we argued this issue 2 months ago, when my amendment to the budget resolution was debated, I warned my colleagues that veterans would be justifiably outraged by this raid on their disability compensation program, and they are.

America's veterans perceive that Congress has turned its back on the Government's responsibility and promise to care for its veterans and on the role it played in fostering their addiction to tobacco—that is well known to the Presiding Officer and all other Members—distribution of free cigarettes in C-rations and K-rations; reduced prices; and they delayed the warning that appeared on tobacco in the military cigarettes until 5 years after it had been done at the civilian level.

Mr. President, we have spent weeks talking about addiction to tobacco and how powerful that addiction is and how that addiction has been fostered. Why is it when it comes to the issue of veterans and tobacco, it is viewed solely as a matter of personal choice? Why is it that this administration and this Congress believe that veterans should have had greater knowledge about tobacco's addictive properties when they began smoking than the general public did?

Veterans believe in doing their share and carrying their weight. They always have; they always will. But the Congress is not asking for cuts in all accounts this year, oh, no. In fact, we are not even demanding that others, such as Social Security disability recipients, lose smoking-related compensation. Again, only veterans are singled out for this treatment.

There has been a lot of talk about veterans and smoking in the last few months. So I want to make sure that my colleagues are not confused. The amendment that was adopted on Tuesday to direct a portion of the proceeds from the tobacco bill to VA health care in the tobacco bill, by voice vote, is only for health care. The tobacco-related amendment does not deal with disability benefits, compensation; only with health care, not compensation, benefits for tobacco-related illnesses. That is a major point.

Those of my colleagues who will seek refuge in the tobacco legislation need to reconsider. And, in fact, in some sadness I am not even sure there will be tobacco legislation. I hope otherwise. But one cannot be confident at this point.

In any event, some will say—and I close on this point—that the corrections bill puts in $1.6 billion for other veterans programs. And indeed it does. But our friends in the veterans community speak with one voice on this issue. And I agree. They cannot support the increase in benefits to one set of veterans to be paid by the cutting of important benefits to another set of veterans.

Veterans across this Nation reject this attempt to buy them off. That is why I urge support of my amendment. It is a simple choice. Again, the choice is not highways versus veterans. Highways are fully protected. Veterans are not. Please choose veterans.

I thank the Presiding Officer and I yield the floor.

Mr. DEWINE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Ohio.

Mr. DEWINE. Mr. President, I ask unanimous consent to proceed in morning business for the next 25 minutes.

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

TOBACCO LEGISLATION AND THE COVERDELL-CRAIG AMENDMENT

Mr. DEWINE. Mr. President, I rise this afternoon to support the Coverdell-Craig amendment. As the Chair knows, and Members know, the Coverdell-Craig amendment was offered yesterday to the underlying McCain tobacco bill. I congratulate my colleague from Georgia and my colleague from Idaho for this very worthwhile amendment.

Let me first, though, begin by saying, again, what I have said numerous times on the Senate floor in the last few weeks, and that is I support the underlying McCain bill.

It represents a unique and critical opportunity to change attitudes and to save young lives from the debilitating effects of smoking. All of us know, Mr. President, all too well, that youth smoking is a component of an even larger and more dangerous reality, the tragedy of youth drug use.

If we had to talk about the health problems in this country today, particularly if we want to talk about the preventable health problems in this country, we would talk about illicit drug use, we would talk about smoking, and we would talk about abuse of alcohol. Those three are clearly the three biggest, the things that will ultimately kill tens of thousands of Americans. They prey on our young.

So I think it makes sense, as we struggle in this Senate to come up with a comprehensive bill that deals with our tobacco problem in this country, that we also use this as an opportunity to deal with another problem, and certainly a related problem, and that is the use of illicit drugs. So I congratulate my friends and colleagues from Georgia and Idaho, Senator COVERDELL, Senator CRAIG, for this very good amendment.

I think we need to use this unique opportunity to address youth smoking. But we also need to take it one step further and address youth drug use. Doing so would make this even more effective, this current bill, the McCain bill, even more effective in changing the young lives for the better.

Mr. President, drug trafficking remains a tragic reality of life in this country today. Let me share some facts with my colleagues.

Fact: Recent reports suggest that heroin trafficking from Mexico has dramatically increased.

Fact No. 2: The Caribbean is fast becoming once again a major illegal drug transit route.

Fact: While drug production and trafficking have been on the rise, our resources we, as a country, have dedicated for drug interdiction have dramatically declined.

In 1987, approximately 27 percent of the entire national drug control budget was dedicated to interdiction. During that period of time, the United States did, in fact, make a dent in the trafficking of narcotics. Cocaine seizures, for example, were significantly up.

However, Mr. President, starting in the early 1990s, the percentage of drug control funds devoted to interdiction has declined dramatically. In fact, by 1995, only 10 percent of the national drug budget was dedicated to interdiction—a very significant drop. By 1998, the percentage still remained at 10 percent. Looking at it another way, in 1992, over $2 billion was dedicated to interdiction purposes. But by 1995, only $1.2 billion was set aside for this specific matter.

Mr. President, let me be very clear. I strongly support—strongly support—increased funding to deal with the demand side of the drug situation that is finding ways to persuade Americans, particularly young Americans, that doing drugs is wrong, that it destroys lives, and destroys families, schools, and communities.

In a sense, Mr. President, we could argue that in the end reducing demand is the only real effective way to ultimately overcome the threat of drugs in this country today. As long as there is a demand for drugs, there will always be a supply. That is why education as well as drug treatment remains central long-term goals.

The amendment offered by the Senator from Georgia and the Senator from Idaho recognizes the need to invest in demand-reduction efforts, as well as the need to invest in interdiction efforts. However, reducing the demand for drugs is not going to be achieved overnight. It will take years, if not generations, to change minds and attitudes regarding the use or abuse of drugs.

I believe one way to reduce demand is to have an effective interdiction policy, one that will put a serious dent into the flow of drugs into this country. We must find ways to raise the cost of narcotics trafficking, making it far more difficult for drug lords to bring these drugs to our Nation and making the cost of drugs on the streets—whether that be the streets of New York, Los Angeles or Cleveland—making the cost of those drugs go up. Just like the underlying bill, we can impact demand by raising the street value of drugs, and we can do that by going after the supply routes.

There is an inverse relationship between the cost and consumption. I believe that is true with drugs. I believe that is also true with cigarettes. That is the basic principle of the McCain bill. I think it is logical to extend that principle, as my colleagues have done, Senator COVERDELL and Senator CRAIG, in this amendment.

As I mentioned, I do want to make it very, very clear: Drug interdiction, which I am talking about this afternoon, is only one of the things that we have to do. We have to have good domestic law enforcement. We have to deal with the problem of treatment. Treatment does work. It is tough but it can, in fact, work. We can save lives. We have to continue to invest in treatment. Education prevention—that works, as well, as long as we are consistent. As long as we do something consistently through a child's life, it works. So we need to focus on that, as well.

Let me turn now to what I was talking about a moment ago, that is the need to increase our emphasis on drug interdiction. As I mentioned before, the Caribbean is becoming more and more the transit route of choice for drug traffickers. I made two visits to this transit zone in the Caribbean in the last several months. During my last visit, I learned that our agents in the Bahamas have seized more cocaine in the first 3 months of 1998 than in the past previous 3 years combined. With sufficient funding, interdiction efforts can make a huge difference. Clearly, drastic funding reductions have drastic consequences when it comes to results.

I had the chance on these visits to meet with the soldiers on the front lines, or sailors on the front lines of our war on drugs. I witnessed our strategy in action. I sat down with the experts, both military and civilian, the people who are actually on the front line, the people who are charged with carrying out the monitoring, the detection, and the interdiction of drugs. Given what I have learned during these visits and the conclusions I have reached, the amendment by the Senators from Georgia and Idaho could not have come at a better time. There is a dire need for a renewed commitment, a rededication of resources toward drug interdiction.

With energy and with adequate resources, our drug interdiction efforts can be improved. We cannot ask those tasked to implement our drug interdiction strategy to conduct their missions without the proper level of resources to do the job. One reason why is simple: This drug interdiction puts the lives of these law enforcement officers in danger. That is the nature of the business. We have to ensure that they have the best equipment, the best resources and the best intelligence so that they can carry out this mission, not only so they can be effective, but so they can do it in as safe a way as humanly possible. The men and women charged with interdicting drugs face a ruthless enemy who will go to great lengths to protect their cartel. We are dealing with millions and millions of dollars.

When I visited the Caribbean last month, I saw videos of drug traffickers in "go-fast" boats—that is what they are called, go-fast boats—that are made almost exclusively for the only purpose of bringing drugs up from Colombia, bringing up drugs from that part of the world. I saw videos of the go-fast boats literally running over Customs vessels in the shallow waters south of Florida during a nighttime interdiction pursuit. I believe we owe it to these law enforcement officers to ensure they have the proper equipment and manpower to do the job they were asked to perform. After all, it is unfortunate reality that the drug cartels don't have a budget process or a bureaucracy to slow them down. These drug cartels, these drug lords, are constantly adjusting to their environment and updating their equipment.

What kind of resources are we talking about? What kind of resources do I believe we are lacking? Let me use the U.S. Customs Service operating in south Florida as just one example. In 1986, Customs had 77 vessels and 124 maritime officers. Today, they are now down to 30 vessels and 23 officers. Funding for the Maritime Enforcement Program is down from $13.25 million—that was the figure in 1992—to $5.2 billion. So we have gone from $13.25 million in 1992 to $5.2 million in 1997.

Further, Customs no longer has a 7-day, 24-hour operation. To make matters worse, Customs not only lacks basic resources, they also lack 1990s technology. A Colombian go-fast boat can go between 80 and 90 miles per hour, while the few Customs go-fast boats that are available only top about 70 miles per hour. So not only does Customs lack resources in general, they lack the state-of-the-art equipment needed to match those of the drug lords.

On my most recent trip, I visited the Joint Inter-Agency Task Force located in Key West, FL. This is the primary hub for detection, monitoring, and interdiction efforts. During these visits, I saw firsthand that our government agencies there—and there are many—have tremendous monitoring and detection capability, and they are doing a good job. They can detect when a small, drug-carrying aircraft is leaving Colombia and making the journey across the Caribbean.

Unfortunately, however, while we may have the capability to detect and monitor drug trafficking in the Caribbean airspace, we do not have adequate resources and capabilities for the end game—the actual seizing of illegal drugs in transit. And the drug lords know this. For example, I was informed that of the total drug air events in the Bahamas from April of 1997 until April 1998, our U.S. agents state that there was only an 8-percent success rate of stopping drug air flights that have been detected—8 percent. That means approximately 92 percent got away. And though cocaine seizures are up, their concern is the higher amounts seized represent probably a fraction of the total amount of drugs coming through the area.

While in Key West, I was also briefed on specific interdiction efforts in the eastern Pacific. I was surprised to find out that in the Eastern Pacific, off the coast of Mexico and Central America, up this region that is cut off on the map, the coast is virtually, literally clear for drug lords to do their business. Mr. President, this is simply not acceptable.

The U.S. Government—and I am talking about us—is not effectively dealing with this increasingly large threat in the Eastern Pacific. We have virtually no presence because of the lack of funding. I was briefed about an operation called Caper Focus, which would have focused on interdiction efforts in the area. We would have had a number of surface assets and aircraft to patrol the waters and interdict. This operation, unfortunately, was canceled before it started because of a Department of Defense decision to send the needed surface assets elsewhere. To date, this issue has not been resolved, and the coastal waters in the Eastern Pacific are open for drug business.

Mr. President, our men and women who work on interdiction matters on a daily basis are committed to success, but they are not getting the support that they really need from us. Because of limited resources, we are selectively spending resources—a little bit here and a little bit there, a little bit at a time, and in different places. This, of course, has tremendous negative consequences.

With more limited resources, we could seal off one or two of the so-called "drug corridors," but the reality is that drug routes are constantly in flux, as the traffickers always seek to exploit the chinks in the armor of law enforcement. This phenomenon has been compared to the squeezing of a balloon—squeezing it at one end and it pops out on the other. That is the problem we have constantly run into in this antidrug effort. When we step up efforts in one area, like squeezing a balloon on one end, the traffickers just move to another area.

Let me give my colleagues an example of this. On one of my recent trips I saw that, in particular, Haiti has become an attractive rest-stop on the cocaine highway. Haiti is strategically located about halfway between the source country—Colombia—and the destination country—right here in the United States. Haitian law enforcement, though slowly getting better, is really unequipped to put a dent in the drug trade. What's more, their coast guard fleet, while it is improving and we are working with it, consists of a handful of boats. And as it is the poorest country in the hemisphere, by far, Haiti is extremely vulnerable to the kind of bribery and corruption that the drug trade needs in order to flourish. It is not surprising that the level of drugs moving through Haiti has dramatically increased.

According to a U.S. Government interagency assessment on cocaine movement, in 1996, between 5 and 8 percent of the cocaine coming into the U.S. passed through Haiti. By the third quarter of 1997, the percentage jumped 12 percent, and then it increased to 19 percent by the end of that year.

Mr. President, accordingly, because of that, we responded to this crisis with a military operation called Operation Frontier Lance. Operation Frontier Lance utilized Coast Guard cutters, speedboats, and helicopters to detect and capture drug dealers on a 24-hour per day basis. Incidentally, Mr. President, this operation was modeled after another successful interdiction effort off the coast of Puerto Rico, called Operation Frontier Shield. However, unfortunately, funding for Frontier Lance ran out and the operation just ceased. In fact, it ceased on Monday of this week. I had the opportunity to be on one of the cutters that was off the coast of Haiti and talk to the men and women who were so proud of the tremendous job they were doing. This potential roadblock on the cocaine highway is no more. Again, it ceased to exist this past Monday. The reality also is that Coast Guard funding has been slashed in the past several years. I think this is a mistake.

It is my hope that by passing the Coverdell-Craig amendment, we can jump start Operation Frontier Lance, and other similar programs. We need to get back into the game.

Now, Mr. President, our first and best resource in this antidrug effort, of course, is people. We are lacking in personnel in areas where we need it the most. Of the more than 100 U.S. drug enforcement agents authorized to be in the Caribbean, I was surprised to find only one agent in Haiti last March

when I visited. Since my March visit, the DEA has agreed to add six more agents; that is clearly the direction in which we ought to go. But we also need additional manpower, men and women, to go to the Dominican Republic, and other areas of the Caribbean as well.

Mr. President, as I mentioned earlier, one of the major problems regarding our current interdiction efforts is that we are using scarce resources sparingly. The drug traffickers know that if we place resources in one or two selective places, they will just switch their routes and go elsewhere. A more logical approach, more funding permitting, would be to have more manpower and resources at different key places at the same time; or, in other words, "squeeze the balloon" at different ends—all at the same time. I believe that we can do that by passing the Coverdell-Craig amendment. That is why I support this timely amendment.

Mr. President, I believe it is time to rededicate ourselves to an effective interdiction strategy. A lot of good work is now going on. But we can do a lot more and we can do better. I have had the opportunity to see our efforts firsthand. We are competing with an enemy that has increased its resources to do the job, while we tragically have cut our resources by more than half. Having said that, I also believe that we must have a clear idea what we should expect with increased funding. In short, we need to ascertain from the relevant agencies, whether it be from the Navy, Coast Guard, Customs, DEA, FBI, or whatever the agency may be, what we can expect to accomplish with more resources, and we have to look to them to tell us what they think they can do. I believe it is our obligation to give them those resources and to give them the direction. My point is that we need to make sure that the Government agencies have the necessary amount of money and that they indeed strictly use the funds for counter-narcotics efforts.

Again, I want to commend my friend from Georgia, Senator COVERDELL, as well as Senator CRAIG, for their efforts in this regard, their efforts in combating the drug threat both within and beyond our borders. I look forward to working with them and other colleagues on this important, new initiative.

In conclusion, let me just say again how important I believe it is that we pass the McCain bill. It has been a struggle. No one should have expected it not to be a struggle. This is a big bill. It is comprehensive legislation. It is tough sledding. We knew that when we started. But we should not be discouraged. The stakes, I think, are very high. What are the stakes? The stakes are whether or not we are going to seize this historic opportunity to pass legislation that will, in fact, have a significant impact on reducing the number of young people who start smoking every day. The consequence of this legislation will affect not only young people today, it is going to impact our society for years and years to come. So we should continue, we should push on, and we should get the job done.

The amendment that I am speaking about this afternoon—I am sure we will be back on it again next week—which was brought to the floor by Senator COVERDELL, is an amendment that I believe will improve the McCain bill. It will improve it by taking some of the resources from the bill and using it in the antidrug effort, using it on drug interdiction, which I believe is so urgently needed. With some additional resources, I am convinced that the men and women who I have had the chance in the last several years to meet with, to see, that are on the front lines, along our borders—and I have had the chance to visit our borders—as well as in the Caribbean and other areas, I believe they can get the job done.

I believe that they can impact the drug trade. They can only do it though if we are willing to give them the resources and give them the backing to allow them to do that job.

Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

NATIONAL DRUG COURT WEEK

Mr. CAMPBELL. Mr. President, I begin my statement today thanking the various individuals and organizations that support the drug court programs. I have always been a strong supporter of drug court, and wish to express my pleasure with the "National Drug Court Week" events that are scheduled in Washington, DC this week. Recognizing the importance of practitioners who work on drug courts and the significant contributions that drug courts have made, and continue to make, in reducing drug use and crime in our communities is extremely important. I believe in the success of the drug courts and wish to acknowledge the dedicated efforts of drug court professionals.

Drug Courts are revolutionizing the criminal justice system. The strategy behind drug courts departs from traditional criminal justice practice by placing nonviolent drug abusing offenders into intensive court supervised drug treatment instead of prison. Some drug courts target first time offenders, while others concentrate on habitual offenders. They all aim to reduce drug abuse and crime.

Drug court programs have expanded from the original 12 in 1994 to around 400 today. Drug courts provide comprehensive judicial monitoring, drug testing and supervision, treatment and rehabilitative services, and sanctions and incentives for drug using offenders. The success of the drug court system is well documented. More than 70% of drug court clients have successfully completed the program or remain as active participants. Additionally, the cost of drug court programs are significantly less than the cost of incarceration and traditional court systems.

In my home state of Colorado the drug court movement is growing. Started in 1994, the Denver Drug Court assigns defendants to one of three tracks. Tracks 1 and 2 are community supervision and treatment tracks. Track 3 is a serious offender incarceration track. These tracks establish the different type of programs that are offered to various offenders.

Approximately 75% of all drug cases are appropriate for the community supervision track. At any given time, approximately 1500 cases are under court supervision. An analysis of post-conviction progress reviews of offenders under Track 1 or Track 2 demonstrates that 67% of those individuals complied with the Drug Court Program and did not use any illegal substances. Since the graduation of the first class in July 1995, the Drug Court has successfully graduated over 500 individuals. Of the 100 graduates who have been out of the Drug Court for one year or longer, only 10% have been rearrested for a felony offense.

Last year, General McCaffrey and I had the opportunity to observe the Denver Drug Court. Through this experience I was able to see first hand the judicial procedures surrounding drug courts. I was impressed with Denver's Drug Court procedures, and believe in the success they will yield.

I am pleased with the success of the Denver Drug Court program and support the growing programs within Colorado. I believe the success of drug courts is well documented and strong Congressional support should be given to the rehabilitation of future drug offenders. Traditional incarceration has yielded little gains for our drug offenders. Costs are too high and the rehabilitation rate is minimal. The drug courts of America are an excellent way to make strides forward in our fight against drugs. I commend the National Association of Drug Court Professionals (NADCP) in their planning and sponsoring of "National Drug Court Week" events here in Washington. The recognition of this excellent program and promotion of its initiatives is well deserved.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Thursday,

June 4, 1998, the Federal debt stood at $5,496,567,867,122.10 (Five trillion, four hundred ninety-six billion, five hundred sixty-seven million, eight hundred sixty-seven thousand, one hundred twenty-two dollars and ten cents).

One year ago, June 4, 1997, the Federal debt stood at $5,358,712,000,000 (Five trillion, three hundred fifty-eight billion, seven hundred twelve million).

Five years ago, June 4, 1993, the Federal debt stood at $4,301,348,000,000 (Four trillion, three hundred one billion, three hundred forty-eight million).

Twenty-five years ago, June 4, 1973, the Federal debt stood at $452,029,000,000 (Four hundred fifty-two billion, twenty-nine million) which reflects a debt increase of more than $5 trillion —$5,044,538,867,122.10 (Five trillion, forty-four billion, five hundred thirty-eight million, eight hundred sixty-seven thousand, one hundred twenty-two dollars and ten cents) during the past 25 years.

DEATH OF SENATOR BARRY GOLDWATER

Mr. MURKOWSKI. Mr. President, I rise today to speak of the passing of our former colleague, Senator Barry Goldwater—one of the giants of twentieth century American politics.

There is no doubt that Barry Goldwater was a transformational political thinker whose courage and conviction never wavered despite enduring a defeat in 1964. For in that defeat were sown the seeds of the Republican revolution that ultimately brought Ronald Reagan to the Presidency in 1980 and Republicans to control of Congress 14 years later.

Senator Goldwater was a man who never minced words. He was honest, open and forthright. After his 1964 Presidential hopes were completely vanquished, he observed "When you've lost an election by that much, it isn't the case of whether you made the wrong speech or wore the wrong necktie. It was just the wrong time." In fact, Barry Goldwater was far ahead of his time and had the opportunity to see his beliefs vindicated when Ronald Reagan was elected President.

Barry Goldwater did not base his political views on focus groups or poll results. He had core beliefs and was not willing to bend them for temporary political advantage. He warned of the dangers of big government and the welfare state precisely at the time that Lyndon Johnson was constructing the largest expansion of government since the Depression. He preached a strategy of winning the cold war through a policy of peace through strength while the conventional wisdom argued for peaceful coexistence with a de-emphasis on military strength.

When the American Presidency was in crisis in 1974 after the Supreme Court had ruled against President Nixon's claims of Executive Privilege, Senator Goldwater joined several Congressional colleagues in a visit to the White House to give counsel to the President. Although he had long supported President Nixon throughout the ordeal of Watergate, most observers believe that his words were decisive in persuading the President that the case was hopeless and for the good of the Nation he must resign.

Mr. President, there are certain quotations that live on decades and centuries after a man has died, yet they capture the spirit of the time and the man. Two centuries ago, when America was heading into revolution, that spirit was best captured in the words of Patrick Henry: "Give me liberty or give me death." The words of Barry Goldwater spoken 34 years ago at the Republican convention best sum up the spirit, clarity and wisdom that he will forever be remembered for: "Extremism in the defense of liberty is no vice, and moderation in the pursuit of justice is no virtue."

We will all miss this decent and honest man who made such a difference for America.

GOVERNMENT PICKING WINNERS AND LOSERS

Mr. ABRAHAM. Mr. President, I am compelled to rise today to comment once again on what I consider to be the troubling path that the Federal Government has taken with respect to this nation's high-tech industry. It has come to my attention that on Monday, the Federal Trade Commission will vote on whether to bring an antitrust action against Intel Corp.

In November of last year I warned the Senate Judiciary Committee during a hearing on the Department of Justice's investigation of Microsoft of the slippery slope of more government regulation of, and intrusion into, America's high-technology sector. Monday's proposed vote makes clear to me that we are well into our slide. We are now witnessing a revolution in antitrust action in which it appears the Federal Government seeks to influence the very terms on which intellectual property is shared within an industry. We already have an entire field of laws that deal with this Mr. President. They are called "patents," and to the extent that there are deficiencies in patent law, this Congress is attempting to address those concerns through legislation.

We do not need the Federal Trade Commission's help in this endeavor. Let me make clear, I do believe in appropriate antitrust enforcement. In this industry, however, overzealous pursuit of alleged antitrust violations sends a chilling signal to one of this nation's most prized industries: Success is illegal, violators will be punished.

It is extremely important to keep in mind that our antitrust regulation is intended to protect consumers. I believe our central concern in looking at antitrust as it relates to the high-tech industry should be to ensure that consumers continue to see prices go down as the quality and variety of products go up.

American consumers are presented with a vast number of choices in the high-tech marketplace. One need only walk into one of the thousands of computer and software stores in America to find an enormous, even bewildering selection of hardware for every imaginable need. The overwhelming evidence indicates that competitiveness is alive and well in the high-tech industry—indeed, virtually the only monopolies that exist today are those that have been created by government.

Mr. President, it is time for Washington to get out of the business of picking winners and losers in the free market, and I am deeply concerned about the FTC's actions to this effect. I intend to closely monitor this matter, and I encourage my colleagues to join with me in expressing their concerns about the increasing amount of government intrusion into this sector of the economy.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Kalbaugh, 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 was referred to the Committee on the Judiciary.

(The nomination received today is printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 2:30 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House of Representatives to the bill (S. 1150) to ensure that federally funded agricultural research, extension, and education address high-priority concerns with national or multistate significance, to reform, extend, and eliminate certain agriculture research programs, and for other purposes.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3433. An act to amend the Social Security Act to established a Ticket to Work

and Self-Sufficiency Program in the Social Security Administration to provide beneficiaries with disabilities meaningful opportunities to return to work, to extend Medicare coverage for such beneficiaries, and to make additional miscellaneous amendments relating to Social Security.

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate.

H. Con. Res. 285. Concurrent resolution expressing the sense of Congress that the President of the United States should reconsider his decision to be formally received in Tiananmen Square by the Government of the People's Republic of China.

At 3:04 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 284. Concurrent resolution revising the congressional budget for the United States Government for fiscal year 1998, establishing the congressional budget for the United States Government for fiscal year 1999, and setting forth appropriate budgetary levels for fiscal year 2000, 2001, 2002, and 2003.

MEASURES REFERRED

The following concurrent resolution was read and referred as indicated:

H. Con. Res. 285. Concurrent resolution expresssing the sense of Congress that the President of the United States should reconsider his decision to be formally received in Tiananmen Square by the Government of the People's Republic of China; to the Committee on Foreign Relations.

MEASURE READ THE FIRST TIME

The following bill was read the first time:

H.R. 3433: An act to amend the Social Security Act to establish a Ticket to Work and Self-Sufficiency Program in the Social Security Administration to provide beneficiaries with disabiliites meaningful opportunities to return to work, to extend Medicare coverage for such beneficiaries, and to make additional miscellaneous amendments relating to Social Security.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 1275. A bill to implement further the Act (Public Law 94-241) approving the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, and for other purposes (Rept. No. 105-201).

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute and an amendment to the title:

S. 1693. A bill to renew, reform, reinvigorate, and protect the National Park System (Rept. No. 105-202).

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, without amendment:

H.R. 1460. A bill to allow for election of the Delegate from Guam by other than separate ballot, and for other purposes (Rept. No. 105-203).

By Mr. BENNETT, from the Committee on Appropriations, without amendment:

S. 2137. An original bill making appropriations for the Legislative Branch for the fiscal year ending September 30, 1999, and for other purposes (Rept. No. 105-204).

By Mr. CAMPBELL, from the Committee on Indian Affairs, with an amendment in the nature of a substitute and an amendment to the title:

S. 2069. A bill to permit the leasing of mineral rights, in any case in which the Indian owners of an allotment that is located within the boundaries of the Fort Berthold Indian Reservation and held in trust by the United States have executed leases to more than 50 percent of the mineral estate of that allotment (Rept. No. 105-205).

By Mr. DOMENICI, from the Committee on Appropriations, without amendment:

S. 2138. An original bill making appropriations for energy and water development for the fiscal year ending September 30, 1999, and for other purposes (Rept. No. 105-206).

By Mr. CAMPBELL, from the Committee on Indian Affairs, with an amendment in the nature of a substitute:

S. 1279. A bill to amend the Indian Employment, Training and Related Services Demonstration Act of 1992 to provide for the transfer of services and personnel from the Bureau of Indian Affairs to the Office of Self-Governance, to emphasize the need for job creation on Indian reservations, and for other purposes (Rept. No. 105-207).

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. SMITH of New Hampshire (for himself, Mr. HELMS, and Mr. ASHCROFT):

S. 2135. A bill to amend title 42, United States Code, to protect human life; to the Committee on the Judiciary.

By Mr. GORTON:

S. 2136. A bill to provide for the exchange of certain land in the State of Washington; to the Committee on Energy and Natural Resources.

By Mr. BENNETT:

S. 2137. An original bill making appropriations for the Legislative Branch for the fiscal year ending September 30, 1999, and for other purposes; from the Committee on Appropriations; placed on the calendar.

By Mr. DOMENICI:

S. 2138. An original bill making appropriations for energy and water development for the fiscal year ending September 30, 1999, and for other purposes; from the Committee on Appropriations; placed on the calendar.

By Mr. THURMOND:

S. 2139. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel YESTERDAYS DREAM; to the Committee on Commerce, Science, and Transportation.

By Mr. CAMPBELL:

S. 2140. A bill to amend the Reclamation Projects Authorization and Adjustment Act of 1992 to authorize the Secretary of the Interior to participate in the design, planning, and construction of the Denver Water Reuse project; to the Committee on Energy and Natural Resources.

S. 2141. A bill to require certain notices in any mailing using a game of chance for the promotion of a product or service, and for other purposes; to the Committee on Governmental Affairs.

S. 2142. A bill to authorize the Secretary of the Interior to convey the facilities of the Pine River Project, to allow jurisdictional transfer of lands between the Department of Agriculture, Forest Service, and the Department of the Interior, Bureau of Reclamation, and the Bureau of Indian Affairs, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. SMITH of New Hampshire (for himself, Mr. HELMS, and Mr. ASHCROFT):

S.J. Res. 49. A joint resolution proposing a constitutional amendment to protect human life; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Ms. COLLINS (for herself, Mr. LOTT, Mr. HUTCHINSON, and Mr. ABRAHAM):

S. Res. 244. A resolution expressing the sense of the Senate on the ninth anniversary of the massacre of pro-democracy demonstrators on Tiananmen Square by military forces acting under orders from the Government of the People's Republic of China; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SMITH of New Hampshire (for himself, Mr. HELMS, and Mr. ASHCROFT):

S. 2135. A bill to amend title 42, United States Code, to protect human life; to the Committee on the Judiciary.

LEGISLATION TO PROTECT HUMAN LIFE

By Mr. SMITH of New Hampshire (for himself, Mr. HELMS, and Mr. ASHCROFT):

S.J. Res. 49. A joint resolution proposing a constitutional amendment to protect human life; to the Committee on the Judiciary.

CONSTITUTIONAL AMENDMENT TO PROTECT HUMAN LIFE

Mr. SMITH of New Hampshire. Mr. President, our Nation's founding document, the Declaration of Independence, ultimately proclaimed that the right to life comes from God and that it is unalienable. Life itself, the declaration held, is the fundamental right without which the rights of liberty and the pursuit of happiness have no meaning. As the author of the declaration, Thomas Jefferson, wrote, "The care of human life and not its destruction . . . is the first and only object of good government."

It is important and I think proper to note that without that basic right of

life, there is no liberty, there is no opportunity to pursue happiness in any way, shape, or form.

One hundred ninety-seven years after that Declaration of Independence, in 1973, the U.S. Supreme Court violated this most sacred principle of the declaration. In Roe versus Wade, the Supreme Court held that the entire class of unborn children—from fertilization to birth—have no right to life and may be destroyed at will. As we know, the statistics are pretty dramatic. Thirty-five million children since Roe versus Wade were denied the opportunity to be born. Without getting into the reasons or the explanations or the rationale, the result is that 35 million children were denied that right.

In subsequent cases, the Court has zealously guarded the right to abortion that the Court created. The Court has repeatedly rejected all meaningful attempts by the States to protect the unalienable right to life of unborn children since that decision in 1973.

Mr. President, those of us who support the pro-life cause must never lose sight of our ultimate goal. Our objective is very simple. It is not complicated. It is to keep the promise of the Declaration of Independence. There is only one way to do that, Mr. President, and that is to overturn Roe versus Wade and restore to unborn children their God-given right to life, a God-given right that our Constitution. I believe, and certainly the declaration, gave them. And the Court took it away—a court, by the way, that is sworn to uphold the Constitution.

In order to keep that hope alive in the Senate today, Mr. President, I am introducing two legislative proposals, and I am pleased and honored that the distinguished Senator from North Carolina, Mr. HELMS, and the distinguished Senator from Missouri, Mr. ASHCROFT, are joining me as original cosponsors of both measures.

Senator HELMS for many, many years—long before my time in the Senate—had the courage to stand here on the Senate floor day after day, week after week, taking insult after insult but supporting the lives of unborn children. I believe history will judge Senator HELMS very prominently in this regard. And Senator ASHCROFT, with less time in the Senate, is certainly a strong proponent and advocate of the right to life of unborn children.

Let me talk specifically about the bills—first, a bill, the Human Life Act of 1998. The human life bill sets forth the findings of Congress that "the right to life is the paramount and most fundamental right of a person" and that "the life of each human being begins at fertilization." Based on these findings, and in the exercise of the power of Congress under section 5 of the 14th amendment, my bill establishes that the word "person," as used in the Constitution, applies to all human beings, including unborn children, because, Mr. President, an unborn child is a human being.

I have never been able to understand the rationale, as many times as it has been debated here on the floor, how one can say that an unborn child is not a human being. Remember, if it is a human being, it deserves the right of protection under the Constitution of the United States.

As one Senator, I will freely admit that when fertilization occurred, I was created. There was a sequence of time that occurred after that caused me to be here today, standing on the floor of the U.S. Senate. If it had been interrupted at any stage from that moment of fertilization until today, I wouldn't be here.

The effect of this legislative determination that the unborn child is a human being and, therefore, a "person" would be to place unborn children under constitutional shield of due process and equal protection clauses of the 14th amendment. Thus, the right to life of every unborn person would be protected to the same extent that the right to life of all born persons is guaranteed by our Constitution.

Mr. President, today we have seen in this day and this age a number of violent acts: School shootings, violence of children upon children, of children upon parents, terrible violence. I think we have a cultural problem. Most Americans would not deny that.

I think it is fair to say that we need to set an example as adults—those who are supposedly leaders of our country not only here in the Senate, or in the White House, or in the Congress, but also at the head of our communities, our families, whatever else. Whatever the role we may play as parents, as citizens, or husbands, or wives. I think we have a role to set an example. I would ask here on the floor of the Senate my colleagues: Are we setting an example for young people to follow when, at the will of any individual at any time after fertilization occurs, we say or we tolerate that that unborn child's life may be ended? It is an innocent life. It is a life who can't speak here on the floor of U.S. Senate. No child who is unborn has the opportunity to stand up on the floor and say, "I'd like to live; I'd like to have the opportunity to raise a family, to be a leader, to be a preacher, be a Senator, be a doctor, to cure cancer, to be a teacher, be a good mom, a good dad. I would like to have that opportunity." I think they would say if they could speak that they do not have that opportunity.

I think of those 35 million children, I say to my colleagues, since 1973 whose lives have been ended. How many of those children may have lived to find that cure for cancer or may have lived to have made a difference in a life—perhaps one of those lives of those children who took the lives of others? Perhaps one of these children who died may have been a counselor, may have been somebody on the spot who may have made a difference. We will never know, because those 35 million lives are gone—never had the opportunity to be happy, never had the opportunity to be successful, never had the opportunity to live—gone. And we did it. We did it because of that Supreme Court decision. It is wrong.

I am reminded of Abraham Lincoln—a totally different issue but very similar in terms of its scope. Abraham Lincoln didn't take polls when he stood up in the United States of America in the 1860s and said: Slavery is wrong. It is wrong to enslave an American, or any individual, because of the color of their skin. And he spoke out against it. He spoke out eloquently against it, and he didn't take polls. He didn't stand up at a press conference and say to his aide, "I am going to examine the feelings of my constituents on this. Would you please take a poll and find out whether the majority of the American people favor slavery or oppose slavery?"

I am reminded of what Lincoln said. I don't have the exact quote in front of me. I am going to paraphrase it from memory. He said: They tell me not to oppose slavery in the slave States, because they have left the country, so it is not our concern. They tell me not to oppose slavery in the free States, because we don't need to because they are free. They tell me not to oppose slavery from the pulpit, because it is not religion. And they tell me not to oppose slavery in politics, because it causes too much of a fuss.

Substitute abortion for slavery in each of those four examples and you have the same situation. If we can't oppose it in any of the 50 States, if we can't oppose it in politics, if we can't oppose it in religion, where does that leave the unborn children who will never have the opportunity to stand up here and debate this issue?

The right to life of every unborn person should be protected to the same extent as the right to life of all born persons. How can anybody in America, any Christian in the Judeo-Christian culture of America, not believe that?

I know the insults. I have been the victim of them. I know the taunts. I know the recriminations that come from standing up here and making these comments. But it is nothing—nothing—compared to what those unborn children endure because they have been denied after they have been created by God himself. Man denies them the right to life, that life.

I am reminded of Gianna Jesson, a young woman, perhaps 23 or 24 now, who was aborted. She was aborted. I saw her sing "Amazing Grace"in front of 1,000 people a couple of years ago in which she said "I am thankful to my God to be where I am today, and I forgive my mother." Well, I say that is

powerful, Mr. President. I have never seen anything to equal it. Not from the lips of any politician or any pastor have I ever seen testimony stronger or more powerful than that young woman crippled by abortion standing up before 1,000 people and singing "Amazing Grace." There was not a dry eye in the place. That woman deserved the right to live. So did every one of those other 35 million children who have been denied.

There is only one way to stop this. We can preach about it. We can talk about it. We can debate it in politics. We can sing, or be quiet and be silent. But there is only way to stop it. We have to change the Court. The Supreme Court is wrong. In 1857, the Supreme Court said in the Dred Scott decision that a slave could not sue in federal court because he was property and not human. Chief Justice Roger Taney made that decision. The Supreme Court is not omnipotent. Roger Taney was wrong in that decision. He was wrong. And *Roe* v. *Wade* was wrong. And we need to change it.

My bill provides that nothing—nothing—in it "shall prohibit a law allowing justification to be shown for only those medical procedures required to prevent the death of either the pregnant woman or her unborn offspring as long as such a law requires every reasonable effort be made to preserve the lives of both of them."

I am also introducing a joint resolution that would submit the human life amendment to the States for ratification as part of the Constitution of the United States. Specifically and more directly, I am introducing an amendment to the Constitution of the United States to protect the lives of unborn children. It has been done before. It has been introduced before, and it has gone nowhere. It doesn't mean that it should not be introduced again and again and again and again until somehow, someway the message is received in this country that we have to protect the lives of these innocent children.

Let me explain why I am proposing a human life amendment in addition to the human life bill. If the human life bill were to be enacted into law and its constitutionality upheld by the Supreme Court, it could be weakened or repealed by some Congress of the future. But a human life amendment to the Constitution could not be altered or repealed except by another constitutional amendment. Thus, my human life amendment would provide more durable protection to the fundamental right to life of unborn children.

Like the human life bill, the human life amendment restores the word "person" in the Constitution to its original and natural meaning by making clear that it includes all human beings—all human beings—born and unborn.

I have witnessed the birth of three of my children. It is a privilege that I am glad I had. I will tell you something. There is no difference between the 15 or 20 minutes before the child was born, when it was in the womb and I could not see it, and 15 or 20 minutes after the child was born when I saw my daughter and my two sons for the first time. There is no difference. Why is it right and proper under the law to kill that child 20 minutes or 20 days or 20 months before that wonderful time when the child comes into the world? Why is it right to do that and wrong to do it 20 minutes or 20 months or 20 years after? It is wrong in both cases. It is wrong in both cases.

So the human life amendment includes the same language as the bill regarding medical procedures required to prevent the death of either the pregnant woman or her unborn offspring.

I introduce these two legislative proposals and I realize as I stand here today that there is not sufficient support in the Congress to restore legal protection of the right to life of unborn children in this country, but I believe ultimately we will prevail. When the abolitionists stood in this Chamber in the 1820s and the 1830s and the 1840s and they said that slavery was wrong, they did not prevail either, but ultimately they did because they were right. And we are right. It is wrong to take the lives of unborn children, and someday, someway, somehow, the American people are going to come to realize this, and they are going to throw everybody out of here who will not support the changing of that court. That is what they are going to do.

One of our Nation's greatest Presidents, in my estimation, Ronald Reagan, had the same confidence that the right-to-life cause someday will prevail. He believed it deep into his being. I can remember meeting personally with President Reagan and discussing this issue with him. I know how deeply he felt about it, and I also know the attacks he had, but I would ask my colleagues who somehow are a bit timid to stand up; when this issue comes up, they hide, many of them. They are worried about the political repercussions. Well, those repercussions of politics are not as bad as what Gianna Jesson went through when she was aborted. Here is what Reagan said 14 years ago in a book called "Abortion and the Conscience of the Nation."

> Despite the formidable obstacles before us, we must not lose heart. This is not the first time our country has been divided by a Supreme Court decision that denied the value of certain human lives.

This is a reference to what I talked about earlier.

> The Dred Scott decision of 1857 was not overturned in a day, or a year, or even a decade. At first, only a minority of Americans recognized and deplored the moral crisis brought about by denying the full humanity of our black brothers and sisters; but that minority persisted in their vision and finally prevailed. They did it by appealing to the hearts and to the minds of their countrymen, to the truth of human dignity under God. From their example, we know that respect for the sacred value of human life is too deeply ingrained in the hearts of our people to remain forever suppressed.

Mr. President, I close by addressing my colleagues in the Senate. Each one of us, every one of us, started out in life as an unborn child. We were once, all of us, very small human beings living in our mother's wombs. As President Reagan wrote, "Abortion concerns not just the unborn child, it concerns every one of us," because we would not be here if our parents had made that awful decision.

The English poet, John Donne said, "Any man's death diminishes me, because I am involved in mankind; and therefore never send to know for whom the bell tolls; it tolls for thee."

"It tolls for thee."

My colleagues, regardless of where you have stood on abortion in the past, regardless of the acrimonious debate, regardless of the hard feelings, regardless of the political pressures, the contributions, the political attacks, I urge you to search your conscience and to search your soul and ask yourself, is it right, is it really right to kill an unborn child?

I am not interested in hearing about all of the social conditions of the person who is having the child. That is another issue. I am not asking you to comment about the plight of that child when it is born. That is another issue. I am asking you to think, reach down in your souls like you would have if you stood on this floor in 1840 talking about slavery, if you were an abolitionist. I am asking you to search your soul and I am asking you to say, Is it right; is it right? And if it is not right, then you have an obligation to support this amendment and to help me to right a wrong.

I am pledging here today in this Chamber that as long as I am a Senator, and as long as I am alive, I am going to work for the passage of this amendment. I have two cosponsors this morning. That is all I have. But I know there are more people who agree with me in both political parties. Frankly, I am going to be talking to them, every one of them. It is not an in-your-face situation. This is an in-your-heart situation—not the face, the heart. Is it right or is it wrong? If you can look me in the eye and tell me it is right to take the life of an unborn, innocent child, then I will not bother you anymore. But if you don't tell me that, then I am going to keep on bothering you and try to get your support.

I hope you will decide to join me in cosponsoring both of these measures and place the lives of the unborn children of our Nation once again under the protection of our great Constitution. The only way to do that, in my opinion, is through the amendment.

Mr. ASHCROFT. Mr. President, in America today, a great debate—a great

division—exists over the issue of abortion. For some, abortion is about the so-called "right to choose." For others, it is ultimately about control. For me, it is about something completely different. It is about life.

Abortion is, at its core, about the destruction of an innocent human life; a life that is unique in the history of the world—formed and shaped in the image of God; a life that has never been and will never be again.

"Abortion," said the late Mother Teresa, "is the great destroyer." And so it is. More than thirty-five million lives have been lost in the terrible years since Roe versus Wade became the law of the land. It is a tragedy unmatched in modern times. For mother, for father, for child, abortion is never a real resolution. It is but a temporary answer that inflicts a permanent pain. It is a wound that does not heal; a wound, alas, that cannot heal.

Senator SMITH and I come to the floor this morning to stand against abortion and to stand for life. For we believe that the Fifth and Fourteenth Amendments to the United States Constitution protect every person's "life." The protection designed by James Madison and adopted by the People is universal in scope. Its protection is unequivocal. It admits of no exception. "No Person shall . . . be deprived of life."

As this is the Constitution's "plain meaning," I believe our proposed Human Life Act is a legitimate exercise of Congressional power under Section Five of the Fourteenth Amendment. However, while I support a statutory approach, I would, as I said before Senator East's Judiciary Subcommittee in 1981, go farther. For I also believe it necessary to amend the United States Constitution to restore its original meaning.

Mr. President, the Supreme Court's efforts to create an abortion jurisprudence from whole cloth demonstrate the difficulty of deviating from the view that life begins at conception. Every judicial effort to establish a time when constitutional protections magically kick in has been undermined by medical reality.

Earlier this year, I held a Constitution Subcommittee hearing to mark a profoundly sad occasion—the 25th anniversary of Roe versus Wade. At that hearing, we heard testimony about the relentless progress of medical technology in pushing forward the date of viability.

More recently, we have learned how judges in striking down bans on partial birth abortions have undermined birth as a clear line for when the constitutional protection for life begins—effectively legalizing infanticide.

Clearly, the Supreme Court, unguided by any constitutional text, has written themselves into a position that is legally, medically and morally incoherent. The experience of the past twenty-five years confirms the desperate need for the legislation and the proposed amendment we introduce today.

In thinking about this morning, I was reminded of my first run for Congress. I supported a Human Life Amendment in 1972—fully a year before Roe versus Wade was handed down. In 1981, as Missouri Attorney General, I argued before the United States Supreme Court on behalf of the unborn in Planned Parenthood versus Ashcroft. As Governor, I signed the pro-life law which became the basis for the Webster decision. And so, like Senator SMITH and Senator HELMS, I am not a newcomer to this debate.

But I stand before the Senate this morning not to discuss my past, but to talk about our future—about the kind of America we want to have in the next century.

Abortion makes a statement not only about the life of the unborn child, it makes a statement about the life it leaves behind. Sadly, it sends a message that life is expendable: life that is too young, too old, ailing, or tenuous. It says, "You are worthless." It says, "You are not important."

To all who might hear my voice, I say, "That is not the kind of statement America wants to make." It is not the message American wants to send. It is not the kind of America we want to be. Recall Deuteronomy, "I have set before thee this day, life and death, blessing and cursing; therefore, choose life that both thou and thy seed may live." That both thou and thy seed may live, Mr. President. For an America that can be again—America the beautiful.

By Mr. GORTON:

S. 2136. A bill to provide for the exchange of certain land in the State of Washington; to the Committee on Energy and Natural Resources.

I-90 LAND EXCHANGE LEGISLATION

• Mr. GORTON. Mr. President, in 1984, I spoke in this Chamber to champion passage of a bill that would dramatically expand the Alpine Lakes Wilderness Area. The bill became law, and the wilderness area now boasts more than 390,000 acres of alpine and subalpine forests, 450 miles of trails, more than 500 lakes and countless peaks and pinnacles. It offers year-round opportunities for hikers, campers, skiers, fishermen, or those who simply want time away from urban life. It is arguably one of Washington's favorite recreational sites.

Today, I introduce legislation that would dramatically enhance the value of this recreational and environmental jewel—a bill to complete the I-90 Land Exchange between the Forest Service and Plum Creek Timber Company. The land exchange would bring up to 60,000 acres of forest land adjacent to the wilderness area into public ownership, creating a stretch of publicly owned forest from the southern border of the wilderness area to I-90.

Plum Creek would trade up to 60,000 acres of its land on the I-90 corridor of the Central Cascades for up to 40,000 acres of Forest Service land in three different forests. The benefits of the exchange are immense. It will place into public hands some of the last large blocks of privately owned old growth forest and increase publicly owned spotted owl habitat by 22,000 acres. It will bring into public ownership 14 miles of Pacific Crest Trail. It would eliminate much of the complicated checkerboard land ownership pattern, under which public and private entities each owns every other square mile of land. And it will fulfill a long-sought priority of Washington's environmental community—the public acquisition of prized sites such as Silver Creek, Scatter Creek, and Thorp Mountain.

There is a long history of controversy surrounding these lands. Although the land exchange has been under consideration in one form or another for more than a decade, this is the closest it has ever come to completion.

Conservationists began pushing for a resolution to the checkerboard ownership pattern back in the late 1970's. In 1986, the Forest Service and Plum Creek considered an exchange in the Silver Creek basin, the heart of the land exchange package under consideration today.

In 1988, with the support of local environmental groups and Plum Creek, a legislative proposal to complete the exchange was brought to Congress. When the bill was not considered, the Forest Service and Plum Creek launched an attempt to complete the exchange administratively. However, the listing of the spotted owl put the project on hold.

Since that time, some parcels have been acquired using the Land and Water Conservation Fund, but with such limited federal resources and such a vast amount of land, an exchange has proven to be the only way to bring a final resolution to the Central Cascades' checkerboard.

In fact, the Conference Report that accompanied the 1996 fiscal year appropriation for the Forest Service stated:

> The managers continue to encourage strongly the use of land exchanges as a way in which to protect important recreational or environmentally significant lands, in lieu of the Federal Government acquiring lands. The managers believe that land exchanges represent a more cost-effective way in which to do business and encourage the Forest Service to give high priority to those exchanges either nearing completion, or where land management decisions are made particularly difficult due to checkerboard ownership.

In August of 1995, Plum Creek and the Forest Service went back to the drawing board, and agreed to initiate

the I-90 exchange. By mid-June of 1996, when Plum Creek signed a 420,000 acre Habitat Conservation Plan, Plum Creek and Secretary Glickman entered into a two year agreement to finish the exchange. Plum Creek agreed to withhold harvest on most of the exchangeable lands worth approximately $200 million during the two-year period, and although that deadline has now passed, Plum Creek agreed to extend it through the end of this year.

But we're still running out of time. If we fail, we will lose this opportunity to maximize the public benefits of this exchange. Neither Plum Creek nor the Forest Service has the financial resources to continue endlessly this process. No one can reasonably expect Plum Creek to have the patience to continue on with this arduous and difficult process indefinitely.

If the I-90 Land Exchange is not completed by year's end, the exchange will begin to fall apart under the weight of an endless appeals process and litigation battles that could go well into the next century. And it's not reasonable to expect Plum Creek to sustain operations on the exchangeable lands through the indefinite and uncertain appeals process.

To put it bluntly, if the exchange is appealed, this current opportunity will be lost forever and we won't have another chance to acquire such a large block of some of Washington's premier forest land.

That's why I am introducing this bill. We need to keep all options open for finishing the land exchange on time. I understand that both Plum Creek and the Forest Service are still committed to the administrative process, and that's important. With the introduction of this bill and companion legislation in the House by Congressman DOC HASTINGS, we now have two options for finishing this land exchange on time and getting the most value out of the trade.

Ultimately, public support or public opposition will determine the outcome of the exchange, regardless of how it is completed. Passing a bill though Congress and earning the President's signature demands public support.

The building blocks are in place. In March, Washington State Governor Gary Locke wrote to President Clinton urging completion of the exchange by the end of the year. The State Legislature unanimously passed a resolution in support of the exchange. Recreational enthusiasts see the long-term value of bringing these lands into public ownership. Environmentalists recognize the value of blocking up these lands to create a habitat corridor for wildlife and to protect some of the last large blocks of privately owned old growth forest. And major newspapers have endorsed it.

Earlier this spring, the Seattle P-I described the dire consequences if this land swap was not completed this year. The PI editorial stated: "None of the land exchanges is apt to satisfy everyone involved. But if the lands are not consolidated, however imperfectly, it will be next to impossible to preserve them effectively for salmon or wildlife habitat. And that's a real lose-lose."

Under the administrative process, however, it only takes one voice of opposition to file an appeal and kill the proposal for good.

The lands package outlined in this bill is not final as discussions and negotiations continue back in Washington state. I appreciate that all parties are at the table working towards a lands package that everyone can support, and I know from experience that these discussions take time and patience.

Mr. President, let me emphasize once more that the legislation I am introducing today is only a placeholder. It represents a starting point—albeit an excellent one—to achieve a consensus-based end product. I encourage the parties now at the table to continue their efforts and to expedite the completion of this large and vital exchange.

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD.

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

CLOSE LAND TRADE OR EVERYONE LOSES

The parties to the Plum Creek timberland swap need to conclude their negotiations and get on with the next such trade.

The company, the Forest Service and environmentalists have spent more than two years negotiating a land swap in the Cascades that involves 100,000 acres now scattered in unmanageable public and private checkerboard ownership. The Sierra Club in particular gets high marks for taking a leadership role in making a priority of consolidation of checkerboard forest lands in this state.

But company officials now say that if the deal isn't closed by the end of the year, it's off. They have 20 percent of their harvestable timber base in this state tied up in the swap.

They also say they may go to Congress to get the deal immunized from lawsuits. That could poison environmental groups' enthusiasm for such trades in the future.

Conservationists and other groups are accusing the firm of high-handed tactics. They also complain that the deal doesn't give them all they want.

Not many such deals do. But this one leaves nearly everybody who wants something from Plum Creek better off than if the deal falls through and the company makes good on its threat to start logging the stands conservationists want to preserve.

If the deal doesn't go through, the company plans to build logging roads in 53 different areas. If it does, that number will be reduced to eight.

None of the land exchanges is apt to satisfy everyone involved. But if the lands are not consolidated, however imperfectly, it will be next to impossible to preserve them effectively for salmon or wildlife habitat.

And that's a real lose-lose.●

By Mr. THURMOND:

S. 2139. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Yesterdays Dream*; to the Committee on Commerce, Science, and Transportation.

CERTIFICATE OF DOCUMENTATION FOR THE VESSEL "YESTERDAYS DREAM"

Mr. THURMOND. Mr. President, I rise today to introduce a bill to direct that the vessel, *Yesterdays Dream*, official number 680266, be accorded coastwise trading privileges and be issued a coastwise endorsement under 46 U.S.C. sections 12106 and 12108.

This vessel was purchased in 1984 by Duncan MacRae of Columbia, SC, for a pleasure boat. In attempting to establish a charter service, he discovered that the boat could not be used in a chartering business because the vessel was foreign built. For this reason, the boat did not meet the requirements for coastwise trading privileges in the United States. When Mr. MacRae bought his boat, he was unaware that it could not be legally used for its intended purpose.

Therefore, Mr. MacRae is seeking a waiver of the existing law because he wishes to use the vessel for charters. If he is granted this waiver, he intends to comply fully with U.S. documentation and safety requirements. The purpose of the legislation I am introducing is to allow *Yesterdays Dream* to engage in the coastwise trade and fisheries of the United States.

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. 2139

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

SECTION 1. CERTIFICATE OF DOCUMENTATION.

Notwithstanding section 27 of the Merchant Marine Act, 1920 (46 U.S.C. App. 883), section 8 of the Act of June 19, 1886 (24 Stat. 81, chapter 421; 46 U.S.C. App. 289), and sections 12106 and 12108 of title 46, United States Code, the Secretary of Transportation may issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel YESTERDAYS DREAM, United States official number 680266.

By Mr. CAMPBELL:

S. 2140. A bill to amend the Reclamation Projects Authorization and Adjustment Act of 1992 to authorize the Secretary of the Interior to participate in the design, planning, and construction of the Denver water reuse project; to the Committee on Energy and Natural Resources.

DENVER WATER REUSE WATER AUTHORIZATION

Mr. CAMPBELL. Mr. President, I take the time today to introduce a bill that will help millions of water consumers throughout my state. The Denver Water Department has developed a

unique plan to re-use non-potable water for irrigation and industrial uses. This bill would simply authorize the Denver Water Department to access federal funds to assist in the implementation of this plan. The Mayor of Denver has fully endorsed this legislation. I am delighted to assist the Mayor and the great City of Denver.

Denver Water Department serves over a million customers and is the largest water supplier in the Rocky Mountain region. Due to uncertain water supplies in the semi-arid west, it is critical to make wise use of every drop of water. With this in mind, over the past several years Denver Water has developed a plan to treat and reuse some of its water supply for uses not involving human ingestion, such as irrigation and industrial purposes. In this manner, Denver will stretch its water supply without the cost and potential environmental disruption of building new reservoirs. It will also ease the demand on fresh drinking-quality water supplies.

The Denver Nonpotable Reuse Project will treat secondary wastewater, that is water which has already been used once in Denver's system. It is an environmentally and economically viable method for extending and conserving our limited water supplies. The water quality will meet all Colorado and federal standards. The water will still be clean and odorless, but since it will be used for irrigation and industrial uses around the Denver International Airport and the Rocky Mountain Wildlife Refuge, the additional expense to treat it for drinking will be avoided.

The nonpotable project is constructed in three phases and ultimately will result in an additional useable water supply of 15,000 acre feet. The use of the nonpotable water for irrigation and industrial customers will free potable water supplies for up to 30,000 homes.

Construction will include a treatment plant and a distribution system that is separate from the potable water system. Phase I will serve customers in the vicinity of the reuse plant, including a Public Service Company power plant, other industrial users and other public areas. Phase II will add irrigation for parks and golf courses in the former Stapleton Airport and the recently closed Lowry Air Force Base redevelopment areas. The Rocky Mountain Arsenal, which is being converted to a national wildlife refuge, will also use the reuse water to maintain lake levels on-site and to provide water for wildlife habitats. Phase III will service existing parks as well as new development of a commercial corridor leading to the Denver International Airport. With the construction of Phase II, the irrigation, heating and cooling, and car washing facilities at Denver International Airport will convert to reuse water, where a dual distribution system has already been installed.

This plan would benefit many Coloradans, and would help relieve many of the water burdens faced in the Denver region. Again, I'd like to thank Mayor Webb for his support, and I am hopeful this bill can be quickly passed and put into effect.

I ask unanimous consent that a copy of the Mayor's letter and the bill be printed in the RECORD.

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

S. 2140

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

SECTION 1. DENVER WATER REUSE PROJECT.

(a) IN GENERAL.—The Reclamation Projects Authorization and Adjustment Act of 1992 (43 U.S.C. 390h et seq.) is amended—

(1) by redesignating sections 1631, 1632, and 1633 (42 U.S.C. 390h–13, 390h–14, 390h–15) as sections 1632, 1633, and 1634, respectively; and

(2) by inserting after section 1630 (43 U.S.C. 390h–12p) the following:

"SEC. 1631. DENVER WATER REUSE PROJECT.

"(a) AUTHORIZATION.—The Secretary, in cooperation with the appropriate State and local authorities, may participate in the design, planning, and construction of the Denver Water Reuse project to reclaim and reuse water in the service area of the Denver Water Department of the city and county of Denver, Colorado.

"(b) COST SHARE.—The Federal share of the cost of the project described in subsection (a) shall not exceed 25 percent of the total cost.

"(c) LIMITATION.—The Secretary shall not provide funds for the operation or maintenance of the project described in subsection (a).".

(b) CONFORMING AMENDMENTS.—

(1) The table of contents in section 2 of the Reclamation Projects Authorization and Adjustment Act of 1992 (43 U.S.C. prec. 371) is amended—

(A) by redesignating the items relating to sections 1631, 1632, and 1633 as items relating to sections 1632, 1633, and 1634, respectively, and

(B) by inserting after the item relating to section 1630 the following:

"Sec. 1631. Denver Water Reuse Project.".

(2) Section 1632(a) of the Reclamation Projects Authorization and Adjustment Act of 1992 (as redesignated by subsection (a)(1)) is amended by striking "1630" and inserting "1631".

(3) Section 1633(c) of the Reclamation Projects Authorization and Adjustment Act of 1992 (as redesignated by subsection (a)(1)) is amended by striking "section 1633" and inserting "section 1634".

(4) Section 1634 of the Reclamation Projects Authorization and Adjustment Act of 1992 (as redesignated by subsection (a)(1)) is amended by striking "section 1632" and inserting "section 1633".

CITY AND COUNTY OF DENVER,
Denver, CO, May 15, 1998.

HON. BEN NIGHTHORSE CAMPBELL,
U.S. Senate,
Washington, DC.

DEAR SENATOR CAMPBELL: Please accept this letter as a statement of my support of the Denver Water Nonpotable Reuse Project. Your willingness to sponsor this worthwhile legislation adding the Denver project to the Title XVI authorized list is appreciated by the City and County of Denver. Nonpotable reuse has been identified as a critical element in the Denver Water Department's recent Integrated Resource Plan. Coupled with conservation and system refinements, it forms the core of the water supply needs for the Denver system for the next 20 years.

As you are well aware, the water resources in Colorado are limited and valuable. Reuse conserves potable water sources. This project will help to fulfill Denver's obligations under water decrees that provide for the importation of water from the Colorado River Basin. Those obligations require Denver to exercise reasonable steps which, in view of legal limitations and economic feasibility, provide for the reuse of imports so as to reduce or minimize Denver's demands on Colorado River sources.

Yours truly,

WELLINGTON E. WEBB,
Mayor.

By Mr. CAMPBELL:.

S. 2141. A bill to require certain notices in any mailing using a game of chance for the promotion of a product or service, and for other purposes; to the Committee on Governmental Affairs.

HONESTY IN SWEEPSTAKES ACT OF 1998

Mr. CAMPBELL. Mr. President, today I introduce the Honesty in Sweepstakes Act of 1998.

Every day millions of senior citizens and other innocent consumers receive sweepstakes announcements that boldly announce that they have just won millions of dollars or some other prize, perhaps a luxury cruise, when in fact they have not. Millions of Americans also receive cashier's check look-alikes, made out to their name, and written for thousands of dollars, as a ploy to get them to purchase some product or service. But upon close scrutiny, these cashier's check look-alikes are actually worthless.

These two tactics are some of the most pervasive deceptive direct mail marketing ploys being used today. These slick direct mail marketing ploys prey directly upon the better elements of the American character: optimism, good nature, trust, and natural tendency to accept things at face value.

The recent increase of news reports detailing how American consumers are being deliberately misled into believing that they have just won a huge prize, only to find out later that they were taken advantage of, clearly shows that the problem is getting worse. All across our country, families' home mail boxes are being stuffed with increasingly deceptive direct mail marketing ploys, and senior citizens are particulary vulnerable to these deceptive tactics.

Something needs to be done to restore honesty in sweepstakes.

This legislation has two key provisions. The first ensures accuracy and honesty in direct mail sales promotions that use sweepstakes or other

games of chance to entice consumers to buy their products or services. The second provision promotes honest forthrightness when cashier's check look-alikes are used in direct mail sales promotions. Together, this legislation's two key provisions will benefit American consumers, the U.S. Postal Service, and the direct mail marketing industry.

First, my bill will protect American consumers from deceptive marketing practices. It will accomplish this by requiring that direct mail marketers provide consumers with honest, up-front and clear disclosure of what is being sent to their mail boxes. These new disclosure standards will enable consumers to quicky separate mail that is truly important from mail that is deceptively designed to look important by masquerading as something that it is not.

Second, the bill helps the Postal Service do its job better. This bill will strengthen the Postal Service's efforts by enabling it to halt the delivery of deceptive mass mailings. This legislation will reassure the American people that the Postal Service is on their side, and not on the side of those who would use the Postal Service to deliver deceptive marketing ploys.

Finally, this legislation will benefit the direct mail marketing industry as a whole. It will enhance the public image of the majority of direct mail marketers that are honest by compelling companies that use deceptive marketing practices, and whose activities taint the entire industry, to either clean up their act or get out. For many years, direct mail marketers have successfully sold their products without resorting to deception. Let's return to those days.

The Honesty in Sweepstakes Act is built on a solid foundation of precedents. The key principle for the sweepstakes portion of this legislation is based on the way in which lotteries clearly disclose important information, like the total chances of winning. As for achieving the same goal for the printed materials used in direct mail marketing, this honesty is achieved through requiring the disclosure to be printed on top and in easy to read font sizes. It is also similar to food labeling, letting you know what is inside the product. The cashier's check look-alike portion of this bill is founded on precedent in current law that allows the Postal Service to dispose of, or otherwise refuse to deliver, government look-alike materials. My bill simply expands this current statutory provision to include cashier's check look-alikes.

This bill addresses deceptive sweepstakes in two important ways. First, it requires an announcement to be clearly printed on the face of the envelope to state that "This is a sweepstakes. You have not automatically won." This announcement must be clearly printed in a large 16 point font, or in an even larger font in some circumstances, so that it is crystal clear and easy for everyone to read. Many of our nation's seniors will especially benefit from this large font size requirement. Second, this bill requires that important information be printed clearly on the top of the first page of enclosed material, including the chances of winning the big prize being promoted and that no purchase is necessary to participate. For cashier check look-alikes, this bill calls for a 16 point font notice that "This is not a check. This has no cash value." The days of deceptive marketers burying all of the important information and other disclaimers in fine print are numbered.

Enforcement is triggered by the consumers themselves. When people receive sweepstakes and cashier's check look-alikes that do not meet the honesty guidelines laid out in this bill, they should contact the Post Office and register a complaint. These consumer complaints can then trigger a postal investigation of the materials in question. If the Postal Service finds that the materials do not live up to the Honesty in Sweepstakes guidelines, the Postal Service can then dispose of the mail accordingly, either by disposing of it or returning it to the sender. As a result, marketers who are not complying with the Honesty in Sweepstakes standards will then take a loss on the production and postage costs associated with that mailing. Needless to say, the company will quickly learn its lesson and produce marketing materials that are more forthright and honest.

I have consulted with the Attorneys General of both my home state of Colorado, and of the state of Florida, which is in the forefront of the effort to fight deceptive sweepstakes practices. These two offices expressed support for both this bill's goals and new approach. The Attorneys General were also glad to hear that this bill contains a clause stating that nothing in this bill will preempt state law. This important clause gives each of our respective states the freedom to enact its own additional guidelines as it sees fit. I appreciate the helpful feedback and support these two states' Attorneys General have shown.

For too long, too many of our senior citizens and other innocent consumers have been victimized by deceptive sweepstakes and cashier's check look-alikes. This bill will end this practice, and I urge my colleagues to support its passage.

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. 2141

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

SECTION 1. NOTICE REQUIRED ON MAILINGS USING GAMES OF CHANCE.

(a) SHORT TITLE.—This Act may be cited as the "Honesty in Sweepstakes Act of 1998".

(b) NOTICE REQUIRED.—Section 3001 of title 39, United States Code, is amended—

(1) by redesignating subsections (j) and (k) as subsections (k) and (l), respectively; and

(2) by inserting after subsection (i) the following:

"(j)(1) Matter otherwise legally acceptable in the mails that constitutes a solicitation or offer in connection with the sales promotion for a product or service that uses any game of chance of winning anything of value (including any sweepstakes) shall not be carried or delivered by mail, and may be disposed of as the Postal Service directs, unless such matter in conspicuous and legible type in contrast by typography, layout, or color with other printing on its face, in accordance with regulations which the Postal Service shall prescribe—

"(A) bears on the envelope the following notice: "This is a game of chance (or sweepstakes, if applicable). You have not automatically won.", or a notice to the same effect in words which the Postal Service may prescribe; and

"(B) bears on the top of the first page of enclosed printed matter the following notice: 'This is a game of chance (or sweepstakes, if applicable). You may not have automatically won. Your chances of winning are (insert applicable mathematical probability). No purchase is required either to win a prize or enhance your chances of winning a prize.', or a notice to the same effect in words which the Postal Service may prescribe.

"(2) Matter otherwise legally acceptable in the mails that constitutes a solicitation or offer in connection with the sales promotion for a product or service that uses any matter resembling a negotiable instrument shall not be carried or delivered by mail, and may be disposed of as the Postal Service directs, unless such matter bears on the face of the negotiable instrument in conspicuous and legible type in contrast by typography, layout, or color with other printing on its face, in accordance with regulations which the Postal Service shall prescribe the following notice: 'This is not a check (or negotiable instrument). This has no cash value.', or a notice to the same effect in words which the Postal Service may prescribe.

"(3) The notices described under paragraphs (1) and (2) shall be printed in a font which is the larger of—

"(A) 80 percent or more of the size of the largest font otherwise used in the matter; or

"(B) a 16-point font.

"(4) Nothing in this subsection shall preempt any State law that regulates advertising or sales of goods and services associated with any game of chance.".

By Mr. CAMPBELL:

S. 2142. A bill to authorize the Secretary of the Interior to convey the facilities of the Pine River Project, to allow jurisdictional transfer of lands between the Department of Agriculture, Forest Service, and the Department of the Interior, Bureau of Reclamation, and the Bureau of Indian Affairs, and for other purposes; to the Committee on Energy and Natural Resources.

VALLECITO RESERVOIR TRANSFER LEGISLATION

Mr. CAMPBELL. Mr. President, today I introduce a bill that will allow the Bureau of Reclamation to transfer the title to the Vallecito Reservoir in southwestern Colorado to the Pine River Irrigation District. This transfer has been developed after close consultation and extensive meetings with the Pine River Irrigation District, the Bureau of Reclamation, the U.S. Forest Service and the Southern Ute Indian Tribe.

This bill contributes toward my ongoing goal of developing local cooperation and control of public resources, while addressing the concerns of managing site-specific resources, recreation, and environmental protection. It fits with my long-held belief that we need to downsize the role of the Federal Government, while allowing the State and local entities which are most affected to manage valuable resources.

For the past twenty-five years, the District has managed the Vallecito Reservoir for the Bureau of Reclamation. This bill will allow the District, which has developed extensive expertise and knowledge, to purchase the reservoir which they manage. The concerns of the public are addressed through provisions which require certain conditions be met before the title can be transferred. Once the transfer is complete the Pine River District will continue to manage the reservoir in compliance with State and Federal law.

This bill is a companion bill to H.R. 3715 introduced in the House of Representatives by our colleague Congressman SCOTT MCINNIS. The House already has held a hearing on this legislation. Therefore, I am hopeful that the Senate can move rapidly to complete this transfer.

ADDITIONAL COSPONSORS

S. 834

At the request of Mr. HARKIN, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 834, a bill to amend the Public Health Service Act to ensure adequate research and education regarding the drug DES.

S. 1252

At the request of Mr. D'AMATO, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 1252, a bill to amend the Internal Revenue Code of 1986 to increase the amount of low-income housing credits which may be allocated in each State, and to index such amount for inflation.

S. 1309

At the request of Mr. KERRY, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 1309, a bill to provide for the health, education, and welfare of children under 6 years of age.

S. 1325

At the request of Mr. FRIST, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of S. 1325, a bill to authorize appropriations for the Technology Administration of the Department of Commerce for fiscal years 1998 and 1999, and for other purposes.

S. 1392

At the request of Mr. BROWNBACK, the name of the Senator from New Hampshire [Mr. SMITH] was added as a cosponsor of S. 1392, a bill to provide for offsetting tax cuts whenever there is an elimination of a discretionary spending program.

S. 1413

At the request of Mr. LUGAR, the name of the Senator from Washington [Mr. GORTON] was added as a cosponsor of S. 1413, a bill to provide a framework for consideration by the legislative and executive branches of unilateral economic sanctions.

S. 1481

At the request of Mr. DEWINE, the names of the Senator from Illinois [Mr. DURBIN] and the Senator from Maine [Ms. COLLINS] were added as cosponsors of S. 1481, a bill to amend the Social Security Act to eliminate the time limitation on benefits for immunosuppressive drugs under the medicare program, to provide for continued entitlement for such drugs for certain individuals after medicare benefits end, and to extend certain medicare secondary payer requirements.

S. 1868

At the request of Mr. NICKLES, the name of the Senator from Maine [Ms. COLLINS] was added as a cosponsor of S. 1868, a bill to express United States foreign policy with respect to, and to strengthen United States advocacy on behalf of, individuals persecuted for their faith worldwide; to authorize United States actions in response to religious persecution worldwide; to establish an Ambassador at Large on International Religious Freedom within the Department of State, a Commission on International Religious Persecution, and a Special Adviser on International Religious Freedom within the National Security Council; and for other purposes.

S. 1903

At the request of Mr. THOMAS, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 1903, a bill to prohibit the return of veterans memorial objects to foreign nations without specific authorization in law.

S. 2078

At the request of Mr. GRASSLEY, the name of the Senator from Idaho [Mr. KEMPTHORNE] was added as a cosponsor of S. 2078, a bill to amend the Internal Revenue Code of 1986 to provide for Farm and Ranch Risk Management Accounts, and for other purposes.

S. 2128

At the request of Mr. STEVENS, the names of the Senator from Alabama [Mr. SHELBY] and the Senator from Missouri [Mr. ASHCROFT] were added as cosponsors of S. 2128, a bill to clarify the authority of the Director of the Federal Bureau of Investigation regarding the collection of fees to process certain identification records and name checks, and for other purposes.

SENATE CONCURRENT RESOLUTION 94

At the request of Mr. ABRAHAM, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of Senate Concurrent Resolution 94, a concurrent resolution supporting the religious tolerance toward Muslims.

SENATE CONCURRENT RESOLUTION 101

At the request of Mr. ABRAHAM, the names of the Senator from Wisconsin [Mr. FEINGOLD], the Senator from Maine [Ms. SNOWE], the Senator from Florida [Mr. MACK] and the Senator from Arkansas [Mr. HUTCHINSON] were added as cosponsors of Senate Concurrent Resolution 101, a concurrent resolution expressing the sense of the Congress that the President of the United States should reconsider his decision to be formally received in Tiananmen Square by the Government of the People's Republic of China.

SENATE RESOLUTION 235

At the request of Mr. AKAKA, the names of the Senator from Michigan [Mr. ABRAHAM], the Senator from Illinois [Ms. MOSELEY-BRAUN] and the Senator from Connecticut [Mr. LIEBERMAN] were added as cosponsors of Senate Resolution 235, a resolution commemorating 100 years of relations between the people of the United States and the people of the Philippines.

SENATE RESOLUTION 244—EXPRESSING THE SENSE OF THE SENATE ON THE NINTH ANNIVERSARY OF PRO-DEMOCRACY DEMONSTRATORS ON TIANANMEN SQUARE

Ms. COLLINS (for herself, Mr. LOTT, Mr. HUTCHINSON, and Mr. ABRAHAM) submitted the following resolution; which was considered and agreed to:

S. RES. 244

Whereas in the spring of 1989, thousands of students demonstrated in Tiananmen Square in Beijing in favor of greater democracy, civil liberties, and freedom of expression in the People's Republic of China (PRC);

Whereas these students' protests against political repression in their homeland were conducted peacefully and posed no threat to their fellow Chinese citizens;

Whereas on the evening of June 4, 1989, these students were brutally attacked by infantry and armored vehicles of the People's Liberation Army (PLA) acting under orders from the highest political and military leadership of the PRC;

Whereas hundreds of these students were killed by the PLA in Tiananmen Square on June 4, 1989 for offenses no more serious than

that of seeking peacefully to assert their most basic human, civil, and political rights;

Whereas many of the leaders of the student demonstrations thus attacked were subsequently imprisoned, sought out for arrest, or otherwise persecuted by the Government of the PRC;

Whereas during or shortly after the brutal assault of June 4, 1989, at least 2,500 persons were arrested for so-called "counter-revolutionary offenses" across China and dozens of persons were executed;

Whereas the Chinese government has never expressed grief for its actions on June 4, 1989, still imprisons at least 150 persons in connection with the Tiananmen Square demonstrations, and has continued to deny its citizens basic internationally-recognized human, civil, and political rights;

Whereas the Government of the PRC, as detailed in successive annual reports on human rights by the United States Department of State, still routinely and systematically violates the rights of its citizens, including their rights to freedom of speech, assembly, worship, and peaceful dissent; and

Whereas the Tiananmen Square Massacre has become indelibly etched into the political consciousness of our times as a symbol both of the impossibility of forever denying a determined people the right to control their own destiny and of the oppressiveness and brutality of governments that seek to do so: Now, therefore, be it

Resolved, That, in the interest of expressing support for the observance of human, civil, and political rights in China and around the world, it is the sense of the Senate that—

(1) the United States Government should remain committed to honoring the memory and spirit of the brave citizens of China who suffered and died in Tiananmen Square on June 4, 1989 for attempting to assert their internationally-recognized rights; and

(2) supporting the peaceful transition to democratic governance and the observance of internationally-recognized human, civil, and political rights and the rule of law in China should be a principal goal of United States foreign policy.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

AMENDMENTS SUBMITTED

NATIONAL TOBACCO POLICY AND YOUTH SMOKING REDUCTION ACT

WELLSTONE AMENDMENT NO. 2458

(Ordered to lie on the table.)

Mr. Wellstone submitted an amendment intended to be proposed by him to the bill (S. 1415) to reform and restructure the processes by which tobacco products are manufactured, marketed, and distributed, to prevent the use of tobacco products by minors, to redress the adverse health effects of tobacco use, and for other purposes; as follows:

At the appropriate place in title XI, insert the following:

SEC. ___. SALE, DISTRIBUTION, AND ADVERTISING OF TOBACCO PRODUCTS IN FOREIGN COUNTRIES.

(a) AMENDMENT TO CHAPTER VIII.—Chapter VIII of the Federal Food, Drug, and Cosmetic Act is amended by adding at the end the following:

"SEC. 804. SALE, DISTRIBUTION, AND ADVERTISING OF TOBACCO PRODUCTS IN FOREIGN COUNTRIES.

"(a) REGULATIONS.—Not later than 2 years after the date of the enactment of this section, the Secretary shall promulgate regulations to—

"(1) prohibit domestic concerns from—

"(A) selling or distributing tobacco products in a foreign country to children; or

"(B) advertising or promoting tobacco products in a foreign country in a manner that appeals to children;

"(2) require domestic concerns to ensure that any person under the control of a domestic concern does not engage in conduct that would be prohibited under this section if engaged in by the domestic concern; and

"(3) require domestic concerns to take all feasible measures to ensure that tobacco products bearing a brand name controlled or used by a domestic concern are not sold, distributed, advertised, or promoted in a manner that would be prohibited under this section if engaged in by a domestic concern.

"(b) INTERPRETATION.—For purposes of this section, advertising or promoting tobacco products in a manner that would not be lawful under this Act if it occurred in the United States shall be deemed to be advertising or promotion that appeals to children.

"(c) DEFINITION.—The term 'domestic concern' means—

"(1) any individual who is a citizen, national, or resident of the United States; and

"(2) any corporation, partnership, association, joint-stock company, business trust, unincorporated organization, or sole proprietorship which has its principal place of business in the United States or which is organized under the laws of a State of the United States or a territory, possession, or commonwealth of the United States.".

(b) ENFORCEMENT.—Section 301 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C 331) is amended by adding at the end the following:

"(bb) The violation of any requirement under section 804.".

SESSIONS (AND OTHERS) AMENDMENT NO. 2459

(Ordered to lie on the table.)

Mr. SESSIONS (for himself, Mr. JEFFORDS, Mr. ENZI, and Mr. FAIRCLOTH) submitted an amendment intended to be proposed by them to the bill, S. 1415, supra; as follows:

Beginning on page 435, strike line 12 and all that follows through line 4 on page 442, and insert the following:

SEC. 1413. NATIONAL TOBACCO COMPENSATION PROGRAM.

(a) ADMINISTRATION BY SECRETARY.—The Secretary of Health and Human Services (referred to in this section as the "Secretary") shall administer the Voluntary National Tobacco Compensation Program (referred to in this section as the "Program") established under this section.

(b) VOLUNTARY PAYMENTS BY INDUSTRY.—

(1) CERTAIN TOBACCO PRODUCT MANUFACTURERS.—The amount of the voluntary contributions described in this subsection for each year during which the Program is in existence shall equal, in the aggregate, $8,000,000,000, to be apportioned as follows:

(A) Phillip Morris Incorporated—65.8 percent.

(B) Brown and Williamson Tobacco Corporation—17.3 percent.

(C) Lorillard Tobacco Company—7.1 percent.

(D) R.J. Reynolds Tobacco Company—6.6 percent.

(E) United States Tobacco Company—3.2 percent.

(2) CONTRIBUTIONS IN FUTURE YEARS.—If contributions under paragraph (1) result in amounts in the fund exceeding $25,000,000,000 in any fiscal year, any such excess amount shall be made available to the States as provided for in section 452.

(3) NO CONTRIBUTION FROM OTHER TOBACCO PRODUCT MANUFACTURERS.—No other tobacco product manufacturer may make contributions under this subsection unless such manufacturer is the successor or assign of one or more of the manufacturers described in paragraph (1).

(4) COMMENCEMENT OF PROGRAM.—The Program shall commence operations on the date on which at least 1 manufacturer has paid the full share of its contribution under this subsection. The Program shall only be available to those manufacturers that have contributed their full shares under this subsection.

(c) RESPONSIBILITY OF SECRETARY.—The Secretary shall administer the Program pursuant to the guidelines established by the National Tobacco Compensation Commission established under subsection (d).

(d) NATIONAL TOBACCO COMPENSATION COMMISSION.—

(1) ESTABLISHMENT.—There is hereby established a commission to be known as the "National Tobacco Compensation Commission" (referred to in this subsection as the "Commission").

(2) COMPOSITION.—The Commission shall be composed of 7 members, of which—

(A) 1 member shall be appointed by the President;

(B) 2 members shall be appointed by the Majority Leader of the Senate;

(C) 1 member shall be appointed by the Minority Leader of the Senate;

(D) 2 members shall be appointed by the Speaker of the House of Representatives; and

(E) 1 member shall be appointed by the Minority Leader of the House of Representatives.

(3) TIME FOR APPOINTMENT, TERMS AND VACANCIES.—The members of the Commission shall be appointed not later than 90 days after the date of enactment of this Act. A vacancy in the Commission shall not affect the powers of the Commission and shall be filled in the same manner in which the original appointment was made.

(4) COMPENSATION AND EXPENSES.—Members of the Commission may not receive compensation for service on the Commission. Such members may, in accordance with chapter 57 of title 5, United States Code, be reimbursed for reasonable travel, subsistence, and other necessary expenses incurred in carrying out the duties of the Commission, notwithstanding the limitations contained in sections 5701 through 5733 of such title 5.

(5) ESTABLISHMENT OF PROGRAM.—Not later than 90 days after the expiration of the period described in paragraph (3), the Commission, in consultation with the Secretary and the Congress, shall establish a Voluntary National Tobacco Compensation Program to provide compensation to claimants who have a total disability or terminal disease, as classified under the list developed under subsection (e)(2), that is directly attributable to the use of a tobacco product in accordance with subsection (e)(3). Such program shall, subject to the payment of contributions

under subsection (b), continue in operation for the 25-year period beginning on the date of enactment of this Act, or until the provisions of this title are repealed, whichever occurs first. Congress may at any time act to reauthorize and extend the Program established under this section.

(6) DUTIES.—The Commission shall—

(A) annually meet and review the most recent scientific developments and research relating to tobacco use and update the comprehensive list described in subsection (e)(2);

(B) develop rules and procedures for the administration of the program established under this section;

(C) develop procedures for paying compensation to claimants under this section, including procedures to provide for the payment of such claims over more than 1 year if sufficient funds are not available under subsection (b) for the year in which the claim is made;

(D) develop procedures for the submission of conflicts to binding arbitration;

(E) procedures for waiving the compensation limitations described in subsection (e) in cases of extraordinary circumstances;

(F) procedures for the conduct of internal reviews under subsection (e)(8)(A);

(G) carry out any other activities determined appropriate by the Commission; and

(H) at its discretion based on the remaining funds make a determination as to the availability of the Program for individuals with a partial disability that is directly attributable to the use of a tobacco product in accordance with subsection (e)(3), while assuring that claimants suffering from a total disability or terminal disease that is directly attributable to the use of a tobacco product have a priority when applying for compensation under the Program.

(7) REPORT.—

(A) IN GENERAL.—Not later than 180 days after the expiration of the period described in paragraph (3), the Commission shall prepare a report that describes the establishment, guidelines and operations of the Program, that recommends adjustments in the contribution levels under subsection (b), that provides the list of illnesses described in subsection (e)(3), and that provides the procedures described in subsection (e)(5).

(B) SUBMISSION.—The report described in subparagraph (A) shall be submitted to the—

(i) President and the Secretary;

(ii) Majority and Minority Leaders of the Senate;

(iii) Committees on Commerce, Labor and Human Resources, Finance, and Judiciary of the Senate;

(iv) Speaker and Minority Leader of the House of Representatives; and

(v) Committees on Commerce, Judiciary, and Ways and Means of the House of Representatives.

(8) INFORMATION.—Each department, agency, and instrumentality of the executive branch of the Federal Government, including independent agencies, shall furnish to the Commission, upon request by the Commission, such information as the Commission determines to be necessary to carry out its functions under this section.

(9) USE OF SERVICES AND FACILITIES.—The Commission may utilize the services and facilities of any Federal agency without reimbursement, may accept voluntary services notwithstanding section 1342 of title 31, United States Code, and may enter into contracts with any public or private person or entity for reports or research in furtherance of the work of the Commission.

(10) TERMINATION.—The Commission shall terminate on the date that is 5 years after the date on which the final report of the Commission is submitted under paragraph (7). Congress may at any time act to reauthorize and extend the Commission established under this subsection.

(11) AUTHORIZATION OF APPROPRIATIONS.—Subject to the limitation described in subsection (e), there is authorized to be appropriated not to exceed $1,000,000 for each of the fiscal years during which the Commission is in operation, from the National Tobacco Settlement Trust Fund to carry out this section.

(e) PROCEDURE.—The Commission, in developing the National Tobacco Compensation Program under subsection (d), shall establish—

(1) procedures under which an individual with a disease described in subsection (d)(5) may file a one-time administrative claim per separate and distinct disease with the Secretary seeking compensation for any and all diseases and conditions appearing on the comprehensive list described in paragraph (2);

(2) procedures to ensure that such claims are submitted on a form to be developed by the Commission that shall contain—

(A) the name and address of the individual;

(B) a description of the disease or condition for which the individual is seeking compensation; and

(C) any other supporting documentation that is determined appropriate by the Commission or the Secretary;

(3) in consultation with the Centers for Disease Control and Prevention, the Department of Health and Human Services, and appropriate committees of Congress, a comprehensive list of diseases and conditions which constitute total disability or are terminal for purposes of paying claims brought under this section on an equitable basis, taking into consideration age and tobacco product use history, including tobacco use in conjunction with exposure to asbestos and black lung disease;

(4) procedures to require that a claimant provide supporting documentation that such claimant has a compensable disease that is directly attributable to the use of tobacco, including documentation pertaining to the claimants tobacco use history and exposure to asbestos or black lung disease;

(5) procedures, in order to make a determination with respect to a claim under paragraph (2), or to make a determination with respect to the amount of compensation for which a claimant is eligible, for the requesting from a claimant of additional information relating to the disease or condition involved;

(6) procedures for the implementation of a schedule to pay claims in a manner that ensure the full payment of claims;

(7) streamlined procedures so as to ensure that a claimant is not required to be represented by an attorney;

(8) procedures to provide for the resolution of disputes regarding determinations of the Secretary concerning the eligibility of the claimant for compensation, or the amount of compensation to be paid, under which the claimant may—

(A) obtain an internal review of the determination of the Secretary;

(B) after a review under subparagraph (A), submit the dispute to arbitration as described in subsection (d)(6)(D) under procedures to be established by the Commission; and

(C) after an arbitration hearing under subparagraph (B), file a civil action against the manufacturer involved;

(9) procedures to provide for the collection of voluntary contributions under subsection (b); and

(10) procedures to ensure that the liability of manufacturers for claims under this section are separate based on the illnesses involved and the nature of the tobacco product involved.

(f) NO JUDICIAL ACTION.—Except as provided in subsection (e)(8)(C), upon the contribution of funds as provided for under subsection (b), an individual may not commence a tobacco claim in any Federal or State court against a tobacco product manufacturer who makes such a contribution.

(g) ADMINISTRATION AND ATTORNEYS FEES.—

(1) IN GENERAL.—The procedures developed under subsection (e) shall ensure that amounts paid from the Program in connection with administrative costs do not exceed an amount equal to 10 percent of the amounts available under the program is each fiscal year.

(2) ATTORNEYS FEES.—

(A) IN GENERAL.—Procedures developed under subsection (e) shall provide that, whenever the Secretary renders a determination favorable to a claimant under the Program and that claimant was represented by an attorney, the Secretary may determine and allow as part of its determination a reasonable fee for such representation, not in excess of 10 percent of the total of the benefits to which the claimant is entitled by reason of such determination. In case of any such determination, no fee may be payable or certified for payment for such representation except as provided in this paragraph.

(B) LIMITATION.—Any attorney who charges, demands, receives, or collects for services rendered in connection with proceedings to which subparagraph (A) applies, any amount in excess of that permitted under such subparagraph (A) shall be guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than $500, or imprisonment for not more than 1 year, or both.

(h) TIME FOR PAYMENT.—The Secretary shall take steps to ensure that, to the maximum extent practicable, claimants receive compensation in accordance with this section not later than 90 days after the date on which the claim involved is filed.

(i) LIMITATION WITH RESPECT TO PRISONERS.—No individual incarcerated in a Federal, State or local prison or jail may file a claim with the Program under this section.

(j) APPLICABILITY.—This section shall apply as provided for under subsection (b)(4). The provisions of section 1412 shall apply only if the voluntary contributions are not made in any year or are less than the amount described in subsection (b) in any year.

(k) EFFECTIVE DATE.—The Secretary shall implement the compensation program under this section not later than 90 days after the date on which the report of the Commission is submitted under subsection (d)(7).

FEINSTEIN AMENDMENT NO. 2460

(Ordered to lie on the table.)

Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill, S. 1415, supra; as follows:

In section 451(a), strike paragraph (3) and insert the following:

(3) DISTRIBUTION TO STATES.—From the amounts in the State Litigation Settlement Account for a fiscal year, the Secretary of

the Treasury shall make available to each State the applicable percentage of such amount in accordance with the following table which shall represent the share of each State of the total number of individuals in the United States under 18 years of age (as determined by the United States Census Bureau in its data table compilation entitled "Population Estimates for States and Outlying Areas: July 1, 1996):

State	Applicable Percentage
Alabama	1.559
Alaska	0.2670
Arizona	1.666
Arkansas	0.955
California	12.841
Colorado	1.445
Connecticut	1.156
Delaware	0.255
District of Columbia	0.159
Florida	4.957
Georgia	2.828
Hawaii	0.444
Idaho	0.505
Illinois	4.571
Indiana	2.170
Iowa	1.042
Kansas	0.995
Kentucky	1.403
Louisiana	1.786
Maine	0.434
Maryland	1.863
Massachusetts	2.059
Michigan	3.674
Minnesota	1.806
Mississippi	1.110
Missouri	2.019
Montana	0.337
Nebraska	0.640
Nevada	0.604
New Hampshire	0.428
New Jersey	2.878
New Mexico	0.726
New York	6.576
North Carolina	2.656
North Dakota	0.244
Ohio	4.124
Oklahoma	1.276
Oregon	1.170
Pennsylvania	4.192
Rhode Island	0.341
South Carolina	1.358
South Dakota	0.296
Tennessee	1.915
Texas	7.896
Utah	0.983
Vermont	0.212
Virginia	2.363
Washington	2.081
West Virginia	0.611
Wisconsin	1.945
Wyoming	1.456

DOMENICI AMENDMENTS NOS. 2461–2462

(Ordered to lie on the table.)

Mr. DOMENICI submitted two amendments intended to be proposed by him to the bill, S. 1415, supra; as follows:

AMENDMENT NO. 2461

At the appropriate place, insert the following:

Notwithstanding any other provision of this Act, section 401(e) is null and void.

AMENDMENT NO. 2462

Strike section 401(e).

COATS AMENDMENTS NOS. 2463–2467

(Ordered to lie on the table.)

Mr. COATS submitted five amendments intended to be proposed by him to the bill, S. 1415, supra; as follows:

AMENDMENT NO. 2463

Beginning on page 385, strike line 10 and all that follows through line 20 on page 386.

AMENDMENT NO. 2464

On page 127, after line 24, add the following:

(h) MILITARY BASE EXCLUSIONS.—Nothing in this section shall be construed to provide authority to the Secretary or to a State to establish a retail licensing program for, or conduct inspections of the sale of tobacco on, Federal military bases.

AMENDMENT NO. 2465

At the appropriate place in title I, insert the following:

SEC. ___. PROHIBITION ON DIVERSION OF FDA RESOURCES.

Notwithstanding any other provision of this Act, or an amendment made by this Act, the Secretary shall ensure that the tobacco-related authority provided to the Food and Drug Administration under this Act and the amendments made by this Act will not result in the diversion of resources from the Center for Biologics Evaluation and Research, the Center for Drug Evaluation and Research, the Center for Devices and Radiological Health, the Center for Food Safety and Applied Nutrition, the Center for Veterinary Medicine, the National Center for Toxicological Research, or from any of the other activities of such Administration, including the review, approval process and other activities required with respect to drugs, devices, cosmetics, and foods.

AMENDMENT NO. 2466

At the appropriate place in title IV, insert the following:

SEC. ___. CENTER FOR TOBACCO PRODUCT REGULATION.

(a) ESTABLISHMENT.—The Secretary may establish within the Food and Drug Administration a Center for Tobacco Product Regulation (referred to in this section as the "Center").

(b) JURISDICTION.—The Center shall have sole jurisdiction to regulate tobacco products under chapter IX of the Federal Food, Drug and Cosmetic Act.

AMENDMENT NO. 2467

On page 23, after line 22, add the following:

(20) NONPROFIT PRIVATE ENTITY.—The terms "nonprofit private entity" or "private nonprofit entity" include faith-based organizations, and the provisions of section 1981F shall apply with respect to such organizations. With respect to amendments made by this Act, the terms "nonprofit private entity" or "private nonprofit entity" shall have the meaning given in this paragraph.

On page 147, between lines 5 and 6, insert the following:

"SEC. 1981F. CHARITABLE CHOICE.

"(a) FAITH-BASED ORGANIZATIONS INCLUDED AS NONGOVERNMENTAL PROVIDERS.—For any program carried out by the Federal Government, or by a State or local government under this subpart, the government shall consider, on the same basis as other nongovernmental organizations, faith-based organizations to provide the assistance under the program, so long as the program is implemented in a manner consistent with the Establishment Clause of the first amendment to the Constitution. Neither the Federal Government nor a State or local government receiving funds under this subpart shall discriminate against an organization that provides assistance under, or applies to provide assistance under, this subpart, on the basis that the organization has a faith-based character.

"(b) EXCLUSIONS.—As used in subsection (a), the term 'program' means activities carried out under this subpart.

"(c) FAITH-BASED CHARACTER AND INDEPENDENCE.—

"(1) IN GENERAL.—A faith-based organization that provides assistance under a program described in subsection (a) shall retain its independence from Federal, State, and local governments, including such organization's control over the definition, development, practice, and expression of its faith-based beliefs.

"(2) ADDITIONAL SAFEGUARDS.—Neither the Federal Government nor a State or local government shall require a faith-based organization—

"(A) to alter its form of internal governance; or

"(B) to remove faith-based art, icons, scripture, or other symbols;

in order to be eligible to provide assistance under a program described in subsection (a).

"(d) EMPLOYMENT PRACTICES.—The exemption of a faith-based organization provided under section 702 or 703(e)(2) of the Civil Rights Act of 1964 (42 U.S.C. 2000e–1, 2000e–2(e)(2)) regarding employment practices shall not be affected by the faith-based organization's provision of assistance under, or receipt of funds from, programs described in subsection (a).

"(e) RIGHTS OF BENEFICIARIES OF ASSISTANCE.—

"(1) IN GENERAL.—If an individual described in paragraph (3) has an objection to the faith-based character of the organization from which the individual receives, or would receive, assistance funded under any program described in subsection (a), the appropriate Federal, State, or local governmental entity shall provide to such individual (if otherwise eligible for such assistance) within a reasonable period of time after the date of such objection, assistance that—

"(A) is from an alternative organization that is accessible to the individual; and

"(B) has a value that is not less than the value of the assistance that the individual would have received from such organization.

"(2) NOTICE.—The appropriate Federal, State, or local governmental entity shall ensure that notice is provided to individuals described in paragraph (3) of the right of such individuals to make the objection described in paragraph (1).

"(3) INDIVIDUAL DESCRIBED.—An individual described in this paragraph is an individual who receives or applies for assistance under a program described in subsection (a).

"(f) NONDISCRIMINATION AGAINST BENEFICIARIES.—A faith-based organization shall not discriminate against an individual described in subsection (e)(3) in regard to—

"(1) rendering assistance funded under any program described in subsection (a) on the basis of religion, a faith-based belief, or refusal to hold a faith-based belief; or

"(2) rendering assistance funded through a grant or contract under such program on the basis of refusal to actively participate in a faith-based practice.

"(g) FISCAL ACCOUNTABILITY.—

"(1) IN GENERAL.—Except as provided in paragraph (2), any faith-based organization providing assistance under any program described in subsection (a) shall be subject to

the same regulations as other nongovernmental organizations to account in accord with generally accepted accounting principles for the use of such funds provided under such program.

"(2) LIMITED AUDIT.—Such organization shall segregate government funds provided under such program into a separate account. Only the government funds shall be subject to audit by the government.

"(h) COMPLIANCE.—A party alleging that the rights of the party under this section have been violated by a State or local government may bring a civil action pursuant to section 1979 of the Revised Statutes (42 U.S.C. 1983) against the official or government agency that has allegedly committed such violation. A party alleging that the rights of the party under this section have been violated by the Federal Government may bring a civil action for appropriate relief in an appropriate Federal district court against the official or government agency that has allegedly committed such violation.

"(i) LIMITATIONS ON USE OF FUNDS FOR CERTAIN PURPOSES.—No funds provided through a grant or contract to a faith-based organization to provide assistance under any program described in subsection (a) shall be expended for sectarian worship, instruction, or proselytization.

"(j) EFFECT ON STATE AND LOCAL LAWS.—

"(1) IN GENERAL.—If a State or local government contributes State or local funds to carry out a program described in subsection (a), the government may—

"(A) segregate the State or local funds from the Federal funds provided to carry out the program; or

"(B) commingle the State or local funds with the Federal funds.

"(2) SEGREGATED FUNDS.—If the State or local government segregates the State or local funds, the provisions of State law relating to the expenditure of public funds in or by sectarian institutions shall apply only to the segregated State or local funds.

"(3) COMMINGLED FUNDS.—If the State or local government commingles the State or local funds, the provisions of this section shall apply to the commingled funds in the same manner, and to the same extent, as the provisions apply to the Federal funds, and the provisions of State law described in paragraph (2) shall not apply to the commingled funds.

"(k) TREATMENT OF INTERMEDIATE CONTRACTORS.—If a nongovernmental organization (referred to in this subsection as an 'intermediate organization'), acting under a contract or other agreement with the Federal Government or a State or local government, is given the authority under the contract or agreement to select nongovernmental organizations to provide assistance under the programs described in subsection (a), the intermediate organization shall have the same duties under this section as the government.

CHAFEE (AND STEVENS) AMENDMENT NO. 2468

(Ordered to lie on the table.)

Mr. CHAFEE (for himself and Mr. STEVENS) submitted an amendment intended to be proposed by them to the bill, S. 1415, supra; as follows:

On page 130, after line 25, add the following:

"(3) For each of the first 5 fiscal years following the date of enactment of this part, a percentage of the amount available for any fiscal year under subsection (a) shall be made available to the Secretary to make grants under section 1981F.".

On page 147, between lines 5 and 6, insert the following:

"SEC. 1981F. GRANTS TO MINORITY MEDICAL SCHOOLS FOR ENDOWMENTS; PUBLIC HEALTH PROGRAMS REGARDING TOBACCO PRODUCTS.

"(a) IN GENERAL.—From the amount made available under section 1981(b)(3) for the fiscal year, the Secretary shall make grants to schools specified in subsection (b) for the purpose of establishing at the schools endowments each of whose income is used exclusively to carry out—

"(1) public health programs; and

"(2) programs of biomedical research on diseases for which the consumption of tobacco products is a principal causal factor.

"(b) RELEVANT SCHOOLS.—

"(1) IN GENERAL.—The schools referred to in subsection (a) are the following medical schools (schools of medicine or osteopathic medicine) and nursing school that are located in a State or the District of Columbia:

"(A) The 4 medical schools in the United States whose enrollment for academic year 1998 of Black individuals constituted a higher percentage of such individuals than other medical schools in the United States.

"(B) The 4 medical schools in the United States whose enrollment for academic year 1998 of Hispanic individuals constituted a higher percentage of such individuals than other medical schools in the United States.

"(C) The medical school in the United States whose enrollment for academic year 1998 of Native American individuals constituted a higher percentage of such individuals than other medical schools in the United States.

"(D) The school of nursing in the United States whose enrollment for academic year 1998 of Alaska Natives constituted a higher percentage of such individuals than other schools of nursing in the United States.

"(2) PAYMENTS TO DIFFERENT SCHOOLS.—The Secretary may modify the requirements of paragraph (1) only for purposes of ensuring that 10 different schools receive grants under this section.

"(c) DISTRIBUTION OF FUNDS.—

"(1) IN GENERAL.—Subject to paragraph (2), of the funds made available for grants under this section for a fiscal year each school described in subsection (b) shall receive $5,000,000.

"(2) PRO RATA REDUCTIONS.—If the funds made available for grants under this section for a fiscal year are not sufficient to pay each school described in subsection (b) the amount described in paragraph (1), the Secretary shall pay each such school an amount equal to the pro rata share of the amount made available.

"(d) ACCOUNTABILITY.—Any school that receives a grant under this section shall file an annual report with the Department of Education and the Department of Health and Human Services on the use of the funds received by the school under a grant made under this section.".

CHAFEE (AND OTHERS) AMENDMENT NO. 2469

(Ordered to lie on the table.)

Mr. CHAFEE (for himself, Mr. HARKIN, and Mr. GRAHAM) submitted an amendment intended to be proposed by them to the bill, S. 1415, supra; as follows:

In section 402, strike subsection (b), and insert the following:

(b) ANNUAL BASE PAYMENTS.—Each calendar year beginning after the required payment date under subsection (a)(3), the tobacco product manufacturers shall make total payments into the Fund for each calendar year in the following applicable base amounts, subject to adjustment as provided in section 403:

(1) For year 1—$14,400,000,000.

(2) For year 2—$21,600,000,000.

(3) For year 3, and each subsequent year, an amount equal to the amount of the annual base payment for the preceding year, prior to any adjustment as provided for in section 403, increased by the greater of 3 percent or the annual increase in the CPI.

For purposes of this subsection, the CPI for any calendar year is the average of the Consumer Price Index for all urban consumers published by the Department of Labor. If any increase determined under this subsection is not a multiple of $1,000, the increase shall be rounded to the nearest multiple of $1,000.

Strike section 403 and insert the following:

SEC. 403. VOLUME ADJUSTMENT.

Beginning with calendar year 2000, the applicable base amount shall be adjusted for changes in volume of domestic sales by multiplying the applicable base amount by the ratio of the actual volume for the calendar year to the base volume. For purposes of this subsection, the term "base volume" means 80 percent of the number of units of taxable domestic removals and taxed imports of cigarettes in calendar year 1997, as reported to the Secretary of the Treasury. For purposes of this section, the term "actual volume" means the number of adjusted units as defined in section 402(d)(3)(A).

ENZI AMENDMENTS NOS. 2470–2471

(Ordered to lie on the table.)

Mr. ENZI submitted two amendments intended to be proposed by him to the bill, S. 1415, supra; as follows:

AMENDMENT NO. 2470

Strike subtitle B of title IV, and insert the following:

Subtitle B—Use of Funds

SEC. 451. USE OF FUNDS.

Notwithstanding any other provision of this Act, amounts contained in the National Tobacco Settlement Trust Fund in a fiscal year shall be made available as follows:

(1) 50 percent of such amounts shall be transferred in such fiscal year to the Federal Hospital Insurance Trust Fund established under section 1817 of the Social Security Act (42 U.S.C. 1395i).

(2) 25 percent of such amounts shall be transferred in such fiscal year to the States through the medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

(3) 25 percent of such amounts shall be provided to the States in such fiscal year through block grants for the development and administration of programs to restrict youth access to tobacco products and illegal drugs as provided for in regulations promulgated by the Secretary.

AMENDMENT NO. 2471

At the end of the amendment, add the following:

SEC. ___. LIMITATIONS ON EXPENDITURES AND OBLIGATIONS.

Notwithstanding any other provision of this Act—

(1) any expenditure required by this Act shall be made from the National Tobacco Trust Fund;

(2) the Federal Government shall only be obligated to make expenditures as authorized by this Act, including any payment to any person or government, as provided in advance in appropriations Acts;

(3) amounts appropriated to make expenditures authorized by this Act in a fiscal year may not exceed the amounts deposited in the National Tobacco Trust Fund in the preceding fiscal year; and

(4) amounts provided in a fiscal year authorized by this Act shall be reduced on a pro rata basis in that fiscal year to offset any excess in those amounts over amounts deposited in the National Tobacco Trust Fund in the preceding fiscal year.

COATS AMENDMENT NO. 2472

(Ordered to lie on the table.)

Mr. COATS submitted an amendment intended to be proposed by him to the bill, S. 1415, supra; as follows:

At the appropriate place in title XIV, insert the following:

SEC. ___. LIMIT ON ATTORNEYS' FEES.

(a) FEE ARRANGEMENTS.—Subsection (f) shall apply to attorneys' fees provided for or in connection with action of the type described in subsection (c) under any—

(1) court order;

(2) settlement agreement;

(3) contingency fee arrangement;

(4) arbitration procedure;

(5) alternative dispute resolution procedure (including mediation);

(6) retainer agreements; or

(7) other arrangement providing for the payment of attorneys' fees.

(b) REQUIREMENTS.—No award of attorneys' fees under any action to which this Act applies shall be made under this Act until the attorneys involved have—

(1) provided to the Congress a detailed time accounting with respect to the work performed in relation to the legal action involved; and

(2) made public disclosure of the time accounting under paragraph (1) and any fee arrangements entered into, or fee arrangements made, with respect to the legal action involved.

(c) APPLICATION.—This section shall apply to fees paid or to be paid, under any arrangement described in subsection (a), to attorneys—

(1) who acted on behalf of a State or political subdivision of a State in connection with any past litigation of an action maintained by a State against one or more tobacco companies to recover tobacco-related medicaid expenditures;

(2) who acted on behalf of a State or political subdivision of a State in connection with any future litigation of an action maintained by a State against one or more tobacco compares to recover tobacco-related medicaid expenditures;

(3) who act at some future time on behalf of a State or political subdivision of a State in connection with any past litigation of an action maintained by a State against one or more tobacco companies to recover tobacco-related medicaid expenditures;

(4) who act at some future time on behalf of a State or political subdivision of a State in connection with any future litigation of an action maintained by a State against one or more tobacco companies to recover tobacco-related medicaid expenditures;

(5) who acted on behalf of a plaintiff class in civil actions to which this Act applies that are brought against participating or nonparticipating tobacco manufacturers;

(6) who act at some future time on behalf of a plaintiff class in civil actions to which this Act applies that are brought against participating or nonparticipating tobacco manufacturers;

(7) who acted on behalf of a plaintiff in civil actions to which this Act applies that are brought against participating or nonparticipating tobacco manufacturers;

(8) who act at some future time on behalf of a plaintiff in civil actions to which this Act applies that are brought against participating or nonparticipating tobacco manufacturers;

(9) who expended efforts that in whole or in part resulted in or created a model for programs in this Act;

(10) who acted on behalf of a defendant in any of the matters set forth in paragraphs (1) through (9); or

(11) who act at some future time on behalf of a defendant in any of the matters set forth in paragraphs (1) through (9).

(d) REPORT.—

(1) IN GENERAL.—Each attorney whose fees for services already rendered are subject to subsection (a) shall, within 60 days of the date of the enactment of this Act, submit to Committee on the Judiciary of the House of Representatives and the Committee on the Judiciary of the Senate a comprehensive record of the time and expenses for which the fees are to be paid. Such record shall be subject to section 1001(a) of title 18, United States Code.

(2) FUTURE ACTION.—Each attorney whose fees for services rendered in the future are subject to subsection (a) shall, within 60 days of the completion of the attorney's services, submit to Committee on the Judiciary of the House of Representatives and the Committee on the Judiciary of the Senate a comprehensive record of the time and expenses for which the fees are to be paid. Such record shall be subject to section 1001(a) of title 18, United States Code.

(e) SEVERABILITY.—If any provision of this section or the application of such provision to any person or circumstance is held to be unconstitutional, the remainder of this section and the application of the provisions of such to any person or circumstance shall not be affected thereby.

(f) GENERAL LIMITATION.—Notwithstanding any other provision of law, for each hour spent productively and at risk, separate from the reimbursement of actual out-of-pocket expenses as approved by the court in any action to which this section applies, any attorneys' fees or expenses paid to attorneys for matters described in subsection (c) shall not exceed $_____ per hour.

(g) EFFECTIVE DATE AND USE OF FUNDS.—

(1) EFFECTIVE DATE.—This section shall take effect on the date on which the Secretary makes use of amounts appropriated under section 1161.

(2) USE OF FUNDS.—Any funds remaining in the National Tobacco Trust Fund as a result of the implementation of this section shall be used as provided for in section 1161.

HOLLINGS AMENDMENTS NOS. 2473–2475

(Ordered to lie on the table.)

Mr. HOLLINGS submitted three amendments intended to be proposed by him to the bill, S. 1415, supra; as follows:

AMENDMENT NO. 2473

On page 58, strike lines 8 through line 23, and insert the following:

"(3) SECRETARY MAY NOT BAN CLASS OF PRODUCT OR ELIMINATE NICOTINE CONTENT WITHOUT CONGRESSIONAL AUTHORITY.—The Secretary may not, under this Act or any other provision of law, issue a regulation establishing a performance standard (or take other action)—

"(A) eliminating all cigarettes, all smokeless tobacco products, or any similar class of tobacco products; or

"(B) requiring the reduction of nicotine yields of a tobacco product to zero.

If the Secretary determines that such action should be taken, the Secretary shall so notify the Congress, with an explanation of the reasons therfor, and a request for legislative authority explicitly modifying, repealing, or overriding the preceding sentence."

AMENDMENT NO. 2474

On page 216, strike lines 11 through 18, and insert the following:

This title shall not apply to any State that, by law, provides that it shall not apply to that State.

AMENDMENT NO. 2475

After section 1134, insert the following:

SEC. 1135. IMPORTATION OF TOBACCO PRODUCTS.

(a) FINDINGS.—The Congress finds that—

(1) if the price of cigarettes increases, there may be an increasing incentive to import tobacco leaf of substandard quality;

(2) the importation of substandard tobacco leaf could cause increased health problems, and possibly expose United States-grown tobacco leaf to infestation from abroad; and

(3) imported tobacco leaf must be reviewed in a uniform and consistent fashion to ensure the quality and uniform treatment of imports of tobacco leaf.

(b) REQUIREMENTS.—

(1) IN GENERAL.—No tobacco leaf not a product of the United States may be introduced into interstate commerce in the United States unless it is—

(A) imported through the Port of Omaha, Nebraska;

(B) held in customs custody for not less than 6 years; and

(C) entered under single-entry bond.

(2) AUTOMATED ENTRY.—Tobacco leaf not a product of the United States is not eligible for automated entry under the laws and procedures of the United States relating to the importation of such products.

(3) SUSPENSION OF DRAWBACK FOR DRASTIC REDUCTION IN TOBACCO COMPANIES' PURCHASE OF TOBACCO LEAF.—If for any marketing year the aggregate volume of tobacco leaf that United States tobacco product manufacturers purchase under the tobacco marketing program conducted by the Secretary of Agriculture under sections 320A and 320B of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314g and 1314h) (or under the law of any State or compact of States) is less than 85 percent of the aggregate volume of tobacco leaf the manufacturers purchased in the preceding marketing year, no drawback shall be allowed with respect to the duties paid on imported tobacco leaf and related products for a period of 24 months beginning on the first day of such marketing year.

SNOWE AMENDMENTS NOS. 2476–2477

(Ordered to lie on the table.)

Ms. SNOWE submitted two amendments intended to be proposed by her to the bill, S. 1415, supra; as follows:

AMENDMENT NO. 2476

On page 408, between lines 5 and 6, insert the following:

Subtitle A—Provisions Relating to the Protocol and Liability".

On page 444, after line 14, insert the following:

Subtitle B—Codification of Marketing and Advertising Restrictions

SEC. 1421. FINDINGS.

To demonstrate the need for restrictions on the marketing and advertising of tobacco products, and to demonstrate that the restrictions contained in this subtitle are constitutional and meet the requirements of the *Central Hudson* case that the asserted governmental interest is substantial, directly advances the governmental interest, and is no more extensive than is necessary to serve that governmental interest, Congress makes the following findings:

(1) The sale of tobacco to minors is illegal in the United States. Therefore, forms of marketing and advertising that appeal to children must be restricted accordingly.

(2) Substantial restrictions on tobacco marketing and advertising are necessary to protect the public health, reduce the illegal sale and purchase of tobacco products by minors, and reduce the cost of tobacco-related illnesses on Federal and State health care programs.

(3) As recognized in *New York v. Ferber*, protecting the physical and psychological wellbeing of children is a compelling, not merely a substantial, interest of the government.

(4) The cost of tobacco on public health care programs is substantial as evidenced by a 1995 study by Columbia University that found that the estimated cost of tobacco on the medicare and medicaid programs was $25,500,000,000 and $8,200,000,000 respectively. Therefore, reducing these costs, which absorb substantial public resources, by reducing the utilization of tobacco would serve a substantial government interest.

(5) According to the 1994 Surgeon General's Report, nearly 90 percent of all adults who have ever been regular smokers began smoking at or before the age of 18, and, according to a Robert Wood Johnson Foundation Survey, the average smoker begins smoking at age 13 and is hooked by age 14½. Therefore, reducing the attractiveness of tobacco to children will reduce the likelihood that a child ever tries tobacco, and ensure that the long-term costs of tobacco-related illnesses will be averted.

(6) Marketing and advertising plays a significant role in attracting teens to tobacco and determining the brands that they use. According to the Centers for Disease Control and Prevention, 86 percent of children who buy their own cigarettes choose one of the 3 most heavily advertised brands (Marlboro (60 percent), Camel (13.3 percent), or Newport (12.7 percent)). In contrast, most adult smokers opt for generic or "value category" cigarette brands that rely on little, if any, image advertising.

(7) Tobacco industry documents and memorandums make clear that the industry considers children a key market, studied the smoking habits of children, and developed products and marketing campaigns that are directly intended to attract children to the purchase and use of their products.

(8) According to a 1995 study by The Journal of the National Cancer Institute, tobacco marketing has a greater influence in spurring children to take up smoking than exposure to parents or peers who smoke, and must be restricted accordingly.

(9) Children are more sensitive to tobacco advertising than adults, as evidenced by a 1996 study in the Journal of Marketing that found that children are 3 time more sensitive than adults to cigarette advertising.

(10) Tobacco advertising in magazines and periodicals influences the decision of children to use tobacco, as cited in the proceedings of the Food and Drug Administration and its supporting documents. In addition, children who report seeing cigarette advertising in magazines are more likely to experiment with tobacco.

(11) Cartoon images in advertising greatly enhance the appeal of tobacco to children, as evidenced by the "Joe Camel" marketing campaign. According to the Centers for Disease Control and Prevention, when advertising for the "Joe Camel" campaign rose from $27,000,000 to $43,000,000 between 1989 and 1993, Camel's market share among youth increased by more than 50 percent while it's share among adults was unchanged. Therefore, because cartoon advertising has been demonstrated to be a direct appeal to minors and not adults, such images should be banned.

(12) Children as young as 3 to 6 years of age can recognize a character associated with smoking at the same rate as they recognize cartoons and fast food characters.

(13) Human and animal images in tobacco advertising, and the themes that these images portray, have a profound impact on children, as evidenced by the "Marlboro Man" and the "Marlboro Horses". The image of independence and freedom conveyed by these images has led to Marlboro cigarettes capturing nearly 60 percent of the youth market even though the brand accounts for only 12.7 percent of cigarette advertising overall. Therefore, images portraying human and animal images should be restricted to adult-only venues.

(14) Event sponsorships by tobacco companies increase the likelihood that children will use tobacco as these events connect the product to individuals and activities that are admired and respected by children.

(15) According to a report in the American Journal of Public Health, the observation of tobacco marketing in stores is a significant predictor of a child's likelihood of experimenting with tobacco, increasing the probability by 38 percent. Therefore, in-store marketing should be restricted accordingly.

(16) Tobacco promotions greatly enhance the likelihood that children will use tobacco products, as evidenced by a November 1996 study in the American Journal of Public Health. This study found that a child who was simply aware of tobacco promotions was twice as likely to use tobacco as a child who was not. In addition, it found that a child who is aware of tobacco promotion, has knowledge of an adolescent friend with promotional items, and participates in a promotional activity is 9.3 times more likely to use tobacco.

(17) A 1998 study of teenagers in the Journal of the American Medical Association showed that tobacco industry promotional activities influenced previously non-susceptible non-smokers to become susceptible or to experiment with smoking.

(18) Restrictions on the number and placement of point-of-sale advertisements in stores and other outlets that are permissible for children to enter are necessary to reduce the appeal of tobacco products to children, while ensuring that consumers who can legally purchase these products are able to receive useful information.

(19) As demonstrated in the Food and Drug Administration rule, billboards and other forms of outdoor advertising that are located near schools and playgrounds can affect the decision of children to use tobacco products. Therefore, bans on these forms of advertising near these facilities, and within distances that are frequently traveled by children to access these facilities, would be a narrowly-tailored method of fulfilling the government interest, while still allowing information to be provided in this format to consumers who can legally purchase these products at other locations that are less-frequently viewed by children.

(20) Through advertisements during, and sponsorship of, sporting events, tobacco has become strongly associated with sports and has become portrayed as an integral part of sports and the healthy lifestyle associated with rigorous sporting activity.

(21) Because children are influenced by the images, habits, and mannerisms depicted by actresses and actors in movies and other forms of print and film media, tobacco companies should not be permitted to receive payments for the inclusion of logos, symbols, or mottoes in these types of venues if they will be viewed by children under the age of 18 without the supervision of a parent or guardian.

(22) Because children are influenced by the behavior of musical and other live entertainers whom they admire, payments by tobacco companies to live entertainers or their agents should be restricted at events in which individuals under the age of 18 are permitted to attend, and a substantial number of these individuals would reasonably be expected to attend.

(23) To ensure that advertising and marketing efforts are not deceptive or misleading, descriptors such as "light" and "low tar" should be accompanied by a disclaimer that the product is not less hazardous than any other tobacco product.

(24) Restrictions on the placement of advertisements in buses, subways, and other forms of public transportation that are reasonably expected to be utilized by a significant number of children on a daily basis will ensure that children are not exposed to such advertising for an extended period of time during a commute, and will reduce the susceptibility of children to tobacco advertising accordingly.

SEC. 1422. ADVERTISING PROVISIONS.

(a) IN GENERAL.—A tobacco product may not be sold or distributed in the United States—

(1) if its advertising or labeling (including the package)—

(A) contains a cartoon character;

(B) except as provided in subsection (b), contains a human image or animal image;

(C) appears in an enclosed stadia during events that are conducted with a reasonable expectation that 5 percent or more of the attendees will be under the age of 18 years;

(D) appears within 5000 feet of any elementary or secondary school, playground, or public park containing playground equipment;

(E) appears in public transportation, including buses, subways, and trains, that is reasonably expected to be utilized by 5 percent or more of passengers under the age of 18 years on an average daily basis; or

(F) contains words such as "light" or "low tar" and is not accompanied by a disclaimer that words such as "light" or "low tar" describing the product do not render the product less hazardous than any other tobacco product, in addition to such other requirements as the Secretary may impose;

(2) if a logo, symbol, motto, selling message, recognizable color or pattern of colors,

or any other indicia of the tobacco product that would be readily identifiable, and therefore appealing, to individuals under the age of 18 years is contained in a movie, program, or video game that an individual under the age of 18 years is able to attend or utilize without the accompaniment or consent of a parent or adult age 18 years or older for which a direct or indirect payment has been made to ensure its placement; or

(3) if a direct or indirect payment has been made by any manufacturer, distributor, or retailer to any entity for the purpose of promoting the image or use of a tobacco product through print or film media that is recognizable, and therefore appealing, to individuals under the age of 18 years and at which individuals under the age of 18 years are permitted to attend without the accompaniment or consent of a parent or adult age 18 years or older, or through a live performance by an entertainment artist where individuals under the age of 18 years are permitted to attend without the accompaniment of a parent or adult age 18 years or older, and would reasonably expect that 5 percent or more of the audience will be under the age of 18 years.

(b) EXCEPTION.—The prohibition contained in subsection (a)(1)(B) shall not apply to a tobacco product advertisement that appears in an adult-only facility, or in any publication which the manufacturer, distributor, or retailer demonstrates to the Secretary is a newspaper, magazine, periodical, or other publication whose readers under the age of 18 years constitute 15 percent or less of the total readership as measured by competent and reliable survey evidence, and that is read by less than 2,000,000 persons under the age of 18 years as measured by competent and reliable survey evidence.

SEC. 1423. POINT-OF-SALE RESTRICTIONS.

(a) IN GENERAL.—Except as provided in subsection (b), no manufacturer, distributor, or retailer shall engage in point-of-sale advertising of any tobacco product in any retail establishment (other than an establishment that sells only tobacco products) in which an individual under the age of 18 is present, or permitted to enter, at any time.

(b) EXCEPTION.—

(1) IN GENERAL.—A retailer may place 1 point-of-sale advertisement in or at each such location for its brand or the contracted house retailer or private label brand of its wholesaler.

(2) DISPLAY AREA.—The display area of any point-of-sale advertisement permitted under paragraph (1) (either individually or in the aggregate) shall not be larger than 576 square inches and shall consist of black letters on white background or another recognized typography.

(3) LIMITATION.—A point-of-sale advertisement permitted under paragraph (1) shall not be attached to or located within 2 feet of any display fixture on which candy is displayed for sale.

(c) AUDIO AND VIDEO.—Any audio or video format permitted under regulations promulgated by the Secretary may be distributed at the time of sale of a tobacco product to individuals over the age of 18 years, but no such format may be played or shown in or at any location where tobacco products are offered for sale and individuals under the age of 18 years are permitted.

(d) DEFINITION.—As used in this section, the terms "point-of-sale advertisement" and "point-of-sale advertising" mean all printed or graphical materials bearing the brand name (alone or in conjunction with any other word), logo, symbol, motto, selling message, or any other indicia of product identification identical or similar to, or identifiable with, those used for any brand of cigarettes or smokeless tobacco, which, when used for its intended purpose, can reasonably be anticipated to be seen by customers at a location where tobacco products are offered for sale.

SEC. 1424. STATUTORY ADVERTISING RESTRICTIONS.

(a) AUTHORITY OF SECRETARY.—The provisions of this subtitle shall in no way affect the authority of the Secretary to regulate tobacco as prescribed in any other provision of this Act or an amendment made by this Act.

(b) AUTHORITY OF FEDERAL TRADE COMMISSION.—The provisions of this subtitle shall in no way affect the authority of the Federal Trade Commission to regulate tobacco as prescribed in any other provision of this Act or an amendment made by this Act.

(c) SEVERABILITY.—If any provision of this subtitle or the application of such provision to any person or circumstance is held to be unconstitutional, the remainder of this subtitle and the application of the provisions of such to any person or circumstance shall not be affected thereby.

AMENDMENT NO. 2477

On page 408, between lines 5 and 6, insert the following:

Subtitle A—Provisions Relating to the Protocol and Liability".

On page 444, after line 14, insert the following:

Subtitle B—Codification of Marketing and Advertising Restrictions

SEC. 1421. FINDINGS.

To demonstrate the need for restrictions on the marketing and advertising of tobacco products, and to demonstrate that the restrictions contained in this subtitle are constitutional and meet the requirements of the *Central Hudson* case that the asserted governmental interest is substantial, directly advances the governmental interest, and is no more extensive than is necessary to serve that governmental interest, Congress makes the following findings:

(1) The sale of tobacco to minors is illegal in the United States. Therefore, forms of marketing and advertising that appeal to children must be restricted accordingly.

(2) Substantial restrictions on tobacco marketing and advertising are necessary to protect the public health, reduce the illegal sale and purchase of tobacco products by minors, and reduce the cost of tobacco-related illnesses on Federal and State health care programs.

(3) As recognized in *New York v. Ferber*, protecting the physical and psychological well-being of children is a compelling, not merely a substantial, interest of the government.

(4) The cost of tobacco on public health care programs is substantial as evidenced by a 1995 study by Columbia University that found that the estimated cost of tobacco on the medicare and medicaid programs was $25,500,000,000 and $8,200,000,000 respectively. Therefore, reducing these costs, which absorb substantial public resources, by reducing the utilization of tobacco would serve a substantial government interest.

(5) According to the 1994 Surgeon General's Report, nearly 90 percent of all adults who have ever been regular smokers began smoking at or before the age of 18, and, according to a Robert Wood Johnson Foundation Survey, the average smoker begins smoking at age 13 and is hooked by age 14½. Therefore, reducing the attractiveness of tobacco to children will reduce the likelihood that a child ever tries tobacco, and ensure that the long-term costs of tobacco-related illnesses will be averted.

(6) Marketing and advertising plays a significant role in attracting teens to tobacco and determining the brands that they use. According to the Centers for Disease Control and Prevention, 86 percent of children who buy their own cigarettes choose one of the 3 most heavily advertised brands (Marlboro (60 percent), Camel (13.3 percent), or Newport (12.7 percent)). In contrast, most adult smokers opt for generic or "value category" cigarette brands that rely on little, if any, image advertising.

(7) Tobacco industry documents and memorandums make clear that the industry considers children a key market, studied the smoking habits of children, and developed products and marketing campaigns that are directly intended to attract children to the purchase and use of their products.

(8) According to a 1995 study by The Journal of the National Cancer Institute, tobacco marketing has a greater influence in spurring children to take up smoking than exposure to parents or peers who smoke, and must be restricted accordingly.

(9) Children are more sensitive to tobacco advertising than adults, as evidenced by a 1996 study in the Journal of Marketing that found that children are 3 time more sensitive than adults to cigarette advertising.

(10) Tobacco advertising in magazines and periodicals influences the decision of children to use tobacco, as cited in the proceedings of the Food and Drug Administration and its supporting documents, In addition, children who report seeing cigarette advertising in magazines are more likely to experiment with tobacco.

(11) Cartoon images in advertising greatly enhance the appeal of tobacco to children, as evidenced by the "Joe Camel" marketing campaign. According to the Centers for Disease Control and Prevention, when advertising for the "Joe Camel" campaign rose from $27,000,000 to $43,000,000 between 1989 and 1993, Camel's market share among youth increased by more than 50 percent while it's share among adults was unchanged. Therefore, because cartoon advertising has been demonstrated to be a direct appeal to minors and not adults, such images should be banned.

(12) Children as young as 3 to 6 years of age can recognize a character associated with smoking at the same rate as they recognize cartoons and fast food characters.

(13) Human and animal images in tobacco advertising, and the themes that these images portray, have a profound impact on children, as evidenced by the "Marlboro Man" and the "Marlboro Horses". The image of independence and freedom conveyed by these images has led to Marlboro cigarettes capturing nearly 60 percent of the youth market even though the brand accounts for only 12.7 percent of cigarette advertising overall. Therefore, images portraying human and animal images should be restricted to adult-only venues.

(14) Event sponsorships by tobacco companies increase the likelihood that children will use tobacco as these events connect the product to individuals and activities that are admired and respected by children.

(15) According to a report in the American Journal of Public Health, the observation of tobacco marketing in stores is a significant predictor of a child's likelihood of experimenting with tobacco, increasing the probability by 38 percent. Therefore, in-store marketing should be restricted accordingly.

(16) Tobacco promotions greatly enhance the likelihood that children will use tobacco products, as evidenced by a November 1996 study in the American Journal of Public Health. This study found that a child who was simply aware of tobacco promotions was twice as likely to use tobacco as a child who was not. In addition, it found that a child who is aware of tobacco promotion, has knowledge of an adolescent friend with promotional items, and participates in a promotional activity is 9.3 time more likely to use tobacco.

(17) A 1998 study of teenagers in the Journal of the American Medical Association showed that tobacco industry promotional activities influenced previously non-susceptible non-smokers to become susceptible or to experiment with smoking.

(18) Restrictions on the number and placement of point-of-sale advertisements in stores and other outlets that are permissible for children to enter are necessary to reduce the appeal of tobacco products to children, while ensuring that consumers who can legally purchase these products are able to receive useful information.

(19) As demonstrated in the Food and Drug Administration rule, billboards and other forms of outdoor advertising that are located near schools and playgrounds can affect the decision of children to use tobacco products. Therefore, bans on these forms of advertising near these facilities, and within distances that are frequently traveled by children to access these facilities, would be a narrowly-tailored method of fulfilling the government interest, while still allowing information to be provided in this format to consumers who can legally purchase these products at other locations that are less-frequently viewed by children.

(20) Through advertisements during, and sponsorship of, sporting events, tobacco has become strongly associated with sports and has become portrayed as an integral part of sports and the healthy lifestyle associated with rigorous sporting activity.

(21) Because children are influenced by the images, habits, and mannerisms depicted by actresses and actors in movies and other forms of print and film media, tobacco companies should not be permitted to receive payments for the inclusion of logos, symbols, or mottoes in these types of venues if they will be viewed by children under the age of 18 without the supervision of a parent or guardian.

(22) Because children are influenced by the behavior of musical and other live entertainers whom they admire, payments by tobacco companies to live entertainers or their agents should be restricted at events in which individuals under the age of 18 are permitted to attend, and a substantial number of these individuals would reasonably be expected to attend.

(23) To ensure that advertising and marketing efforts are not deceptive or misleading, descriptors such as "light" and "low tar" should be accompanied by a disclaimer that the product is not less hazardous than any other tobacco product.

(24) Restrictions on the placement of advertisements in buses, subways, and other forms of public transportation that are reasonably expected to be utilized by a significant number of children on a daily basis will ensure that children are not exposed to such advertising for an extended period of time during a commute, and will reduce the susceptibility of children to tobacco advertising accordingly.

SEC. 1422. ADVERTISING PROVISIONS.

(a) IN GENERAL.—A tobacco product may not be sold or distributed in the United States—

(1) if its advertising or labeling (including the package)—

(A) contains a cartoon character;

(B) except as provided in subsection (b), contains a human image or animal image;

(C) appears in an enclosed stadia during events that are conducted with a reasonable expectation that 5 percent or more of the attendees will be under the age of 18 years;

(D) appears within 5000 feet of any elementary or secondary school, playground, or public park containing playground equipment;

(E) appears in public transportation, including buses, subways, and trains, that is reasonably expected to be utilized by 5 percent or more of passengers under the age of 18 years on an average daily basis; or

(F) contains words such as "light" or "low tar" and is not accompanied by a disclaimer that words such as "light" or "low tar" describing the product do not render the product less hazardous than any other tobacco product, in addition to such other requirements as the Secretary may impose;

(2) if a logo, symbol, motto, selling message, recognizable color or pattern of colors, or any other indicia of the tobacco product that would be readily identifiable, and therefore appealing, to individuals under the age of 18 years is contained in a movie, program, or video game that an individual under the age of 18 years is able to attend or utilize without the accompaniment or consent of a parent or adult age 18 years or older for which a direct or indirect payment has been made to ensure its placement; or

(3) if a direct or indirect payment has been made by any manufacturer, distributor, or retailer to any entity for the purpose of promoting the image or use of a tobacco product through print or film media that is recognizable, and therefore appealing, to individuals under the age of 18 years and at which individuals under the age of 18 years are permitted to attend without the accompaniment or consent of a parent or adult age 18 years or older, or through a live performance by an entertainment artist where individuals under the age of 18 years are permitted to attend without the accompaniment of a parent or adult age 18 years or older, and would reasonably expect that 5 percent or more of the audience will be under the age of 18 years.

(b) EXCEPTION.—The prohibition contained in subsection (a)(1)(B) shall not apply to a tobacco product advertisement that appears in an adult-only facility, or in any publication which the manufacturer, distributor, or retailer demonstrates to the Secretary is a newspaper, magazine, periodical, or other publication whose readers under the age of 18 years constitute 15 percent or less of the total readership as measured by competent and reliable survey evidence, and that is read by less than 2,000,000 persons under the age of 18 years as measured by competent and reliable survey evidence.

SEC. 1423. POINT-OF-SALE RESTRICTIONS.

(a) IN GENERAL.—Except as provided in subsection (b), no manufacturer, distributor, or retailer shall engage in point-of-sale advertising of any tobacco product in any retail establishment (other than an establishment that sells only tobacco products) in which an individual under the age of 18 is present, or permitted to enter, at any time.

(b) EXCEPTION.—

(1) IN GENERAL.—A retailer may place 1 point-of-sale advertisement in or at each such location for its brand or the contracted house retailer or private label brand of its wholesaler.

(2) DISPLAY AREA.—The display area of any point-of-sale advertisement permitted under paragraph (1) (either individually or in the aggregate) shall not be larger than 576 square inches and shall consist of black letters on white background or another recognized typography.

(3) LIMITATION.—A point-of-sale advertisement permitted under paragraph (1) shall not be attached to or located within 2 feet of any display fixture on which candy is displayed for sale.

(c) AUDIO AND VIDEO.—Any audio or video format permitted under regulations promulgated by the Secretary may be distributed at the time of sale of a tobacco product to individuals over the age of 18 years, but no such format may be played or shown in or at any location where tobacco products are offered for sale and individuals under the age of 18 years are permitted.

(d) DEFINITION.—As used in this section, the terms "point-of-sale advertisement" and "point-of-sale advertising" mean all printed or graphical materials bearing the brand name (alone or in conjunction with any other word), logo, symbol, motto, selling message, or any other indicia of product identification identical or similar to, or identifiable with, those used for any brand of cigarettes or smokeless tobacco, which, when used for its intended purpose, can reasonably be anticipated to be seen by customers at a location where tobacco products are offered for sale.

SEC. 1424. STATUTORY ADVERTISING RESTRICTIONS.

(a) AUTHORITY OF SECRETARY.—The provisions of this subtitle shall in no way affect the authority of the Secretary to regulate tobacco as prescribed in any other provision of this Act or an amendment made by this Act.

(b) AUTHORITY OF FEDERAL TRADE COMMISSION.—The provisions of this subtitle shall in no way affect the authority of the Federal Trade Commission to regulate tobacco as prescribed in any other provision of this Act or an amendment made by this Act.

(c) SEVERABILITY.—If any provision of this subtitle or the application of such provision to any person or circumstance is held to be unconstitutional, the remainder of this subtitle and the application of the provisions of such to any person or circumstance shall not be affected thereby.

SEC. 1425. EFFECTIVE DATE.

The provisions of this subtitle shall become effective on the date that is 120 days after the enactment of the Act.

SEC. 1426. SUNSET PROVISION.

The provisions of this subtitle shall cease to apply beginning on the date on which all tobacco manufacturers to which the Act applies have entered into the Protocol.

SNOWE (AND JEFFORDS) AMENDMENT NO. 2478

(Ordered to lie on the table.)

Ms. SNOWE (for herself and Mr. JEFFORDS) submitted an amendment intended to be proposed by them to the bill, S. 1415, supra; as follows:

On page 194, after line 8, after the period add the following: "The net revenues credited to the trust fund under section 401(b)(3) and allocated to this account shall be used for smoking prevention and counter-advertising programs as provided for in clauses (i)

and (ii) of paragraph (2)(C), with not less than 50 percent of such revenues being used for State and community-based prevention activities under section 1981C(b) of the Public Health Service Act.".

SNOWE (AND OTHERS) AMENDMENT NO. 2479

(Ordered to lie on the table.)

Ms. SNOWE (for herself, Mr. SMITH of Oregon, and Mr. ROBB) submitted an amendment intended to be proposed by them to the bill, S. 1415, supra; as follows:

On page 121, strike lines 7 through 13, and insert the following:

(III) OTHER.—Other programs including—

(aa) the required completion by individuals under 18 years of age of a mandatory, State approved anti-smoking, anti-drug and anti-alcohol class, prior to such individual receiving a drivers permit or license;

(bb) the mandatory suspension of the drivers permit or license of an individual under 18 years for the possession of, purchase of, or attempting to purchase tobacco products; and

(cc) the imposition of fines, community service requirements, or other programs as determined appropriate by the State.

ALLARD AMENDMENT NO. 2480

(Ordered to lie on the table.)

Mr. ALLARD submitted an amendment intended to be proposed by him to the bill, S. 1415, supra; as follows:

On page 210, between lines 18 and 19, insert the following:

SEC. 456. ACTION BY STATE LEGISLATURE.

Amounts made available to a State under this Act shall be subject to appropriation by the State legislature, consistent with the terms and conditions required under this Act.

DOMENICI AMENDMENTS NOS. 2481–2489

(Ordered to lie on the table.)

Mr. DOMENICI submitted nine amendments intended to be proposed by him to the bill, S. 1415, supra; as follows:

AMENDMENT NO. 2481

Beginning on page 200, strike line 6 and all that follows through line 19 on page 201, and insert the following:

(b) USE OF FUNDS.—A State may use amounts received under this section as the State determines appropriate to support an effective anti-teen smoking and anti-drug use program.

SEC. ___. LIMITATION ON ATTORNEYS FEES.

Notwithstanding any other provision of this Act, amounts paid by a State to attorneys acting on behalf of the State or political subdivision of the State in connection with the past or future settlement of an action maintained by the State against 1 or more tobacco companies to recover tobacco-related medicaid expenditures, or for efforts that in whole or in part resulted in or created a model for programs in this Act, or for other causes of action to which the settlement agreement dated June 20, 1997 would apply, shall not exceed the lesser of—

(1) an amount equal to $2,000 per hour for each hour spent productively and at risk; or

(2) an amount equal to 10 percent of the amount which the State receives under section 451(a) for the fiscal year involved.

AMENDMENT NO. 2482

At the appropriate place in title XIV, insert the following:

SEC. ___. LIMITATION ON ATTORNEYS FEES.

Notwithstanding any other provision of this Act, amounts paid by a State to attorneys acting on behalf of the State or political subdivision of the State in connection with the past or future settlement of an action maintained by the State against 1 or more tobacco companies to recover tobacco-related medicaid expenditures, or for efforts that in whole or in part resulted in or created a model for programs in this Act, or for other causes of action to which the settlement agreement dated June 20, 1997 would apply, shall not exceed the lesser of—

(1) an amount equal to $2,000 per hour for each hour spent productively and at risk; or

(2) an amount equal to 10 percent of the amount which the State receives under section 451(a) for the fiscal year involved.

AMENDMENT NO. 2483

On page 199, after line 23, add the following:

(f) VETERANS ACCOUNT.—

(1) IN GENERAL.—There is established within the trust fund a separate account, to be known as the Veterans Account. Of the net revenues credited to the trust fund under section 401(b)(1), $1,000,000,000 for each fiscal year shall be allocated to the Veterans Account.

(2) AUTHORIZATION OF APPROPRIATIONS.—Amounts in the Veterans Account shall be available to the extent and in the amounts provided in advance in appropriations acts, to remain available until expended, only for purposes of enabling the Department of Veterans Affairs to provide care and services under chapter 17 of title 38, United States Code.

On page 199, after line 23, add the following:

(f) VETERANS ACCOUNT.—

(1) IN GENERAL.—There is established within the trust fund a separate account, to be known as the Veterans Account. Of the net revenues credited to the trust fund under section 401(b)(1), $1,000,000,000 for each fiscal year shall be allocated to the Veterans Account.

(2) AUTHORIZATION OF APPROPRIATIONS.—Amounts in the Veterans Account shall be available to the extent and in the amounts provided in advance in appropriations acts, to remain available until expended, only for purposes of enabling the Department of Veterans Affairs to provide care and services under chapter 17 of title 38, United States Code.

AMENDMENT NO. 2484

Beginning on page 192, line 6, strike all through page 199, line 23, and insert the following:

SEC. 451. ALLOCATION ACCOUNTS.

(a) STATE LITIGATION SETTLEMENT ACCOUNT.—

(1) IN GENERAL.—There is established within the Trust Fund a separate account, to be known as the State Litigation Settlement Account. Of the net revenues credited to the Trust Fund under section 401(b)(1) for each fiscal year, 20 percent of the amounts designated for allocation under the settlement payments shall be allocated to this account. Such amounts shall be reduced by the additional estimated Federal expenditures that will be incurred as a result of State expenditures under section 452, which amounts shall be transferred to the miscellaneous receipts of the Treasury. If, after 10 years, the estimated 25-year total amount projected to received in this account will be different than amount than $196,500,000,000, then beginning with the eleventh year the 20 percent share will be adjusted as necessary, to a percentage not in excess of 25 percent and not less than 15 percent, to achieve that 25-year total amount.

(2) AUTHORIZATION OF APPROPRIATIONS.—Amounts in the State Litigation Settlement Account shall be available to the extent and only in the amounts provided in advance in appropriations Acts, to remain available until expended.

(3) DISTRIBUTION FORMULA.—The Secretary of the Treasury shall consult with the National Governors Association, the National Association of Attorneys General, and the National Conference of State Legislators on a formula for the distribution of amounts in the State Litigation Settlement Account and report to the Congress within 90 days after the date of enactment of this Act with recommendations for implementing a distribution formula.

(4) USE OF FUNDS.—A State may use amounts received under this subsection as the State determines appropriate, consistent with the other provisions of this Act.

(5) FUNDS NOT AVAILABLE AS MEDICAID REIMBURSEMENT.—Funds in the account shall not be available to the Secretary as reimbursement of Medicaid expenditures or considered as Medicaid overpayments for purposes of recoupment.

(b) PUBLIC HEALTH ALLOCATION ACCOUNT.—

(1) IN GENERAL.— There is established within the trust fund a separate account, to be known as the Public Health Account. Eleven percent of the net revenues credited to the trust fund under section 401(b)(1) and 50 percent of the net revenues credited to the trust fund under section 401(b)(3) shall be allocated to this account.

(2) AUTHORIZATION OF APPROPRIATIONS.—Amounts in the Public Health Account shall be available to the extent and only in the amounts provided in advance in appropriations Acts, to remain available until expended, only for the purposes of:

(A) CESSATION AND OTHER TREATMENTS.—Of the total amounts allocated to this account, not less than 25 percent, but not more than 35 percent are to be used to carry out smoking cessation activities under part D of title XIX of the Public Health Service Act, as added by title II of this Act.

(B) INDIAN HEALTH SERVICE.—Of the total amounts allocated to this account, not less than 3 percent, but not more than 7 percent are to be used to carry out activities under section 453.

(C) EDUCATION AND PREVENTION.—Of the total amounts allocated to this account, not less than 50 percent, but not more than 65 percent are to be used to carry out—

(i) counter-advertising activities under section 1982 of the Public Health Service Act as amended by this Act;

(ii) smoking prevention activities under section 223;

(iii) surveys under section 1991C of the Public Health Service Act, as added by this Act (but, in no fiscal year may the amounts used to carry out such surveys be less than 10 percent of the amounts available under this subsection); and

(iv) international activities under section 1132.

(D) ENFORCEMENT.—Of the total amounts allocated to this account, not less than 17.5 percent nor more than 22.5 percent are to be used to carry out the following:

(i) Food and Drug Administration activities.

(I) The Food and Drug Administration shall receive not less than 15 percent of the funds provided in subparagraph (D) in the first fiscal year beginning after the date of enactment of this Act, 35 percent of such funds in the second year beginning after the date of enactment, and 50 percent of such funds for each fiscal year beginning after the date of enactment, as reimbursements for the costs incurred by the Food and Drug Administration in implementing and enforcing requirements relating to tobacco products.

(II) No expenditures shall be made under subparagraph (D) during any fiscal year in which the annual amount appropriated for the Food and Drug Administration is less than the amount so appropriated for the prior fiscal year.

(ii) State retail licensing activities under section 251.

(iii) Anti-Smuggling activities under section 1141.

(c) HEALTH AND HEALTH-RELATED RESEARCH ALLOCATION ACCOUNT.—

(1) IN GENERAL.— There is established within the trust fund a separate account, to be known as the Health and Health-Related Research Account. Of the net revenues credited to the trust fund under section 401(b)(1), 11 percent shall be allocated to this account.

(2) AUTHORIZATION OF APPROPRIATIONS.— Amounts in the Health and Health-Related Research Account shall be available to the extent and in the amounts provided in advance in appropriations acts, to remain available until expended, only for the following purposes:

(A) $750,000 shall be made available in fiscal year 1999 for the study to be conducted under section 1991 of the Public Health Service Act.

(B) National Institutes of Health Research under section 1991D of the Public Health Service Act, as added by this Act. Of the total amounts allocated to this account, not less than 75 percent, but not more than 80 percent shall be used for this purpose.

(C) Centers for Disease Control under section 1991C of the Public Health Service Act, as added by this Act, and Agency for Health Care Policy and Research under section 1991E of the Public Health Service Act, as added by this Act, authorized under sections 2803 of that Act, as so added. Of the total amounts allocated to this account, not less than 12 percent, but not more than 18 percent shall be used for this purpose.

(D) National Science Foundation Research under section 454. Of the total amounts allocated to this account, not less than 1 percent, but not more than 1 percent shall be used for this purpose.

(E) Cancer Clinical Trials under section 455. Of the total amounts allocated to this account, $750,000,000 shall be used for the first 3 fiscal years for this purpose.

(d) FARMERS ASSISTANCE ALLOCATION ACCOUNT.—

(1) IN GENERAL.— There is established within the trust fund a separate account, to be known as the Farmers Assistance Account. Of the net revenues credited to the trust fund under section 401(b)(1) in each fiscal year—

(A) 8 percent shall be allocated to this account for the first 10 years after the date of enactment of this Act; and

(B) 2 percent shall be allocated to this account for each subsequent year until the account has received a total of $28,500,000,000.

(2) AUTHORIZATION OF APPROPRIATIONS.— Amounts in the Farmers Assistance Account shall be available to the extent and in the amounts provided in advance in appropriations acts, to remain available until expended for the purposes of section 1012.

(e) MEDICARE PRESERVATION ACCOUNT.— There is established within the trust fund a separate account, to be known as the Medicare Preservation Account. Amounts in the trust fund shall be allocated to this account as follows:

(1) 50 percent of the net revenues credited to the trust fund under section 401(b).

(2) In any year, the net amounts credited to the trust fund for payments under section 402(b) are greater than the net revenues originally estimated under section 401(b), 50 percent of the amount of any such excess.

(3) Beginning in the eleventh year beginning after the date of enactment of this Act, 6 percent of the net revenues credited to the trust fund under section 401(b)(1).

(f) TRANSFER OF REVENUES TO FEDERAL HOSPITAL INSURANCE TRUST FUND.—Section 1817(a) of the Social Security Act (42 U.S.C. 1395i(a)) is amended by striking "and" at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting "; and", and by inserting after paragraph (2) the following:

"(3) the amounts allocated to the Medicare Preservation Account of the National Tobacco Trust Fund."

AMENDMENT NO. 2485

At the appropriate place, insert the following:

SEC. ___. EXPEDITED JUDICIAL REVIEW.

(a) EXPEDITED REVIEW.—

(1) IN GENERAL.—Any individual adversely affected by—

(A) a penalty for a violation of the lookback provisions of subtitle A of title II;

(B) an assessment for an initial or annual payment under section 403;

(C) any restrictions on marketing and labeling under this Act (or an amendment made by this Act) either foreign or domestic; or

(D) any licensing fee under section 1121;

may bring an action, in the United States District Court for the District of Columbia, for declaratory judgment and injunctive relief on the ground that such provision or its application to such individual violates the Constitution.

(2) DELIVERY OF COPY.—A copy of any complaint in an action brought under paragraph (1) shall be promptly delivered to the Secretary of the Senate and the Clerk of the House of Representatives, and each House of Congres shall have the right to intervene in such action.

(3) RIGHT OF INTERVENTION.—Nothing in this section or in any other law shall infringe upon the right of the House of Representatives to intervene in an action brought under paragraph (1) without the necessity of adopting a resolution to authorize such intervention.

(b) APPEAL TO SUPREME COURT.—Notwithstanding any other provision of law, any order of the United States District Court for the District of Columbia which is issued pursuant to an action brought under paragraph (1) of subsection (a) shall be reviewable by appeal directly to the Supreme Court of the United States. Any such appeal shall be taken by a notice of appeal filed within 10 calendar days after such order is entered; and the jurisdictional statement shall be filed within 30 calendar days after such order is entered. No stay of an order issued pursuant to an action brought under paragraph (1) of subsection (a) shall be issued by a single Justice of the Supreme Court.

(c) EXPEDITED CONSIDERATION.—It shall be the duty of the District Court for the District of Columbia and the Supreme Court of the United States to advance on the docket and to expedite to the greatest possible extent the disposition of any matter brought under subsection (a).

(d) ADJUSTMENT OF INDUSTRY PAYMENTS.—

(1) IN GENERAL.—Except as provided in paragraph (2) and notwithstanding section 402(b), the amount of the annual payments required of a manufacturer under such section for a fiscal year shall be equal to the product of $0.75 and the number of packages of cigarettes sold in the previous year by such manufacturer.

(2) INCREASE IN AMOUNT.—Paragraph (1) shall cease to apply on the earlier of—

(A) the date on which a final ruling has been made as to the constitutionality of all of the provisions described in subsection (a)(1); or

(B) the date that is 3 years after the date of enactment of this Act.

AMENDMENT NO. 2486

Beginning on page 192, line 6, strike all through page 199, line 23, and insert the following:

SEC. 451. ALLOCATION ACCOUNTS.

(a) STATE LITIGATION SETTLEMENT ACCOUNT.—

(1) IN GENERAL.—There is established within the Trust Fund a separate account, to be known as the State Litigation Settlement Account. Of the net revenues credited to the Trust Fund under section 401(b)(1) for each fiscal year, 20 percent of the amounts designated for allocation under the settlement payments shall be allocated to this account. Such amounts shall be reduced by the additional estimated Federal expenditures that will be incurred as a result of State expenditures under section 452, which amounts shall be transferred to the miscellaneous receipts of the Treasury. If, after 10 years, the estimated 25-year total amount projected to received in this account will be different than amount than $196,500,000,000, then beginning with the eleventh year the 20 percent share will be adjusted as necessary, to a percentage not in excess of 25 percent and not less than 15 percent, to achieve that 25-year total amount.

(2) AUTHORIZATION OF APPROPRIATIONS.— Amounts in the State Litigation Settlement Account shall be available to the extent and only in the amounts provided in advance in appropriations Acts, to remain available until expended.

(3) DISTRIBUTION FORMULA.—The Secretary of the Treasury shall consult with the National Governors Association, the National Association of Attorneys General, and the National Conference of State Legislators on a formula for the distribution of amounts in the State Litigation Settlement Account and report to the Congress within 90 days after the date of enactment of this Act with recommendations for implementing a distribution formula.

(4) USE OF FUNDS.—A State may use amounts received under this subsection as the State determines appropriate, consistent with the other provisions of this Act.

(5) FUNDS NOT AVAILABLE AS MEDICAID REIMBURSEMENT.—Funds in the account shall not be available to the Secretary as reimbursement of Medicaid expenditures or considered as Medicaid overpayments for purposes of recoupment.

(b) PUBLIC HEALTH ALLOCATION ACCOUNT.—

(1) IN GENERAL.— There is established within the trust fund a separate account, to be

known as the Public Health Account. Eleven percent of the net revenues credited to the trust fund under section 401(b)(1) and 50 percent of the net revenues credited to the trust fund under section 401(b)(3) shall be allocated to this account.

(2) AUTHORIZATION OF APPROPRIATIONS.—Amounts in the Public Health Account shall be available to the extent and only in the amounts provided in advance in appropriations Acts, to remain available until expended, only for the purposes of:

(A) CESSATION AND OTHER TREATMENTS.—Of the total amounts allocated to this account, not less than 25 percent, but not more than 35 percent are to be used to carry out smoking cessation activities under part D of title XIX of the Public Health Service Act, as added by title II of this Act.

(B) INDIAN HEALTH SERVICE.—Of the total amounts allocated to this account, not less than 3 percent, but not more than 7 percent are to be used to carry out activities under section 453.

(C) EDUCATION AND PREVENTION.—Of the total amounts allocated to this account, not less than 50 percent, but not more than 65 percent are to be used to carry out—

(i) counter-advertising activities under section 1982 of the Public Health Service Act as amended by this Act;

(ii) smoking prevention activities under section 223;

(iii) surveys under section 1991C of the Public Health Service Act, as added by this Act (but, in no fiscal year may the amounts used to carry out such surveys be less than 10 percent of the amounts available under this subsection); and

(iv) international activities under section 1132.

(D) ENFORCEMENT.—Of the total amounts allocated to this account, not less than 17.5 percent nor more than 22.5 percent are to be used to carry out the following:

(i) Food and Drug Administration activities.

(I) The Food and Drug Administration shall receive not less than 15 percent of the funds provided in subparagraph (D) in the first fiscal year beginning after the date of enactment of this Act, 35 percent of such funds in the second year beginning after the date of enactment, and 50 percent of such funds for each fiscal year beginning after the date of enactment, as reimbursements for the costs incurred by the Food and Drug Administration in implementing and enforcing requirements relating to tobacco products.

(II) No expenditures shall be made under subparagraph (D) during any fiscal year in which the annual amount appropriated for the Food and Drug Administration is less than the amount so appropriated for the prior fiscal year.

(ii) State retail licensing activities under section 251.

(iii) Anti-Smuggling activities under section 1141.

(c) HEALTH AND HEALTH-RELATED RESEARCH ALLOCATION ACCOUNT.—

(1) IN GENERAL.— There is established within the trust fund a separate account, to be known as the Health and Health-Related Research Account. Of the net revenues credited to the trust fund under section 401(b)(1), 11 percent shall be allocated to this account.

(2) AUTHORIZATION OF APPROPRIATIONS.—Amounts in the Health and Health-Related Research Account shall be available to the extent and in the amounts provided in advance in appropriations acts, to remain available until expended, only for the following purposes:

(A) $750,000 shall be made available in fiscal year 1999 for the study to be conducted under section 1991 of the Public Health Service Act.

(B) National Institutes of Health Research under section 1991D of the Public Health Service Act, as added by this Act. Of the total amounts allocated to this account, not less than 75 percent, but not more than 80 percent shall be used for this purpose.

(C) Centers for Disease Control under section 1991C of the Public Health Service Act, as added by this Act, and Agency for Health Care Policy and Research under section 1991E of the Public Health Service Act, as added by this Act, authorized under sections 2803 of that Act, as so added. Of the total amounts allocated to this account, not less than 12 percent, but not more than 18 percent shall be used for this purpose.

(D) National Science Foundation Research under section 454. Of the total amounts allocated to this account, not less than 1 percent, but not more than 1 percent shall be used for this purpose.

(E) Cancer Clinical Trials under section 455. Of the total amounts allocated to this account, $750,000,000 shall be used for the first 3 fiscal years for this purpose.

(d) FARMERS ASSISTANCE ALLOCATION ACCOUNT.—

(1) IN GENERAL.— There is established within the trust fund a separate account, to be known as the Farmers Assistance Account. Of the net revenues credited to the trust fund under section 401(b)(1) in each fiscal year—

(A) 8 percent shall be allocated to this account for the first 10 years after the date of enactment of this Act; and

(B) 2 percent shall be allocated to this account for each subsequent year until the account has received a total of $28,500,000,000.

(2) AUTHORIZATION OF APPROPRIATIONS.—Amounts in the Farmers Assistance Account shall be available to the extent and in the amounts provided in advance in appropriations acts, to remain available until expended for the purposes of section 1012.

(e) MEDICARE PRESERVATION ACCOUNT.—There is established within the trust fund a separate account, to be known as the Medicare Preservation Account. If, in any year, the net amounts credited to the trust fund for payments under section 402(b) are greater than the net revenues originally estimated under section 401(b), 50 percent of the amount of any such excess shall be credited to the Medicare Preservation Account. Beginning in the eleventh year beginning after the date of enactment of this Act, 6 percent of the net revenues credited to the trust fund under section 401(b)(1) shall be allocated to this account. Funds credited to this account shall be transferred to the Medicare Hospital Insurance Trust Fund.

(f) RATE REDUCTION ACCOUNT.—

(1) IN GENERAL.—There is established within the trust fund a separate account, to be known as the Rate Reduction Account. Fifty percent of the net revenues credited to the trust fund under section 401(b) shall be allocated to this account.

(2) APPROPRIATION.—Amounts so allocated are hereby appropriated to the general fund of the Treasury for the purposes of providing the revenue offset for the amendments made by section 451A of this Act.

SEC. 451A. REDUCTION OF 15 AND 28 PERCENT RATES.

(a) IN GENERAL.—The tables contained subsections (a) through (e) of section 1 of the Internal Revenue Code of 1986 (relating to tax imposed) are amended by striking "15%" and "28%" each place they appear and insert "14.8%" and "27.65%", respectively.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

AMENDMENT NO. 2487

At the appropriate place insert the following:

SEC. ___. INCREASE AND SIMPLIFICATION OF DEPENDENT CARE TAX CREDIT.

(a) INCREASE IN MAXIMUM CREDIT RATE.—Section 21(a)(2) of the Internal Revenue Code of 1986 (defining applicable percentage) is amended to read as follows:

"(2) APPLICABLE PERCENTAGE DEFINED.—For purposes of paragraph (1), the term 'applicable percentage' means 50 percent reduced (but not below 20 percent) by 1 percentage point for each $1,000, or fraction thereof, by which the taxpayers's adjusted gross income for the taxable year exceeds $30,000.".

(b) ELIMINATION OF HOUSEHOLD MAINTENANCE TEST.—Paragraph (1) of section 21(e) of the Internal Revenue Code of 1986 (relating to special rules) is repealed.

(c) INFLATION ADJUSTMENT FOR CERTAIN AMOUNTS.—Section 21(e) of the Internal Revenue Code of 1986 (relating to special rules), as amended by subsection (c), is amended by adding at the end the following:

"(12) INFLATION ADJUSTMENTS.—

"(A) IN GENERAL.—In the case of any taxable year beginning after 1999, the $30,000 amount referred to in subsection (a)(2) and the dollar amounts referred to in subsection (c) and paragraph (11) of this subsection shall be increased by an amount equal to such dollar amount multiplied by the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting 'calendar year 1998' for 'calendar year 1992' in subparagraph (B) thereof.

"(B) ROUNDING.—If any dollar amount after being increased under subparagraph (A) is not a multiple of $10, such dollar amount shall be rounded to the nearest multiple of $10.".

(d) EFFECTIVE DATE.—The amendments made by this section apply to taxable years beginning after December 31, 1998.

(e) APPROPRIATION.—Notwithstanding any other provision of this Act, from amounts credited to the National Tobacco Trust Fund but not appropriated by this Act, there is appropriated to the general fund in the Treasury an amount equal to the reduction in revenues to the Treasury resulting from the amendments made by this section.

AMENDMENT NO. 2488

On page 199, after line 23, add the following:

(f) TERMINATION OF ACCOUNTS.—

(1) IN GENERAL.—The accounts established under subsections (a), (b), (c), and (d) shall terminate on the date that is 10 years after the date of enactment of this Act.

(2) USE OF FUNDS.—Any amounts in the accounts terminated under paragraph (1) that remain unobligated on the termination date described in such paragraph, and any amounts contained in the trust fund in a fiscal year after the termination of such accounts, shall be used as follows:

(A) 50 percent of such amounts shall be used to offset tax cuts.

(B) 50 percent of such amounts shall be transferred to the Medicare Preservation Account established under subsection (e).

AMENDMENT NO. 2489

At the appropriate place in the bill, insert the follows:

SEC. . WINDFALL PROFIT EXCISE TAX ON CERTAIN EXCESSIVE ATTORNEY FEES.

(a) IN GENERAL.—Subtitle D of the Internal Revenue Code of 1986 (relating to miscellaneous excise taxes) is amended by inserting after chapter 44 the following:

"SEC. 4986. IMPOSITION OF TAX.

"(a) IN GENERAL.—There is hereby imposed on any taxpayer who receives a windfall profit on any taxable award of attorney fees a tax equal to the applicable percentage of such windfall profit.

"(b) DEFINITIONS.—For purposes of this section—

"(1) TAXABLE AWARD OF ATTORNEY FEES.—The term 'taxable award of attorney fees' means that portion of the award of attorney fees with respect to a judgment in or settlement of any litigation by a State or class-action plaintiffs against a tobacco manufacturer or a group of tobacco manufacturers for damages relating to tobacco-related diseases, conditions, or addiction which exceeds any court approved expenses relating to such litigation.

"(2) WINDFALL PROFIT.—The term 'windfall profit' means that portion of a taxable award of attorney fees which exceeds 5 percent of the amount any such judgment or settlement or which exceeds $1,000 per hour.

"(3) APPLICABLE PERCENTAGE.—The applicable percentage is—

"(A) 20 percent with respect to that portion of the windfall profit exceeding 5 percent but not 10 percent of the amount of such judgment or settlement or which exceed $1,000 per hour but not $1,500 per hour, and

"(B) 40 percent with respect to that portion of such windfall profit exceeding 10 percent of such amount or which exceed $1,500 per hour.

"(c) ADMINISTRATIVE PROVISIONS.—

"(1) WITHHOLDING.—In the case of any windfall profit which is wages (within the meaning of section 3401) the amount deducted and withheld under section 3402 shall be increased by the amount of the tax imposed by this section on such windfall profit.

"(2) OTHER ADMINISTRATIVE PROVISIONS.—For purposes of subtitle F, any tax imposed by this section shall be treated as a tax imposed by subtitle A."

(b) CONFORMING AMENDMENT.—The table of chapters of subtitle D of such Code is amended by inserting after the item relating to chapter 44 the following:

"CHAPTER 45. Windfall profit tax on certain attorney fees."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to awards received after December 31, 1997.

GORTON AMENDMENTS NOS. 2490–2491

(Ordered to lie on the table.)

Mr. GORTON submitted two amendments intended to be proposed by him to the bill, S. 1415, supra; as follows:

AMENDMENT NO. 2490

At the appropriate place in the pending amendment, add the following:

SEC. 604. STATE TOBACCO TAX COMPLIANCE

(a) IN GENERAL.—An Indian tribe, tribal corporation, or individual member of an Indian tribe engaged in tobacco retailing shall collect all applicable tobacco excise and sales taxes lawfully imposed by the State, within the exterior boundaries of which the purchase occurs, on nonmembers of the Indian tribe as a consequence of the purchase of tobacco products by the nonmember from the Indian tribe, tribal corporation, or individual member.

(b) REMITTANCE TO TREASURY DEPARTMENT.—To the extent that all such taxes are not collected and not remitted to the appropriate State by the Indian tribe, tribal corporation, or individual member of an Indian tribe (or, in the manner provided by State law, by any other person), the tribe, tribal corporation, or individual member shall remit such taxes to the Treasury of the United States, which shall, in turn, remit such taxes to the State in which the purchase by the nonmember took place. The Secretary of the Treasury of the United States shall promulgate regulations within 120 days to enforce this section.

(c) EXEMPTION UNDER STATE LAW.—Subsections (a) and (b) shall not apply if (1) the State's laws provide that Indian tribes or tribal corporations are not obligated to remit excise and sales taxes to the State on the condition that such tribe or tribal corporation imposes and collects tobacco excise and sales taxes on purchases of tobacco products by non-members that are equal to or greater than the applicable excise and sales taxes lawfully imposed by the State on the purchase of tobacco products within the State's exterior borders; or (2) the State's laws exempt or waive the application of such taxes. Nothing in this section is intended to prohibit a State from enacting a law consistent with the provisions of this section.

(d) TRIBAL-STATE AGREEMENTS.—Subsections (a) and (b) shall not apply to Indian tribes or tribal corporations if the tribe or tribal corporation has an agreement with the State, within which the purchase of tobacco products by nonmembers occurs, on the collection and allocation of excise and sales taxes on the purchase of tobacco products by nonmembers. Nothing in this section prohibits a tribe and a State from entering into such an agreement after the date of enactment of this Act.

AMENDMENT NO. 2491

At the appropriate place in the pending amendment, add the following:

SEC. 604. STATE TOBACCO TAX COMPLIANCE.

An Indian tribe or tribal corporation shall collect any excise or sales tax imposed by a State, within the exterior borders of which the sale occurs, on non-members of the Indian tribe as a consequence of the purchase of tobacco products by the non-member from the Indian tribe or tribal corporation. The Indian tribe or tribal corporation shall remit such taxes collected to the Treasury of the United States, which shall, in turn, remit the taxes to the State in which they were collected.

LUGAR (AND McCONNELL) AMENDMENTS NOS. 2492–2502

(Ordered to lie on the table.)

Mr. LUGAR (for himself and Mr. MCCONNELL) submitted 11 amendments to be proposed by them to the bill, S. 1415, supra; as follows:

AMENDMENT NO. 2492

Strike section 1024.

AMENDMENT NO. 2493

Strike title X.

AMENDMENT NO. 2494

Strike section 1021(d)(4)(E).

AMENDMENT NO. 2495

Strike section 1021(d)(13).

AMENDMENT NO. 2496

Strike title X (relating to long-term economic assistance for farmers).

AMENDMENT NO. 2497

Strike title X and insert the following:

TITLE X—PAYMENTS TO TOBACCO FARMERS

SEC. 1001. BUDGETARY TREATMENT.

Subtitle A of title XV constitutes budget authority in advance of appropriations Acts and represents the obligation of the Federal Government to provide payments to States and eligible persons in accordance with subtitle A of title XV.

SEC. 1002. BUYOUT PAYMENTS TO OWNERS.

(a) IN GENERAL.—Notwithstanding, and in lieu of, section 1514, the Secretary of Agriculture shall make buyout payments for each of the 1999 through 2001 marketing years for each kind of tobacco involved to an owner that owns quota at the time of entering into a tobacco transition contract.

(b) ALLOCATION.—Of the total amount of buyout payments made under subsection (a)—

(1) 46 percent shall be made for the 1999 marketing year;

(2) 27 percent shall be made for the 2000 marketing year; and

(3) 27 percent shall be made for the 2001 marketing year.

(c) COMPENSATION FOR LOST VALUE.—The payment shall constitute compensation for the lost value to the owner of the quota.

(d) PAYMENT CALCULATION.—Under this section, the total amount of the buyout payment made to an owner shall be determined by multiplying—

(1) $8.00; by

(2) the average annual quantity of quota owned by the owner during the 1995 through 1997 crop years.

SEC. 1003. TRANSITION PAYMENTS TO PRODUCERS.

(a) IN GENERAL.—Notwithstanding, and in lieu of, section 1515, the Secretary of Agriculture shall make transition payments for each of the 1999 through 2001 marketing years for each kind of tobacco produced, to a producer that—

(1) produced the kind of tobacco for each of the 1995 through 1997 crops; and

(2) entered into a tobacco transition contract.

(b) ALLOCATION.—Of the total amount of transition payments made under subsection (a)—

(1) 46 percent shall be made for the 1999 marketing year;

(2) 27 percent shall be made for the 2000 marketing year; and

(3) 27 percent shall be made for the 2001 marketing year.

(c) TRANSITION PAYMENTS LIMITED TO LEASED QUOTA.—A producer shall be eligible for transition payments only for the portion of the production of the producer that is subject to quota that is leased (as defined in section 1503(5) of this Act) during the 3 crop years described in subsection (a)(1).

(d) COMPENSATION FOR LOST REVENUE.—The payments shall constitute compensation for the lost revenue incurred by a tobacco producer for a kind of tobacco.

(e) PRODUCTION HISTORY; PRODUCTION.—

(1) PRODUCTION HISTORY.—The Secretary shall base a transition payment made to a producer on the average quantity of tobacco subject to a marketing quota that is produced by the producer for each of the 1995 through 1997 crops.

(2) PRODUCTION.—The producer shall have the burden of demonstrating to the Secretary the production of tobacco for each of the 1995 through 1997 crops.

(f) PAYMENT CALCULATION.—Under this section, the total amount of the transition payment made to a producer shall be determined by multiplying—

(1) $4.00; by

(2) the average quantity of the kind of tobacco produced by the producer for each of the 1995 through 1997 crops.

SEC. 1004. EFFECTIVE DATE.

This title takes effect on the day after the date of enactment of this Act.

AMENDMENT NO. 2498

Strike title X and insert the following:

TITLE X—TOBACCO TRANSITION

SEC. 1001. SHORT TITLE.

This title may be cited as the "Tobacco Transition Act".

SEC. 1002. PURPOSES.

The purposes of this title are—

(1) to authorize the use of binding contracts between the United States and tobacco quota owners and tobacco producers to compensate them for the termination of Federal programs that support the production of tobacco in the United States;

(2) to make available to States funds for economic assistance initiatives in counties of States that are dependent on the production of tobacco; and

(3) to terminate Federal programs that support the production of tobacco in the United States.

SEC. 1003. DEFINITIONS.

In this title:

(1) ASSOCIATION.—The term "association" means a producer-owned cooperative marketing association that has entered into a loan agreement with the Commodity Credit Corporation to make price support available to producers.

(2) BUYOUT PAYMENT.—The term "buyout payment" means a payment made to a quota owner under section 1014 for each of the 1999 through 2001 marketing years.

(3) CONTRACT.—The term "contract" or "tobacco transition contract" means a contract entered into under section 1012.

(4) GOVERNOR.—The term "Governor" means the chief executive officer of a State.

(5) LEASE.—The term "lease" means—

(A) the rental of quota on either a cash rent or crop share basis;

(B) the rental of farmland to produce tobacco under a farm marketing quota; or

(C) the lease and transfer of quota for the marketing of tobacco produced on the farm of a lessor.

(6) MARKETING YEAR.—The term "marketing year" means—

(A) in the case of Flue-cured tobacco, the period beginning July 1 and ending the following June 30; and

(B) in the case of each other kind of tobacco, the period beginning October 1 and ending the following September 30.

(7) OWNER.—The term "owner" means a person that, at the time of entering into a tobacco transition contract, owns quota provided by the Secretary.

(8) PRICE SUPPORT.—The term "price support" means a nonrecourse loan provided by the Commodity Credit Corporation through an association for a kind of tobacco.

(9) PRODUCER.—The term "producer" means a person that for each of the 1995 through 1997 crops of tobacco (as determined by the Secretary) that were subject to quota—

(A) leased quota;

(B) shared in the risk of producing a crop of tobacco; and

(C) marketed the tobacco subject to quota.

(10) QUOTA.—The term "quota" means the right to market tobacco under a basic marketing quota or acreage allotment allotted to a person under the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.).

(11) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(12) STATE.—The term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States.

(13) TOBACCO.—The term "tobacco" means any kind of tobacco for which—

(A) a marketing quota is in effect;

(B) a marketing quota is not disapproved by producers; or

(C) price support is available.

(14) TOBACCO PRODUCT MANUFACTURER.—The term "tobacco product manufacturer" has the meaning given the term "manufacturer of tobacco products" in section 5702 of the Internal Revenue Code of 1986.

(15) TRANSITION PAYMENT.—The term "transition payment" means a payment made to a producer under section 1015 for each of the 1999 through 2001 marketing years.

(16) TRUST FUND.—The term "Trust Fund" means the Tobacco Community Revitalization Trust Fund established by section 1011.

(17) UNITED STATES.—The term "United States", when used in a geographical sense, means all of the States.

Subtitle A—Tobacco Production Transition

CHAPTER 1—TOBACCO TRANSITION CONTRACTS

SEC. 1011. TOBACCO COMMUNITY REVITALIZATION TRUST FUND.

(a) ESTABLISHMENT.—There is established in the Treasury of the United States a trust fund to be known as the "Tobacco Community Revitalization Trust Fund", consisting of amounts paid into the Trust Fund under subsection (d).

(b) ADMINISTRATION.—The Trust Fund shall be administered by the Secretary of the Treasury.

(c) USE.—Funds in the Trust Fund shall be available for making—

(1) buyout payments;

(2) transition payments;

(3) rural economic assistance block grants under section 1021;

(4) payments to carry out sections 106A and 106B of the Agricultural Act of 1949 (7 U.S.C. 1445-1, 1445-2);

(5) payments to reimburse the Commodity Credit Corporation for net losses under section 1032(f)(3); and

(4) payments for tobacco related administrative costs and subsidies described in section 1052.

(d) TRANSFER FROM NATIONAL TOBACCO SETTLEMENT TRUST FUND.—The Secretary of the Treasury shall transfer from the National Tobacco Settlement Trust Fund to the Trust Fund such amounts as the Secretary of Agriculture determines are necessary to carry out this title.

(e) TERMINATION.—The Trust Fund shall terminate effective September 30, 2024.

SEC. 1012. OFFER AND TERMS OF TOBACCO TRANSITION CONTRACTS.

(a) OFFER.—The Secretary shall offer to enter into a tobacco transition contract with each owner and producer.

(b) TERMS.—

(1) OWNERS.—In exchange for a payment made under section 1014, an owner shall agree to relinquish the quota owned by the owner.

(2) PRODUCERS.—In exchange for a payment made under section 1015, a producer shall agree to relinquish the value of the quota leased by the producer.

(c) RIGHT TO GROW TOBACCO.—Each owner or producer that enters into a contract shall have the right to continue the production of tobacco for each of the 1999 and subsequent crops of tobacco.

SEC. 1013. ELEMENTS OF CONTRACTS.

(a) DEADLINES FOR CONTRACTING.—

(1) COMMENCEMENT.—To the maximum extent practicable, the Secretary shall commence entering into contracts under this chapter not later than 90 days after the date of enactment of this Act.

(2) DEADLINE.—The Secretary may not enter into a contract under this chapter after June 30, 1999.

(b) DURATION OF CONTRACT.—The term of a contract shall—

(1) begin on the date that is the beginning of the 1999 marketing year for a kind of tobacco; and

(2) terminate on the date that is the end of the 2001 marketing year for the kind of tobacco.

(c) TIME FOR PAYMENT.—A buyout payment or transition payment shall be made not later than the date that is the beginning of the marketing year for a kind of tobacco for each year of the term of a tobacco transition contract of an owner or producer.

SEC. 1014. BUYOUT PAYMENTS TO OWNERS.

(a) IN GENERAL.—The Secretary shall make buyout payments in 3 equal installments, 1 installment for each of the 1999 through 2001 marketing years for each kind of tobacco involved, to an owner that owns quota at the time of entering into a tobacco transition contract.

(b) COMPENSATION FOR LOST VALUE.—The payment shall constitute compensation for the lost value to the owner of the quota.

(c) PAYMENT CALCULATION.—Under this section, the total amount of the buyout payment made to an owner shall be determined by multiplying—

(1) $8.00; by

(2) the average annual quantity of quota owned by the owner during the 1995 through 1997 crop years.

SEC. 1015. TRANSITION PAYMENTS TO PRODUCERS.

(a) IN GENERAL.—The Secretary shall make transition payments in 3 equal installments, 1 installment for each of the 1999 through 2001 marketing years for each kind of tobacco produced, to a producer that—

(1) produced the kind of tobacco for each of the 1995 through 1997 crops; and

(2) entered into a tobacco transition contract.

(b) TRANSITION PAYMENTS LIMITED TO LEASED QUOTA.—A producer shall be eligible for transition payments only for the portion of the production of the producer that is subject to quota that is leased during the 3 crop years described in subsection (a)(1).

(c) COMPENSATION FOR LOST REVENUE.—The payments shall constitute compensation for the lost revenue incurred by a tobacco producer for a kind of tobacco.

(d) PRODUCTION HISTORY; PRODUCTION.—

(1) PRODUCTION HISTORY.—The Secretary shall base a transition payment made to a producer on the average quantity of tobacco subject to a marketing quota that is produced by the producer for each of the 1995 through 1997 crops.

(2) PRODUCTION.—The producer shall have the burden of demonstrating to the Secretary the production of tobacco for each of the 1995 through 1997 crops.

(e) PAYMENT CALCULATION.—Under this section, the total amount of the transition payment made to a producer shall be determined by multiplying—

(1) $4.00; by

(2) the average quantity of the kind of tobacco produced by the producer for each of the 1995 through 1997 crops.

CHAPTER 2—RURAL ECONOMIC ASSISTANCE BLOCK GRANTS

SEC. 1021. RURAL ECONOMIC ASSISTANCE BLOCK GRANTS.

(a) IN GENERAL.—From funds in the Trust Fund, the Secretary shall use $200,000,000 for each of fiscal years 1999 through 2003 to provide block grants to tobacco-growing States to assist areas of such a State that are economically dependent on the production of tobacco.

(b) PAYMENTS BY SECRETARY TO TOBACCO-GROWING STATES.—

(1) IN GENERAL.—The Secretary shall use the amount available for a fiscal year under subsection (a) to make block grant payments to the Governors of tobacco-growing States.

(2) AMOUNT.—The amount of a block grant paid to a tobacco-growing State shall be based on—

(A) the number of counties in the State in which tobacco production is a significant part of the county's economy; and

(B) the level of economic dependence of the counties on tobacco production.

(c) GRANTS BY STATES TO ASSIST TOBACCO-GROWING AREAS.—

(1) IN GENERAL.—A Governor of a tobacco-growing State shall use the amount of the block grant to the State under subsection (b) to make grants to counties or other public or private entities in the State to assist areas that are dependent on the production of tobacco, as determined by the Governor.

(2) AMOUNT.—The amount of a grant paid to a county or other entity to assist an area shall be based on—

(A) the ratio of gross tobacco sales receipts in the area to the total farm income in the area; and

(B) the ratio of all tobacco related receipts in the area to the total income in the area.

(3) USE OF GRANTS.—A county or other entity that receives a grant under this subsection may use the grant in a manner determined appropriate by the county or entity (with the approval of the State) to assist producers and other persons that are economically dependent on the production of tobacco, including use for—

(A) on-farm diversification, alternatives to the production of tobacco, and risk management;

(B) off-farm activities such as education, retraining, and development of non-tobacco related jobs; and

(C) assistance to tobacco warehouse owners or operators.

(d) TERMINATION OF AUTHORITY.—The authority provided by this section terminates October 1, 2003.

Subtitle B—Tobacco Price Support and Production Adjustment Programs

CHAPTER 1—TOBACCO PRICE SUPPORT PROGRAM

SEC. 1031. INTERIM REFORM OF TOBACCO PRICE SUPPORT PROGRAM.

(a) PRICE SUPPORT RATES.—Section 106 of the Agricultural Act of 1949 (7 U.S.C. 1445) is amended to read as follows:

"SEC. 106. TOBACCO PRICE SUPPORT RATES.

"The price support rate for each kind of tobacco for which quotas have been approved shall be reduced by—

"(1) for the 1999 crop, 25 percent from the 1998 support rate for a kind of tobacco;

"(2) for the 2000 crop, 10 percent from the 1999 support rate for a kind of tobacco; and

"(3) for the 2001 crop, 10 percent from the 2000 support rate for a kind of tobacco.".

(b) NO NET COST TOBACCO FUND AND ACCOUNT.—

(1) NO NET COST TOBACCO FUND.—Section 106A of the Agricultural Act of 1949 (7 U.S.C. 1445–1) is amended to read as follows:

"SEC. 106A. NO NET COST TOBACCO FUND.

"(a) DEFINITIONS.—In this section:

"(1) ASSOCIATION.—The term 'association' means a producer-owned cooperative marketing association that has entered into a loan agreement with the Corporation to make price support available to producers of a kind of tobacco.

"(2) CORPORATION.—The term 'Corporation' means the Commodity Credit Corporation, an agency and instrumentality of the United States within the Department of Agriculture through which the Secretary makes price support available to producers.

"(3) NET GAINS.—The term 'net gains' means the amount by which the total proceeds obtained from the sale by an association of a crop of tobacco pledged to the Corporation for a price support loan exceeds the principal amount of the price support loan made by the Corporation to the association on the crop, plus interest and charges.

"(4) NO NET COST TOBACCO FUND.—The term 'No Net Cost Tobacco Fund' means the capital account established within each association under this section.

"(5) PURCHASER.—The term 'purchaser' means any person that purchases in the United States, either directly or indirectly for the account of the person or another person, Flue-cured or burley tobacco.

"(6) TOBACCO.—The term 'tobacco' means any kind of tobacco for which—

"(A) a marketing quota is in effect;

"(B) a marketing quota is not disapproved by producers; or

"(C) price support is available.

"(7) TRUST FUND.—The term 'Trust Fund' means the National Tobacco Settlement Trust Fund established in the Treasury of the United States consisting of amounts that are appropriated or credited to the Trust Fund from the tobacco settlement approved by Congress.

"(b) PRICE SUPPORT PROGRAM; LOANS.—The Secretary—

"(1) may carry out the tobacco price support program through the Corporation; and

"(2) shall, except as otherwise provided by this section, continue to make price support available to producers through loans to associations that, under agreements with the Corporation, agree to make loan advances to producers.

"(c) ESTABLISHMENT OF FUND.—

"(1) IN GENERAL.—Each association shall establish within the association a No Net Cost Tobacco Fund.

"(2) AMOUNT.—There shall be transferred from the Trust Fund to each No Net Cost Tobacco Fund such amount as the Secretary determines will be adequate to reimburse the Corporation for any net losses that the Corporation may sustain under its loan agreements with the association, based on—

"(A) reasonable estimates of the amounts that the Corporation has lent or will lend to the association for price support for the 1982 and subsequent crops of tobacco, except that for the 1986 and subsequent crops of burley tobacco, the Secretary shall determine the amount of assessments without regard to any net losses that the Corporation may sustain under the loan agreements of the Corporation with the association for the 1983 crop of burley tobacco; and

"(B) the proceeds that will be realized from the sales of tobacco that are pledged to the Corporation by the association as security for loans.

"(d) ADMINISTRATION.—The Secretary shall—

"(1) require that the No Net Cost Tobacco Fund established by each association be kept and maintained separately from all other accounts of the association and be used exclusively, as prescribed by the Secretary, for the purpose of ensuring, insofar as practicable, that the Corporation, under its loan agreements with the association with respect to 1982 and subsequent crops of tobacco, will suffer no net losses (including recovery of the amount of loans extended to cover the overhead costs of the association), after any net gains are applied to net losses of the Corporation under paragraph (3), except that, notwithstanding any other provision of law, the association may, with the approval of the Secretary, use funds in the No Net Cost Tobacco Fund, including interest and other earnings, for—

"(A) the purposes of reducing the association's outstanding indebtedness to the Corporation associated with 1982 and subsequent crops of tobacco and making loan advances to producers as authorized; and

"(B) any other purposes that will be mutually beneficial to producers and purchasers and to the Corporation;

"(2) permit an association to invest the funds in the No Net Cost Tobacco Fund in such manner as the Secretary may approve, and require that the interest or other earnings on the investment shall become a part of the No Net Cost Tobacco Fund;

"(3) require that loan agreements between the Corporation and the association provide that the Corporation shall retain the net gains from each of the 1982 and subsequent crops of tobacco pledged by the association as security for price support loans, and that the net gains will be used for the purpose of—

"(A) offsetting any losses sustained by the Corporation under its loan agreements with the association for any of the 1982 and subsequent crops of tobacco; or

"(B) reducing the outstanding balance of any price support loan made by the Corporation to the association under the loan agreements for 1982 and subsequent crops of tobacco; and

"(4) effective for the 1986 and subsequent crops of tobacco, if the Secretary determines that the amount in the No Net Cost Tobacco Fund or the net gains referred to in paragraph (3) exceeds the total amount necessary for the purposes specified in this section, suspend the transfer of amounts from the Trust Fund to the No Net Cost Tobacco Fund under this section.

"(e) NONCOMPLIANCE.—

"(1) IN GENERAL.—If any association that has entered into a loan agreement with the Corporation with respect to any of the 1982 or subsequent crops of tobacco fails or refuses to comply with this section (including regulations promulgated under this section) or the terms of the agreement, the Secretary may terminate the agreement or provide that no additional loan funds may be made available under the agreement to the association.

"(2) PRICE SUPPORT.—If the Secretary takes action under paragraph (1), the Secretary shall make price support available to producers of the kind or kinds of tobacco, the price of which had been supported through loans to the association, through such other means as are authorized by this

Act or the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.).

"(f) TERMINATION OF AGREEMENT OR ASSOCIATION.—If, under subsection (e), a loan agreement with an association is terminated, or if an association having a loan agreement with the Corporation is dissolved, merges with another association, or otherwise ceases to operate, the No Net Cost Tobacco Fund or the net gains referred to in subsection (d)(3) shall be applied or disposed of in such manner as the Secretary may approve or prescribe, except that the net gains shall, to the extent necessary, first be applied or used for the purposes specified in this section.

"(g) REGULATIONS.—The Secretary shall issue such regulations as are necessary to carry out this section.".

(2) NO NET COST TOBACCO ACCOUNT.—Section 106B of the Agricultural Act of 1949 (7 U.S.C. 1445–2) is amended to read as follows:

"SEC. 106B. NO NET COST TOBACCO ACCOUNT.

"(a) DEFINITIONS.—In this section:

"(1) AREA.—The term 'area', when used in connection with an association, means the general geographical area in which farms of the producer-members of the association are located, as determined by the Secretary.

"(2) ASSOCIATION.—The term 'association' has the meaning given the term in section 106A(a)(1).

"(3) CORPORATION.—The term 'Corporation' has the meaning given the term in section 106A(a)(2).

"(4) NET GAINS.—The term 'net gains' has the meaning given the term in section 106A(a)(3).

"(5) NO NET COST TOBACCO ACCOUNT.—The term 'No Net Cost Tobacco Account' means an account established by and in the Corporation for an association under this section.

"(6) PURCHASER.—The term 'purchaser' has the meaning given the term in section 106A(a)(5).

"(7) TOBACCO.—The term 'tobacco' means any kind of tobacco for which—

"(A) a marketing quota is in effect;

"(B) a marketing quota is not disapproved by producers; or

"(C) price support is available.

"(8) TRUST FUND.—The term 'Trust Fund' has the meaning given the term in section 106A(a)(7).

"(b) PRICE SUPPORT PROGRAM; LOANS.—Notwithstanding section 106A, the Secretary shall, on the request of any association, and may, if the Secretary determines, after consultation with the association, that the accumulation of the No Net Cost Tobacco Fund for the association under section 106A is, and is likely to remain, inadequate to reimburse the Corporation for net losses that the Corporation sustains under its loan agreements with the association—

"(1) continue to make price support available to producers through the association in accordance with loan agreements entered into between the Corporation and the association; and

"(2) establish and maintain in accordance with this section a No Net Cost Tobacco Account for the association in lieu of the No Net Cost Tobacco Fund established within the association under section 106A.

"(c) ESTABLISHMENT OF ACCOUNT.—

"(1) IN GENERAL.—A No Net Cost Tobacco Account established for an association under subsection (b)(2) shall be established within the Corporation.

"(2) AMOUNT.—There shall be transferred from the Trust Fund to each No Net Cost Tobacco Account such amount as the Secretary determines will be adequate to reimburse the Corporation for any net losses that the Corporation may sustain under its loan agreements with the association, based on—

"(A) reasonable estimates of the amounts that the Corporation has lent or will lend to the association for price support for the 1982 and subsequent crops of tobacco, except that for the 1986 and subsequent crops of burley tobacco, the Secretary shall determine the amount of assessments without regard to any net losses that the Corporation may sustain under the loan agreements of the Corporation with the association for the 1983 crop of burley tobacco; and

"(B) the proceeds that will be realized from the sales of a kind of tobacco that are pledged to the Corporation by the association as security for loans.

"(3) ADMINISTRATION.—On the establishment of a No Net Cost Tobacco Account for an association, any amount in the No Net Cost Tobacco Fund established within the association under section 106A shall be applied or disposed of in such manner as the Secretary may approve or prescribe, except that the amount shall, to the extent necessary, first be applied or used for the purposes specified in that section.

"(d) USE.—Amounts deposited in a No Net Cost Tobacco Account established for an association shall be used by the Secretary for the purpose of ensuring, insofar as practicable, that the Corporation under its loan agreements with the association will suffer, with respect to the crop involved, no net losses (including recovery of the amount of loans extended to cover the overhead costs of the association), after any net gains are applied to net losses of the Corporation under subsection (g).

"(e) EXCESS AMOUNTS.—If the Secretary determines that the amount in the No Net Cost Tobacco Account or the net gains referred to in subsection (g) exceed the total amount necessary to carry out this section, the Secretary shall suspend the transfer of amounts from the Trust Fund to the No Net Cost Tobacco Account under this section.

"(f) TERMINATION OF AGREEMENT OR ASSOCIATION.—In the case of an association for which a No Net Cost Tobacco Account is established under subsection (b)(2), if a loan agreement between the Corporation and the association is terminated, if the association is dissolved or merges with another association that has entered into a loan agreement with the Corporation to make price support available to producers of a kind of tobacco, or if the No Net Cost Tobacco Account terminates by operation of law, amounts in the No Net Cost Tobacco Account and the net gains referred to in subsection (g) shall be applied to or disposed of in such manner as the Secretary may prescribe, except that the net gains shall, to the extent necessary, first be applied to or used for the purposes specified in this section.

"(g) NET GAINS.—The provisions of section 106A(d)(3) relating to net gains shall apply to any loan agreement between an association and the Corporation entered into on or after the establishment of a No Net Cost Tobacco Account for the association under subsection (b)(2).

"(h) REGULATIONS.—The Secretary shall issue such regulations as are necessary to carry out this section.".

(3) CONFORMING AMENDMENTS.—

(A) Section 314(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314(a)) is amended in the first sentence—

(i) by striking "(1)"; and

(ii) by striking ", or (2)" and all that follows through "106B(d)(1) of that Act".

(B) Section 320B(c)(1) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314h(c)(1)) is amended by inserting after "1445–2)" the following: "(as in effect before the effective date of the amendments made by section 1031(b) of the Tobacco Transition Act)".

(c) ADMINISTRATIVE COSTS.—Section 1109 of the Agriculture and Food Act of 1981 (Public Law 97–98; 7 U.S.C. 1445 note) is repealed.

(d) CROPS.—

(1) IN GENERAL.—Except as provided in paragraph (2), this section and the amendments made by this section shall apply with respect to the 1998 through 2001 marketing years.

(2) PRICE SUPPORT RATES.—Subsection (a) and the amendments made by subsection (a) shall apply with respect to the 1999 through 2001 crops of the kind of tobacco involved.

SEC. 1032. TERMINATION OF TOBACCO PRICE SUPPORT PROGRAM.

(a) PARITY PRICE SUPPORT.—Section 101 of the Agricultural Act of 1949 (7 U.S.C. 1441) is amended—

(1) in the first sentence of subsection (a), by striking "tobacco (except as otherwise provided herein), corn," and inserting "corn";

(2) by striking subsections (c), (g), (h), and (i);

(3) in subsection (d)(3)—

(A) by striking ", except tobacco,"; and

(B) by striking "and no price support shall be made available for any crop of tobacco for which marketing quotas have been disapproved by producers;"; and

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

(b) TERMINATION OF TOBACCO PRICE SUPPORT AND NO NET COST PROVISIONS.—Sections 106, 106A, and 106B of the Agricultural Act of 1949 (7 U.S.C. 1445, 1445–1, 1445–2) are repealed.

(c) DEFINITION OF BASIC AGRICULTURAL COMMODITY.—Section 408(c) of the Agricultural Act of 1949 (7 U.S.C. 1428(c)) is amended by striking "tobacco,".

(d) REVIEW OF BURLEY TOBACCO IMPORTS.—Section 3 of Public Law 98–59 (7 U.S.C. 625) is repealed.

(e) POWERS OF COMMODITY CREDIT CORPORATION.—Section 5 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c) is amended by inserting "(other than tobacco)" after "agricultural commodities" each place it appears.

(f) TRANSITION PROVISIONS.—

(1) LIABILITY.—The amendments made by this section shall not affect the liability of any person under any provision of law as in effect before the effective date of this section.

(2) TOBACCO INVENTORIES.—The Secretary shall issue regulations that require the orderly sale of tobacco inventories held by associations.

(3) NET LOSSES TO THE COMMODITY CREDIT CORPORATION.—

(A) TRANSFER.—The Secretary of the Treasury shall annually transfer from the Trust Fund to the Commodity Credit Corporation an amount that the Secretary of Agriculture determines will be adequate to reimburse the Corporation for net losses sustained under price support loan agreements with associations.

(B) AMOUNT.—The Secretary of Agriculture shall base the determination of the amount to be transferred under subparagraph (A) on a reasonable estimate of—

(i) the outstanding balance due on price support loans; and

(ii) the proceeds that will be realized from the sales of tobacco that are pledged to the

Corporation as security for price support loans.

(g) CROPS.—

(1) IN GENERAL.—Except as provided in paragraph (2), this section and the amendments made by this section shall apply with respect to the 2002 and subsequent crops of the kind of tobacco involved.

(2) NET LOSSES TO THE COMMODITY CREDIT CORPORATION.—Subsection (f)(3) shall apply with respect to the 2002 and subsequent marketing years until—

(A) all price support loans for each kind of tobacco are repaid to the Commodity Credit Corporation; and

(B) the Commodity Credit Corporation has been reimbursed for all net losses sustained as a result of price support loans provided through the 2001 crop of the kind of tobacco involved.

CHAPTER 2—TOBACCO PRODUCTION ADJUSTMENT PROGRAMS

SEC. 1041. TERMINATION OF TOBACCO PRODUCTION ADJUSTMENT PROGRAMS.

(a) DECLARATION OF POLICY.—Section 2 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1282) is amended by striking "tobacco,".

(b) DEFINITIONS.—Section 301(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301(b)) is amended—

(1) in paragraph (3)—

(A) by striking subparagraph (C); and

(B) by redesignating subparagraph (D) as subparagraph (C);

(2) in paragraph (6)(A), by striking "tobacco,";

(3) in paragraph (7), by striking the following:

"tobacco (flue-cured), July 1—June 30;

"tobacco (other than flue-cured), October 1–September 30;";

(4) in paragraph (10)—

(A) by striking subparagraph (B); and

(B) by redesignating subparagraph (C) as subparagraph (B);

(5) in paragraph (11)(B), by striking "and tobacco";

(6) in paragraph (12), by striking "tobacco,";

(7) in paragraph (14)—

(A) in subparagraph (A), by striking "(A)"; and

(B) by striking subparagraphs (B), (C), and (D);

(8) by striking paragraph (15);

(9) in paragraph (16)—

(A) by striking subparagraph (B); and

(B) by redesignating subparagraph (C) as subparagraph (B); and

(10) by redesignating paragraphs (16) and (17) as paragraphs (15) and (16), respectively.

(c) PARITY PAYMENTS.—Section 303 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1303) is amended in the first sentence by striking "rice, or tobacco," and inserting "or rice,".

(d) MARKETING QUOTAS.—Part I of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1311 et seq.) is repealed.

(e) ADMINISTRATIVE PROVISIONS.—Section 361 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1361) is amended by striking "tobacco,".

(f) ADJUSTMENT OF QUOTAS.—Section 371 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1371) is amended—

(1) in the first sentence of subsection (a), by striking "peanuts, or tobacco" and inserting "or peanuts"; and

(2) in the first sentence of subsection (b), by striking "peanuts or tobacco" and inserting "or peanuts".

(g) REPORTS AND RECORDS.—Section 373 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373) is amended—

(1) by striking "peanuts, or tobacco" each place it appears in subsections (a) and (b) and inserting "or peanuts"; and

(2) in subsection (a)—

(A) in the first sentence, by striking "all persons engaged in the business of redrying, prizing, or stemming tobacco for producers,"; and

(B) in the last sentence, by striking "$500;" and all that follows through the period at the end of the sentence and inserting "$500.".

(h) REGULATIONS.—Section 375(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1375(a)) is amended by striking "peanuts, or tobacco" and inserting "or peanuts".

(i) EMINENT DOMAIN.—Section 378 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1378) is amended—

(1) in the first sentence of subsection (c), by striking "cotton, tobacco, and peanuts" and inserting "cotton and peanuts"; and

(2) by striking subsections (d), (e), and (f).

(j) BURLEY TOBACCO FARM RECONSTITUTION.—Section 379 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1379) is amended—

(1) in subsection (a)—

(A) by striking "(a)"; and

(B) in paragraph (6), by striking ", but this clause (6) shall not be applicable in the case of burley tobacco"; and

(2) by striking subsections (b) and (c).

(k) ACREAGE-POUNDAGE QUOTAS.—Section 4 of the Act entitled "An Act to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes", approved April 16, 1965 (Public Law 89–12; 7 U.S.C. 1314c note), is repealed.

(l) BURLEY TOBACCO ACREAGE ALLOTMENTS.—The Act entitled "An Act relating to burley tobacco farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended", approved July 12, 1952 (7 U.S.C. 1315), is repealed.

(m) TRANSFER OF ALLOTMENTS.—Section 703 of the Food and Agriculture Act of 1965 (7 U.S.C. 1316) is repealed.

(n) ADVANCE RECOURSE LOANS.—Section 13(a)(2)(B) of the Food Security Improvements Act of 1986 (7 U.S.C. 1433c–1(a)(2)(B)) is amended by striking "tobacco and".

(o) TOBACCO FIELD MEASUREMENT.—Section 1112 of the Omnibus Budget Reconciliation Act of 1987 (Public Law 100–203) is amended by striking subsection (c).

(p) LIABILITY.—The amendments made by this section shall not affect the liability of any person under any provision of law as in effect before the effective date under subsection (q).

(q) CROPS.—This section and the amendments made by this section shall apply with respect to the 1999 and subsequent crops of the kind of tobacco involved.

Subtitle C—Funding

SEC. 1051. TRUST FUND.

(a) REQUEST.—The Secretary of Agriculture shall request the Secretary of the Treasury to transfer from the Trust Fund amounts authorized under sections 1014, 1015, 1021, 1032, and 1052 and the amendments made by section 1031 to the account of the Commodity Credit Corporation.

(b) TRANSFER.—On receipt of such a request, the Secretary of the Treasury shall transfer amounts requested under subsection (a).

(c) USE.—The Secretary of Agriculture shall use the amounts transferred under subsection (b) to carry out the activities described in subsection (a).

(d) TERMINATION OF AUTHORITY.—The authority provided under this section shall expire on September 30, 2024.

SEC. 1052. TOBACCO RELATED ADMINISTRATIVE COSTS AND SUBSIDIES.

(a) IN GENERAL.—For each of fiscal years 1999 through 2024, the Secretary shall—

(1) estimate the costs to the Federal Government relating to tobacco that involve—

(A) agricultural extension;

(B) handling, sampling, grading, inspecting, and weighing;

(C) crop insurance; and

(D) administering the tobacco price support program; and

(2) use funds transferred from the Trust Fund to the Commodity Credit Corporation to cover the costs estimated under paragraph (1).

(b) ADJUSTMENTS.—At the end of each of fiscal years 1999 through 2024, the Secretary shall—

(1) use funds transferred from the Trust Fund to the Commodity Credit Corporation in any amount by which the amount of funds transferred under subsection (a)(2) for the fiscal year is less than the actual costs described in subsection (a)(1) for the fiscal year; or

(2) transfer funds from the Commodity Credit Corporation to the Trust Fund in any amount by which the amount of funds transferred for the fiscal year under subsection (a)(2) is more than the actual costs described in subsection (a)(1) for the fiscal year.

SEC. 1053. COMMODITY CREDIT CORPORATION.

The Secretary may use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this title and the amendments made by this title.

Subtitle D—Miscellaneous

SEC. 1061. LIABILITY FOR OBLIGATIONS OF TOBACCO PRODUCT MANUFACTURERS.

A person that owns or produces tobacco, or owns or operates a tobacco warehouse, shall not be liable for—

(1) any action or legal penalty or obligation of a manufacturer of a tobacco product under this Act; or

(2) any financial penalty or payment owed by a manufacturer of a tobacco product under this Act.

SEC. 1062. FDA REGULATION OF TOBACCO PRODUCTION AND FARMS.

Notwithstanding any other provision of law, an officer, employee, or agent of the Food and Drug Administration shall not—

(1) regulate the production of a crop of tobacco by a person; or

(2) enter the farm of a person that owns or produces tobacco without the consent of the person.

AMENDMENT NO. 2499

In lieu of the matter proposed to be inserted for title X, insert the following:

TITLE X—PAYMENTS TO TOBACCO FARMERS

SEC. 1001. BUDGETARY TREATMENT.

Subtitle A of title XV constitutes budget authority in advance of appropriations Acts and represents the obligation of the Federal Government to provide payments to States and eligible persons in accordance with subtitle A of title XV.

SEC. 1002. BUYOUT PAYMENTS TO OWNERS.

(a) IN GENERAL.—Notwithstanding, and in lieu of, section 1514, the Secretary of Agriculture shall make buyout payments for

each of the 1999 through 2001 marketing years for each kind of tobacco involved to an owner that owns quota at the time of entering into a tobacco transition contract.

(b) ALLOCATION.—Of the total amount of buyout payments made under subsection (a)—

(1) 46 percent shall be made for the 1999 marketing year;

(2) 27 percent shall be made for the 2000 marketing year; and

(3) 27 percent shall be made for the 2001 marketing year.

(c) PAYMENT CALCULATION.—Under this section, the total amount of the buyout payment made to an owner shall be determined by multiplying—

(1) $8.00; by

(2) the average annual quantity of quota owned by the owner during the 1995 through 1997 crop years.

SEC. 1003. TRANSITION PAYMENTS TO PRODUCERS.

(a) IN GENERAL.—Notwithstanding, and in lieu of, section 1515, the Secretary of Agriculture shall make transition payments for each of the 1999 through 2001 marketing years for each kind of tobacco produced, to a producer that—

(1) produced the kind of tobacco for each of the 1995 through 1997 crops; and

(2) entered into a tobacco transition contract.

(b) ALLOCATION.—Of the total amount of transition payments made under subsection (a)—

(1) 46 percent shall be made for the 1999 marketing year;

(2) 27 percent shall be made for the 2000 marketing year; and

(3) 27 percent shall be made for the 2001 marketing year.

(c) TRANSITION PAYMENTS LIMITED TO LEASED QUOTA.—A producer shall be eligible for transition payments only for the portion of the production of the producer that is subject to quota that is leased (as defined in section 1503(5) of this Act) during the 3 crop years described in subsection (a)(1).

(d) PRODUCTION HISTORY; PRODUCTION.—

(1) PRODUCTION HISTORY.—The Secretary shall base a transition payment made to a producer on the average quantity of tobacco subject to a marketing quota that is produced by the producer for each of the 1995 through 1997 crops.

(2) PRODUCTION.—The producer shall have the burden of demonstrating to the Secretary the production of tobacco for each of the 1995 through 1997 crops.

(e) PAYMENT CALCULATION.—Under this section, the total amount of the transition payment made to a producer shall be determined by multiplying—

(1) $4.00; by

(2) the average quantity of the kind of tobacco produced by the producer for each of the 1995 through 1997 crops.

SEC. 1004. EFFECTIVE DATE.

This title takes effect 2 days after the date of enactment of this Act.

AMENDMENT NO. 2500

In lieu of the matter proposed to be inserted for title X, insert the following:

TITLE X—PAYMENTS TO TOBACCO FARMERS

SEC. 1001. BUDGETARY TREATMENT.

Subtitle A of title XV constitutes budget authority in advance of appropriations Acts and represents the obligation of the Federal Government to provide payments to States and eligible persons in accordance with subtitle A of title XV.

SEC. 1002. BUYOUT PAYMENTS TO OWNERS.

(a) IN GENERAL.—Notwithstanding, and in lieu of, section 1514, the Secretary of Agriculture shall make buyout payments for each of the 1999 through 2001 marketing years for each kind of tobacco involved to an owner that owns quota at the time of entering into a tobacco transition contract.

(b) ALLOCATION.—Of the total amount of buyout payments made under subsection (a)—

(1) 46 percent shall be made for the 1999 marketing year;

(2) 27 percent shall be made for the 2000 marketing year; and

(3) 27 percent shall be made for the 2001 marketing year.

(c) COMPENSATION FOR LOST VALUE.—The payment shall constitute compensation for the lost value to the owner of the quota.

(d) PAYMENT CALCULATION.—Under this section, the total amount of the buyout payment made to an owner shall be determined by multiplying—

(1) $8.00; by

(2) the average annual quantity of quota owned by the owner during the 1995 through 1997 crop years.

SEC. 1003. TRANSITION PAYMENTS TO PRODUCERS.

(a) IN GENERAL.—Notwithstanding, and in lieu of, section 1515, the Secretary of Agriculture shall make transition payments for each of the 1999 through 2001 marketing years for each kind of tobacco produced, to a producer that—

(1) produced the kind of tobacco for each of the 1995 through 1997 crops; and

(2) entered into a tobacco transition contract.

(b) ALLOCATION.—Of the total amount of transition payments made under subsection (a)—

(1) 46 percent shall be made for the 1999 marketing year;

(2) 27 percent shall be made for the 2000 marketing year; and

(3) 27 percent shall be made for the 2001 marketing year.

(c) TRANSITION PAYMENTS LIMITED TO LEASED QUOTA.—A producer shall be eligible for transition payments only for the portion of the production of the producer that is subject to quota that is leased (as defined in section 1503(5) of this Act) during the 3 crop years described in subsection (a)(1).

(d) COMPENSATION FOR LOST REVENUE.—The payments shall constitute compensation for the lost revenue incurred by a tobacco producer for a kind of tobacco.

(e) PRODUCTION HISTORY; PRODUCTION.—

(1) PRODUCTION HISTORY.—The Secretary shall base a transition payment made to a producer on the average quantity of tobacco subject to a marketing quota that is produced by the producer for each of the 1995 through 1997 crops.

(2) PRODUCTION.—The producer shall have the burden of demonstrating to the Secretary the production of tobacco for each of the 1995 through 1997 crops.

(f) PAYMENT CALCULATION.—Under this section, the total amount of the transition payment made to a producer shall be determined by multiplying—

(1) $4.00; by

(2) the average quantity of the kind of tobacco produced by the producer for each of the 1995 through 1997 crops.

AMENDMENT NO. 2501

Strike title X in the Committee amendment and insert the following:

TITLE X—PAYMENTS TO TOBACCO FARMERS

SEC. 1001. BUDGETARY TREATMENT.

Subtitle A of title XV constitutes budget authority in advance of appropriations Acts and represents the obligation of the Federal Government to provide payments to States and eligible persons in accordance with subtitle A of title XV.

SEC. 1002. BUYOUT PAYMENTS TO OWNERS.

(a) IN GENERAL.—Notwithstanding, and in lieu of, section 1514, the Secretary of Agriculture shall make buyout payments for each of the 1999 through 2001 marketing years for each kind of tobacco involved to an owner that owns quota at the time of entering into a tobacco transition contract.

(b) ALLOCATION.—Of the total amount of buyout payments made under subsection (a)—

(1) 46 percent shall be made for the 1999 marketing year;

(2) 27 percent shall be made for the 2000 marketing year; and

(3) 27 percent shall be made for the 2001 marketing year.

(c) COMPENSATION FOR LOST VALUE.—The payment shall constitute compensation for the lost value to the owner of the quota.

(d) PAYMENT CALCULATION.—Under this section, the total amount of the buyout payment made to an owner shall be determined by multiplying—

(1) $8.00; by

(2) the average annual quantity of quota owned by the owner during the 1995 through 1997 crop years.

SEC. 1003. TRANSITION PAYMENTS TO PRODUCERS.

(a) IN GENERAL.—Notwithstanding, and in lieu of, section 1515, the Secretary of Agriculture shall make transition payments for each of the 1999 through 2001 marketing years for each kind of tobacco produced, to a producer that—

(1) produced the kind of tobacco for each of the 1995 through 1997 crops; and

(2) entered into a tobacco transition contract.

(b) ALLOCATION.—Of the total amount of transition payments made under subsection (a)—

(1) 46 percent shall be made for the 1999 marketing year;

(2) 27 percent shall be made for the 2000 marketing year; and

(3) 27 percent shall be made for the 2001 marketing year.

(c) TRANSITION PAYMENTS LIMITED TO LEASED QUOTA.—A producer shall be eligible for transition payments only for the portion of the production of the producer that is subject to quota that is leased (as defined in section 1503(5) of this Act) during the 3 crop years described in subsection (a)(1).

(d) COMPENSATION FOR LOST REVENUE.—The payments shall constitute compensation for the lost revenue incurred by a tobacco producer for a kind of tobacco.

(e) PRODUCTION HISTORY; PRODUCTION.—

(1) PRODUCTION HISTORY.—The Secretary shall base a transition payment made to a producer on the average quantity of tobacco subject to a marketing quota that is produced by the producer for each of the 1995 through 1997 crops.

(2) PRODUCTION.—The producer shall have the burden of demonstrating to the Secretary the production of tobacco for each of the 1995 through 1997 crops.

(f) PAYMENT CALCULATION.—Under this section, the total amount of the transition payment made to a producer shall be determined by multiplying—

(1) $4.00; by

(2) the average quantity of the kind of tobacco produced by the producer for each of the 1995 through 1997 crops.

SEC. 1004. EFFECTIVE DATE.

This title takes effect on the day after the date of enactment of this Act.

AMENDMENT NO. 2502

In lieu of the matter proposed to be inserted for title X, insert the following:

TITLE X—PAYMENTS TO TOBACCO FARMERS

SEC. 1001. BUDGETARY TREATMENT.

Subtitle A of title XV constitutes budget authority in advance of appropriations Acts and represents the obligation of the Federal Government to provide payments to States and eligible persons in accordance with subtitle A of title XV.

SEC. 1002. BUYOUT PAYMENTS TO OWNERS.

(a) IN GENERAL.—Notwithstanding, and in lieu of, section 1514, the Secretary of Agriculture shall make buyout payments for each of the 1999 through 2001 marketing years for each kind of tobacco involved to an owner that owns quota at the time of entering into a tobacco transition contract.

(b) ALLOCATION.—Of the total amount of buyout payments made under subsection (a)—

(1) 46 percent shall be made for the 1999 marketing year;

(2) 27 percent shall be made for the 2000 marketing year; and

(3) 27 percent shall be made for the 2001 marketing year.

(c) COMPENSATION FOR LOST VALUE.—The payment shall constitute compensation for the lost value to the owner of the quota.

(d) PAYMENT CALCULATION.—Under this section, the total amount of the buyout payment made to an owner shall be determined by multiplying—

(1) $8.00; by

(2) the average annual quantity of quota owned by the owner during the 1995 through 1997 crop years.

SEC. 1003. TRANSITION PAYMENTS TO PRODUCERS.

(a) IN GENERAL.—Notwithstanding, and in lieu of, section 1515, the Secretary of Agriculture shall make transition payments for each of the 1999 through 2001 marketing years for each kind of tobacco produced, to a producer that—

(1) produced the kind of tobacco for each of the 1995 through 1997 crops; and

(2) entered into a tobacco transition contract.

(b) ALLOCATION.—Of the total amount of transition payments made under subsection (a)—

(1) 46 percent shall be made for the 1999 marketing year;

(2) 27 percent shall be made for the 2000 marketing year; and

(3) 27 percent shall be made for the 2001 marketing year.

(c) TRANSITION PAYMENTS LIMITED TO LEASED QUOTA.—A producer shall be eligible for transition payments only for the portion of the production of the producer that is subject to quota that is leased (as defined in section 1503(5) of this Act) during the 3 crop years described in subsection (a)(1).

(d) COMPENSATION FOR LOST REVENUE.—The payments shall constitute compensation for the lost revenue incurred by a tobacco producer for a kind of tobacco.

(e) PRODUCTION HISTORY; PRODUCTION.—

(1) PRODUCTION HISTORY.—The Secretary shall base a transition payment made to a producer on the average quantity of tobacco subject to a marketing quota that is produced by the producer for each of the 1995 through 1997 crops.

(2) PRODUCTION.—The producer shall have the burden of demonstrating to the Secretary the production of tobacco for each of the 1995 through 1997 crops.

(f) PAYMENT CALCULATION.—Under this section, the total amount of the transition payment made to a producer shall be determined by multiplying—

(1) $4.00; by

(2) the average quantity of the kind of tobacco produced by the producer for each of the 1995 through 1997 crops.

MURKOWSKI AMENDMENTS NOS. 2503–2504

(Ordered to lie on the table.)

Mr. MURKOWSKI submitted two amendments intended to be proposed by him to the bill, S. 1415, supra; as follows:

AMENDMENT NO. 2503

At the end of title VI, add the following:

SEC. ___. COLLECTION OF STATE TOBACCO EXCISE AND SALES TAXES FROM INDIAN TRIBES.

(a) IN GENERAL.—An Indian tribe, tribal corporation, or individual member of an Indian tribe engaged in tobacco retailing shall collect all lawfully-imposed, non-discriminatory tobacco excise and sales taxes imposed by a State, within the exterior boarders of which the purchase occurs, on nonmembers of the Indian tribe as a consequence of the purchase of tobacco products by the nonmember from the Indian tribe, tribal corporation, or individual member of an Indian tribe.

(b) ENFORCEMENT.—

(1) IN GENERAL.—To that extent that all such taxes are not collected and remitted to the appropriate State by the Indian tribe, tribal corporation, or individual member of an Indian tribe (or, in the manner provided by State law, by any other person), such tribe, corporation, or individual shall remit such taxes to the Treasury of the United States, which shall, in turn, remit such taxes to the State in which the purchase by the nonmember took place.

(2) AUTHORITY OF SECRETARY OF THE TREASURY.—The Secretary of the Treasury of the United States shall—

(A) have the authority to enforce the requirements of subsection (a) and to administer the collection of tobacco excise and sales taxes under subsection (b)(1);

(B) issue regulations to implement subsection (b)(1) within 180 days of enactment; and

(C) specify in such regulations such return information to accompany remittance of the taxes due under subsection (b)(1) and the time period (not to exceed 180 days) for return of such taxes to the appropriate State.

(c) PRESERVATION OF STATE LAW AND TRIBAL-STATE AGREEMENTS.—Subsections (a) and (b) shall not apply to Indian tribes or tribal corporations if—

(1) the law of a State provides that Indian tribes or tribal corporations are not obligated to collect and remit such State's tobacco excise and sales taxes to the State provided that the tribe or tribal corporation imposes and collects tobacco excise and sales taxes on the purchase of tobacco products by nonmembers that are equal to or greater than the tobacco excise and sales taxes imposed by the State on the sale of tobacco products within the State's exterior borders; or

(2) the Indian tribe or tribal corporation has entered into an agreement with a State, within which the purchase of tobacco products by an nonmember occurs, on the collection and allocation of the State's tobacco excise and sales taxes on the purchase of tobacco products by nonmembers from the Indian tribe or tribal corporation, and such agreement provides that the Indian tribe or tribal corporation imposes and collects tobacco excise and sales taxes on the purchase of tobacco products by nonmembers that are equal to or greater than the tobacco excise and sales taxes imposed by the State on the sale of tobacco products within the State's exterior borders.

(d) EFFECTIVE DATE.—This section shall apply to sales occurring after the date of enactment of this Act.

AMENDMENT NO. 2504

At the end of title VI, add the following:

SEC. ___. UNIFORMITY OF TOBACCO PRODUCT SALES PRICES.

(a) IN GENERAL.—Notwithstanding any other provision of law, if with respect to the sale by an Indian tribe, tribal corporation, or individual member of an Indian tribe of any tobacco product on Indian lands, the price at which such product is sold to a non-Indian exceeds such price to an Indian, there is imposed a fee equal to such excess on such sale to an Indian.

(b) DETERMINATION OF EXCESS.—For purposes of subsection (a), the excess shall be determined without regard to any State tax on the sale of tobacco products if such tax is collected and remitted to the State by such tribe, tribal corporation, or individual member.

(c) ENFORCEMENT THROUGH REMITTANCE OF FEE.—The fee imposed under this section shall be remitted at least quarterly by such tribe, tribal corporation, or individual member to the Treasury of the United States, unless such tribe or tribal corporation has provided the Secretary with proper certification that such fee shall not be used to provide a refund or rebate to Indians who purchase tobacco products on such Indian lands.

(d) EFFECTIVE DATE.—This section shall apply to sales occurring after the date of enactment of this Act.

LIEBERMAN AMENDMENT NO. 2505

(Ordered to lie on the table.)

Mr. LIEBERMAN submitted an amendment intended to be proposed by him to the bill, S. 1415, supra; as follows:

In title XIV, §1412(c)(2), insert on p. 435, line 23, after "this title:" "Such mechanism shall, to the greatest extent possible, ensure that in the event the liability cap is met in any calendar year, compensatory damage awards registered with the Secretary shall be given priority for payment over registered punitive damage awards."

KENNEDY AMENDMENTS NOS. 2506–2507

(Ordered to lie on the table.)

Mr. KENNEDY submitted two amendments intended to be proposed by him to the bill, S. 1415, supra; as follows:

AMENDMENT NO. 2506

Strike section 405, and insert the following:

SEC. 405. TAX TREATMENT OF PAYMENTS.

(a) IN GENERAL.—Payments made under section 402 shall not be considered to be ordinary and necessary business expenses for

purposes of chapter 1 of the Internal Revenue Code of 1986 and shall not be deductible under the Internal Revenue Code of 1986.

(b) FULL PAYMENT BY MANUFACTURERS.—

(1) DETERMINATION.—For each calendar year, the Secretary of the Treasury shall determine whether and by what amount—

(A) the amount paid to the Internal Revenue Service for such calendar year by manufacturers of tobacco products; exceeds

(B) the amount that would have been paid by such manufactures for such calendar year in absence of the application of subsection (a).

(2) TRANSFER.—With respect to a calendar year, the Secretary of the Treasury shall transfer to the National Tobacco Trust Fund an amount equal to the excess determined for such calendar year under paragraph (1).

AMENDMENT NO. 2507

Strike section 405, and insert the following:

SEC. 405. TAX TREATMENT OF PAYMENTS.

(a) IN GENERAL.—Payments made under section 402 shall not be considered to be ordinary and necessary business expenses for purposes of chapter 1 of the Internal Revenue Code of 1986 and shall not be deductible under the Internal Revenue Code of 1986.

(b) FULL PAYMENT BY MANUFACTURERS.—

(1) DETERMINATION.—For each calendar year, the Secretary of the Treasury shall determine whether and by what amount—

(A) the amount paid to the Internal Revenue Service for such calendar year by manufacturers of tobacco products; exceeds

(B) the amount that would have been paid by such manufactures for such calendar year in absence of the application of subsection (a).

(2) TRANSFER.—With respect to a calendar year, the Secretary of the Treasury shall transfer to the National Tobacco Trust Fund an amount equal to the excess determined for such calendar year under paragraph (1).

CRAIG AMENDMENTS NOS. 2508–2509

(Ordered to lie on the table.)

Mr. CRAIG submitted two amendments intended to be proposed by him to the bill, S. 1415, supra; as follows:

AMENDMENT NO. 2508

Beginning on page 192, strike line 8 and all that follows through line 2 on page 193, and insert the following:

(1) AMOUNTS.—

(A) IN GENERAL.—There is established within the Trust Fund a separate account, to be known as the State Litigation Settlement Account. Of the net revenues credited to the Trust Fund under section 401(b)(1) for each fiscal year, at least 62 percent of the amounts designated for allocation under the settlement payments shall be allocated to this account. If, after 10 years, the estimated 25-year total amount projected to received in this account will be different than amount than $340,200,000,000, then beginning with the eleventh year the 62 percent share will be adjusted as necessary to achieve that 25-year total amount. Notwithstanding section 452(b) or any other provision of this Act, amounts received by a State under this subsection may be used as the State determines appropriate.

(B) STATE LOSS OF REVENUE ADJUSTMENTS.—

(i) IN GENERAL.—Amounts provided to a State under this subsection for a fiscal year shall take into account the decrease in the amount of revenue that the State received during the previous fiscal year as a result of a decrease in the demand for tobacco products in the State based on the enactment of this Act.

(ii) DETERMINATIONS.—The Joint Committee on Taxation established under section 8001 of the Internal Revenue Code of 1986 shall make determinations under clause (i) relating to the amount by which the revenues of a State have decreased during a fiscal year as a result of the enactment of this Act.

AMENDMENT NO. 2509

Beginning on page 179, strike lines 21 and all that follows through line 4 on page 180, and insert the following:

(c) NET REVENUES AND ADJUSTMENTS FOR LOSS OF REVENUES BY STATES.—

(1) NET REVENUES.—For purposes of subsection (b), the term "net revenues" means the amount estimated by the Congressional Budget Office based on the excess of—

(A) the amounts received in the Treasury under subsection (b), over

(B) an amount equal to—

(i) the decrease in the taxes imposed by chapter 1 and chapter 52 of the Internal Revenue Code of 1986, and other offsets, resulting from the amounts received under subsection (b); and

(ii) the increase in direct and indirect Federal spending as a result of the enactment of this Act (including increases in cost of living adjustments resulting from an increase in the Consumer Price Index as a result of required tobacco product price increases).

(2) STATE LOSS OF REVENUE ADJUSTMENTS.—

(A) IN GENERAL.—Amounts provided to a State under section 451 for a fiscal year shall be increased by an amount equal to the decrease in the amount of revenue that the State received during the previous fiscal year as a result of a decrease in the demand for tobacco products in the State based on the enactment of this Act.

(B) DETERMINATIONS.—The Joint Committee on Taxation established under section 8001 of the Internal Revenue Code of 1986 shall make determinations under subparagraph (A) relating to the amount by which the revenues of a State have decreased during a fiscal year as a result of the enactment of this Act.

(C) FUNDING.—Amounts in the Trust Fund shall be made available to carry out this paragraph.

DOMENICI AMENDMENTS NOS. 2510–2511

(Ordered to lie on the table.)

Mr. DOMENICI submitted two amendments intended to be proposed by him to the bill, S. 1415, supra; as follows:

AMENDMENT NO. 2510

At the appropriate place, insert the following:

SECTION 1. PERMANENT EXTENSION OF RESEARCH CREDIT.

(a) IN GENERAL.—Section 41 of the Internal Revenue Code of 1986 (relating to credit for increasing research activities) is amended by striking subsection (h).

(b) CONFORMING AMENDMENT.—Section 45C(b)(1) of the Internal Revenue Code of 1986 is amended by striking subparagraph (D).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after June 30, 1998.

SEC. 2. MODIFICATIONS OF CREDIT FOR QUALIFIED RESEARCH EXPENSES.

(a) FIXED-BASE PERCENTAGE.—Subparagraph (A) of section 41(c)(3) of the Internal Revenue Code of 1986 (defining fixed-base percentage) is amended to read as follows:

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, the fixed-base percentage is the percentage which the aggregate qualified research expenses of the taxpayer for taxable years beginning in the base period is of the aggregate gross receipts of the taxpayer for such taxable years. For purposes of the preceding sentence, the base period for any taxable year is any period of 4 consecutive taxable years elected by the taxpayer from the 10 immediately preceding taxable years."

(b) START-UP COMPANIES.—

(1) FIXED-BASE PERCENTAGE.—

(A) IN GENERAL.—Clause (i) of section 41(c)(3)(B) of such Code (relating to start-up companies) is amended to read as follows:

"(i) TAXPAYERS TO WHICH SUBPARAGRAPH APPLIES.—The fixed-base percentage shall be determined under this subparagraph if the taxpayer did not have both gross receipts and qualified research expenses in each of the 10 taxable years described in subparagraph (A)."

(B) MAXIMUM PERCENTAGE NOT TO APPLY.—Section 41(c)(3)(C) of such Code (relating to maximum fixed-base percentage) is amended by adding at the end the following: "This subparagraph shall not apply to a taxpayer to which subparagraph (B) applies."

(C) CONFORMING AMENDMENTS.—Section 41(c)(3)(B)(ii) of such Code is amended—

(i) by striking "1st 5 taxable years beginning after December 31, 1993" and inserting "1st 5 taxable years in the 10-year period described in subparagraph (A)", and

(ii) by inserting "and" at the end of subclause (V), by striking ", and" at the end of subclause (VI), and by striking subclause (VII).

(2) REPEAL OF MINIMUM BASE AMOUNT FOR START-UP COMPANIES.—Section 41(c)(2) of the Internal Revenue Code of 1986 (relating to minimum base amount) is amended by adding at the end the following: "This paragraph shall not apply to a taxpayer to which paragraph (3)(B) applies."

(c) REPEAL OF LIMITATION ON CONTRACT RESEARCH EXPENSES.—Section 41(b)(3) of the Internal Revenue Code of 1986 (defining contract research expenses) is amended—

(1) by striking "65 percent of" in subparagraph (A), and

(2) by striking subparagraph (C).

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

(2) TRANSITION RULE.—In the case of a taxpayer's 1st 5 taxable years beginning after December 31, 1998, the taxpayer may elect to have section 41 of the Internal Revenue Code of 1986 applied without regard to the amendments made by subsections (a) and (b).

SEC. 3. MODIFICATIONS OF BASIC RESEARCH CREDIT.

(a) EXPANSION OF CREDIT TO RESEARCH DONE WITH NATIONAL LABORATORIES AND FEDERAL RESEARCH CENTERS.—Section 41(e)(6) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

"(E) NATIONAL LABORATORIES AND RESEARCH CENTERS.—Any organization which is—

"(i) a national laboratory specified by the Secretary of Energy as being under contract with the Department of Energy, or

"(ii) a federally funded research and development center (within the meaning of section 2367 of title 10, United States Code)."

(b) BASIC RESEARCH.—Section 41(e)(7) of the Internal Revenue Code of 1986 (relating

to definitions and special rules) is amended by adding at the end the following new subparagraph:

"(F) SPECIFIC COMMERCIAL OBJECTIVE.—For purposes of subparagraph (A), research shall not be treated as having a specific commercial objective if—

"(i) all results of such research are to be published in such a manner as to be available to the general public prior to their use for a commercial purpose, or

"(ii) such research is done for a consortium of domestic corporations which represent substantially all of the domestic corporations conducting business within the sector to which the research relates."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

AMENDMENT NO. 2511

On page ___, after line ___, insert the following:

SEC. ___. DEDICATION OF FUNDS TO MEDICARE AFTER FISCAL YEAR 2008.

(a) EXPIRATION OF AUTHORITY.—Notwithstanding any other provision of this Act, the following shall expire on September 30, 2008:

(1) All authority provided in this Act to obligate and expend funds from the National Tobacco Trust Fund.

(2) All obligations of the Federal Government to make any payment to any person or government under this Act.

(3) All provisions in this Act which result, directly or indirectly, in an increase in direct spending by the Federal Government.

(b) TRANSFER OF FUNDS.—After September 30, 2008, the following amounts shall be transferred to the Federal Hospital Insurance Trust Fund (part A):

(1) The net revenues resulting from—

(A) amounts paid under section 402;

(B) amounts equal to the fines or penalties paid under section 402, 403, or 405, including interest thereon; and

(C) amounts equal to penalties paid under section 202, including interest thereon.

(2) The unobligated balances in the National Tobacco Trust Fund.

ROTH AMENDMENTS NOS. 2512–2515

(Ordered to lie on the table.)

Mr. ROTH submitted four amendments intended to be proposed by him to the bill, S. 1415, supra; as follows:

AMENDMENT NO. 2512

Beginning on page 161, strike line 16 and all that follows through page 162, line 2.

On page 162, after line 23, add the following:

(b) ELIMINATION OF LIMITATION ON MEDICAID COVERAGE OF SMOKING CESSATION AGENTS.—Section 1927(d)(2) of the Social Security Act (42 U.S.C. 1396r–8(d)(2)) is amended by striking subparagraph (E) and redesignating subparagraphs (F) through (J) as subparagraphs (E) through (I), respectively.

On page 192, beginning with line 15, strike "Such" and all that follows through the period on line 19.

On page 193, strike lines 7 through 25 and insert the following:

(3) DISTRIBUTION FORMULA.—

(A) IN GENERAL.—Except as provided in paragraph (5), amounts in the State Litigation Settlement Account shall be available, without further appropriations, to make payments to each State in the amount determined under subparagraph (B). The Secretary shall transfer amounts available under this subsection to each State as amounts are credited to the State Litigation Settlement Account without undue delay.

(B) AMOUNT.—Except as provided in paragraph (4), the amount of any payment to a State under subparagraph (A) for any calendar year shall be equal to the percentage of the amounts transferred to the State Litigation Settlement Account for such calendar year determined in accordance with the following table:

"States:	Percentage:
Alabama	1.231000
Alaska	0.400000
American Samoa	0.007850
Arizona	1.701000
Arkansas	0.949000
California	8.653000
Colorado	0.985000
Connecticut	1.541000
Delaware	0.400000
District of Columbia	0.472000
Florida	4.745000
Georgia	2.722000
Guam	0.005704
Hawaii	0.800000
Idaho	0.400000
Illinois	3.911000
Indiana	1.483000
Iowa	0.928000
Kansas	0.800000
Kentucky	1.656000
Louisiana	1.715000
Maine	0.800000
Maryland	1.418000
Massachusetts	3.783000
Michigan	3.569000
Minnesota	1.240000
Mississippi	1.693000
Missouri	1.693000
Montana	0.400000
Nebraska	0.400000
Nevada	0.400000
New Hampshire	0.400000
New Jersey	3.737000
New Mexico	0.800000
New York	12.751000
North Carolina	1.967000
North Dakota	0.400000
Northern Mariana Islands	0.001270
Ohio	4.185000
Oklahoma	0.800000
Oregon	1.346000
Pennsylvania	4.400000
Puerto Rico	0.416015
Rhode Island	0.800000
South Carolina	1.085000
South Dakota	0.400000
Tennessee	2.837000
Texas	5.901000
United States Virgin Islands	0.004413
Utah	0.400000
Vermont	0.400000
Virginia	1.342000
Washington	1.718000
West Virginia	0.778000
Wisconsin	1.832000
Wyoming	0.400000.

(C) APPLICATION OF MEDICAID COST RECOVERY RULES.—Subject to section 1903(d)(7) of the Social Security Act, a State may use amounts received under this paragraph as the State determines appropriate.

(4) MINIMUM PAYMENTS TO SETTLEMENT STATES.—

(A) IN GENERAL.—In the case of the State of Florida, Minnesota, Mississippi, or Texas, the payment under paragraph (3)(A) for any calendar year shall be equal to the greater of—

(i) the amount of the payment determined under paragraph (3)(B), or

(ii) the aggregate payments which, but for paragraph (5), would have been received by such State for such calendar year under the settlement, judgment, or other agreement with respect to which payments were waived under paragraph (5).

(B) REALLOCATION OF AMOUNTS FOR OTHER STATES.—If the amount determined under subparagraph (A)(ii) exceeds the amount determined under subparagraph (A)(i) for 1 or more States for any calendar year, the amount of the payments under paragraph (3)(A) to all States to which subparagraph (A) does not apply shall be ratably reduced by the aggregate amount of such excess for all 4 States.

(5) WAIVER OF PAYMENTS FROM STATE LITIGATION.—

(A) IN GENERAL.—No payment shall be made from the State Litigation Settlement Account to any State unless such State agrees to waive its rights to receive funds after the date of the enactment of this Act under any settlement, entry of a court judgment, or other agreement, that resolves litigation by the State against a tobacco manufacturer or a group of tobacco manufacturers for expenditures of the State for tobacco-related diseases or conditions.

(B) REDISTRIBUTION OF WAIVED PAYMENTS.—If a waiver is not in effect under this paragraph with respect to a State for a calendar year, any payments out of the State Litigation Settlement Account which would otherwise have been made to such State shall be reallocated to all other States receiving such payments for such calendar year in the same proportion as the payments received by any State bear to all such payments.

(C) WAIVER.—Any waiver under subparagraph (A) shall be made before the date which is 1 year after the date of the enactment of this section and, once made, is irrevocable.

(6) BUDGETARY TREATMENT.—This subsection constitutes budget authority in advance of appropriations Acts and represents the obligation of the Federal Government to provide payments to States in accordance with the provisions described in paragraph (3).

(7) DEFINITION OF STATE.—In this subsection, the term "State" means each of the 50 States, the District of Columbia, Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Northern Mariana Islands.

(8) APPLICATION OF MEDICAID COST RECOVERY RULES.—Section 1903(d) of the Social Security Act (42 U.S.C. 1396b(d)) is amended by adding at the end the following:

"(7)(A) Except as provided under subparagraph (B), the provisions of this subsection relating to the treatment of overpayments, and any other cost recovery rules applicable to payments made under this title, shall apply to the portion of any of the following amounts that is used for expenditures under or related to the State plan (or a waiver of such plan) under this title:

"(i) Payments from the State Litigation Settlement Account established under section 9512(d) of the Internal Revenue Code of 1986.

"(ii) Payments received as a result of litigation by the State against a tobacco manufacturer or a group of tobacco manufacturers based on expenditures of the State for tobacco-related diseases or conditions that is resolved through a settlement, entry of a court judgment, or otherwise.

"(B) Upon receipt of certification by the chief executive officer of a State that the State shall not use payments described in clauses (i) or (ii) of subparagraph (A) for expenditures under or related to the State plan

(or a waiver of such plan) under this title, the Secretary shall waive the application of the provisions of this subsection relating to the treatment of overpayments, and any other cost recovery rules applicable to payments made under this title, to such payments."

Beginning on page 200, strike line 1 and all that follows through page 206, line 19.

AMENDMENT NO. 2513

Beginning on page 203, strike line 21 and all that follows through page 206, line 15, and insert the following:

(f) INCREASE IN LIMITATION ON EXPENDITURES UNDER CHILDREN'S HEALTH INSURANCE PROGRAM.—Section 2105(c)(2)(A) of the Social Security Act (42 U.S.C. 1397ee(c)(2)(A)) is amended by striking "10" and inserting "15".

AMENDMENT NO. 2514

On page 210, between lines 18 and 19, insert the following:

SEC. 456. REPEAL.

(a) REPEAL.—Section 8401 of the Transportation Equity Act for the 21st Century is repealed.

(b) EFFECTIVE DATE.—The repeal made by subsection (a) shall take effect as if included in the enactment of the Transportation Equity Act for the 21st Century.

(c) OFFSET.—The amount in the Trust Fund established under section 401 that is in excess of the amount that is required to offset the direct spending in this Act shall be reduced by an amount equal to the amount necessary to fund the increase in the amounts specified for allocation under section 2003(c) of the Social Security Act (42 U.S.C. 1397b(c)) as a result of the repeal made by subsection (a).

AMENDMENT NO. 2415

On page 210, between lines 18 and 19, insert the following:

SEC. 456. AUTHORITY FOR STATE INNOVATION UNDER THE MEDICAID PROGRAM.

Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)) is amended by adding at the end the following:

"(aa)(1) Notwithstanding any other provision of this title, a State may, subject to paragraph (2), contract with 1 or more private entities to administer and integrate the procedures for determining eligibility for medical assistance (including presumptive eligibility for such assistance, in the case of pregnant women and children, in accordance with sections 1920 and 1920A) under the State plan (or a waiver of such plan).

"(2) A contract entered into under the authority of paragraph (1) shall provide that appeals of eligibility determinations shall be heard and decided in accordance with the requirements of the State plan (or a waiver of such plan) and this title.".

ROTH (AND OTHERS) AMENDMENT NO. 2516

(Ordered to lie on the table.)

Mr. ROTH (for himself, Mrs. BOXER, Mr. GRASSLEY, Mr. DOMENICI, Mr. NICKLES, Mr. GRAHAM, Mr. COATS, Mr. BOND, Mr. ALLARD, and Mr. ABRAHAM) submitted an amendment intended to be proposed by them to the bill, S. 1415, supra; as follows:

At the appropriate place, insert:

SEC. ___. DEDUCTION FOR HEALTH INSURANCE COSTS FOR INDIVIDUALS NOT ELIGIBLE TO PARTICIPATE IN EMPLOYER-SUBSIDIZED HEALTH PLANS.

(a) IN GENERAL.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to additional itemized deductions) is amended by redesignating section 222 as section 223 and by inserting after section 221 the following new section:

"SEC. 222. HEALTH INSURANCE COSTS.

"(a) IN GENERAL.—In the case of an individual, there shall be allowed as a deduction an amount equal to 100 percent of the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, his spouse, and dependents.

"(b) LIMITATIONS.—

"(1) OTHER COVERAGE.—Subsection (a) shall not apply to any taxpayer for any calendar month for which the taxpayer is eligible to participate in any subsidized health plan maintained by any employer (or former employer) of the taxpayer or of the spouse of the taxpayer. The preceding sentence shall be applied separately with respect to—

"(A) plans which include coverage for qualified long-term care services (as defined in section 7702B(c)) or are qualified long-term care insurance contracts (as defined in section 7702B(b)), and

"(B) plans which do not include such coverage and are not such contracts.

"(2) LONG-TERM CARE PREMIUMS.—In the case of a qualified long-term care insurance contract (as defined in section 7702B(b)), only eligible long-term care premiums (as defined in section 213(d)(10)) shall be taken into account under subsection (a).

"(3) MEDICARE PREMIUMS.—Subsection (a) shall not apply to amounts paid as premiums under part B of title XVIII of the Social Security Act.

"(c) SPECIAL RULES.—For purposes of this section—

"(1) COORDINATION WITH MEDICAL DEDUCTION, ETC.—Any amount paid by a taxpayer for insurance to which subsection (a) applies shall not be taken into account in computing the amount allowable to the taxpayer as a deduction under section 213(a).

"(2) DEDUCTION NOT ALLOWED FOR SELF-EMPLOYMENT TAX PURPOSES.—The deduction allowable by reason of this section shall not be taken into account in determining an individual's net earnings from self-employment (within the meaning of section 1402(a)) for purposes of chapter 2.

"(3) CONTINUATION COVERAGE.—Coverage shall not be treated as subsidized for purposes of subsection (b)(1) if—

"(A) such coverage is continuation coverage (within the meaning of section 4980B(f)) required to be provided by the employer, and

"(B) the taxpayer or the taxpayer's spouse is required to pay a premium for such coverage in an amount not less than 100 percent of the applicable premium (within the meaning of section 4980B(f)(4)) for the period of such coverage."

(b) CONFORMING AMENDMENTS.—

(1) Subsection (l) of section 162 of such Code is hereby repealed.

(2) Subsection (a) of section 62 of such Code is amended by inserting after paragraph (17) the following new paragraph:

"(18) HEALTH INSURANCE COSTS OF CERTAIN INDIVIDUALS.—The deduction allowed by section 222."

(3) The table of sections for part VII of subchapter B of chapter 1 of such Code is amended by striking the last item and inserting the following new items:

"Sec. 222. Health insurance costs.

"Sec. 223. Cross reference."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

LANDRIEU AMENDMENTS NOS. 2517–2520

(Ordered to lie on the table.)

Ms. LANDRIEU submitted four amendments intended to be proposed by her to the bill, S. 1415, supra; as follows:

AMENDMENT NO. 2517

On page 182, strike lines 11 through 23, and insert the following:

(b) ANNUAL PAYMENTS.—Each calender year beginning after the required payment date under subsection (a)(3) the participating tobacco product manufacturers shall make total payments into the Fund for each calendar year in the following applicable base amounts, subject to adjustment as provided in section 403.

(1) For year 1, an amount equal to the product of $0.65 and the total number of units of tobacco products that were sold in the United States in the previous year.

(2) For year 2, an amount equal to the product of $1.25 and the total number of units of tobacco products that were sold in the United States in the previous year.

(3) For year 3, and each subsequent year, an amount equal to the amount paid in the prior year adjusted in accordance with section 403.

AMENDMENT NO. 2518

On page 141, between lines 12 and 13, insert the following:

"(f) TOBACCO ILLNESS ASSISTANCE PROGRAM.—The Secretary shall establish a program to provide assistance and compensation to individuals (and entities providing services to such individuals) suffering from tobacco-related illnesses and conditions. Under such program the Secretary shall ensure that assistance is targeted at individuals who are determined to be uninsured or underinsured and who can demonstrate financial hardship.

AMENDMENT NO. 2519

On page 193, line 16, add at the end the following: "Such formula shall take into account factors that include—

"(1) the number of smokers in each State;

"(2) the number of cases of cancer in each State;

"(3) the per capita income in each State; and

"(4) the number of teen smokers in each State.".

AMENDMENT NO. 2520

On page 199, after line 23, add the following:

(f) FEDERAL EMPLOYEES CHILD CARE ACCOUNT.—

(1) IN GENERAL.—There is established within the trust fund a separate account, to be known as the Federal Employees Child Care Account. Of the net revenue credited to the trust fund under section 401(b)(1) in each fiscal year, $10,000,000 shall be allocated to this account.

(2) USE OF FUNDS.—Amounts in the account under paragraph (1) shall be made available to the Director of the Office of Personnel Management for the purpose of ensuring the availability of affordable child care for Federal employees. Such funds shall be provided to such individuals on the basis of a sliding scale to be developed by the Director taking into consideration total family income and the Federal pay scales.

(3) AUTHORIZATION OF APPROPRIATIONS.—Amounts allocated to the account under

paragraph (1) shall be available to the extent and in the amounts provided in advance in appropriations acts, to remain available until expended, only for the purpose described in paragraph (2).

DURBIN (AND DEWINE) AMENDMENT NO. 2521

(Ordered to lie on the table.)

Mr. DURBIN (for himself and Mr. DEWINE) submitted an amendment intended to be proposed by them to the bill, S. 1415, supra; as follows:

In title II, strike subtitle A and insert the following:

Subtitle A—Performance Objectives to Reduce Underage Use

SEC. 201. FINDINGS.

Congress finds the following:

(1) Reductions in the underage use of tobacco products are critically important to the public health.

(2) Achieving this critical public health goal can be substantially furthered by increasing the price of tobacco products to discourage underage use if reduction targets are not achieved and by creating financial incentives for manufacturers to discourage youth from using their tobacco products.

(3) When reduction targets in underage use are not achieved on an industry-wide basis, the price increases that will result from an industry-wide assessment will provide an additional deterrence to youth tobacco use.

(4) Manufacturer-specific incentives that will be imposed if reduction targets are not met by a manufacturer provide a strong incentive for each manufacturer to make all efforts to discourage youth use of its brands and insure the effectiveness of the industry-wide assessments.

SEC. 202. PURPOSES AND GOALS.

(a) PURPOSE.—It is the purpose of this subtitle to ensure that, in the event that other measures contained in this Act prove to be inadequate to produce substantial reductions in tobacco use by minors, tobacco companies will pay additional assessments. These additional assessments are designed to lower youth tobacco consumption in a variety of ways, including by triggering further increases in the price of tobacco products, by encouraging tobacco companies to work to meet statutory targets for reductions in youth tobacco consumption, and by providing support for further reduction efforts.

(b) GOALS.—As part of a comprehensive national tobacco control policy, the Secretary, working in cooperation with State, Tribal, and local governments and the private sector, shall take all actions under this Act necessary to ensure that the required performance objectives for percentage reductions in underage use of tobacco products set forth in this title are achieved.

SEC. 203. ANNUAL PERFORMANCE SURVEYS.

(a) ANNUAL PERFORMANCE SURVEY.—Beginning not later than 1999 and annually thereafter the Secretary shall conduct a survey, in accordance with the methodology in subsection (e)(1), to determine for each type of tobacco product—

(1) the percentage of all children who used such type of tobacco product within the past 30 days; and

(2) the percentage of children who identify each brand of each type of tobacco product as the usual brand of the type smoked or used within the past 30 days.

(b) USE OF PRODUCT.—A child shall be considered to have used a manufacturer's tobacco product if the child identifies the manufacturer's tobacco product as the usual brand of tobacco product smoked or used by the child within the past 30 days.

(c) SEPARATE TYPES OF PRODUCTS.—For purposes of this subtitle cigarettes and smokeless tobacco shall be considered separate types of tobacco products.

(d) CONFIDENTIALITY OF DATA.—The Secretary may conduct a survey relating to tobacco use involving minors. If the information collected in the course of conducting the annual performance survey results in the individual supplying the information, or described in the information, being identifiable, the information may not be used for any purpose other than the purpose for which it was supplied unless that individual (or that individual's guardian) consents to its use for such other purposes. The information may not be published or released in any other form if the individual supplying the information, or described in the information, is identifiable unless that individual (or that individual's guardian) consents to its publication or release in other form.

(e) METHODOLOGY.—

(1) IN GENERAL.—The survey required by subsection (a) shall—

(A) be based on a nationally representative sample of young individuals;

(B) measure use of each type of tobacco product within the past 30 days;

(C) identify the usual brand of each type of tobacco product used within the past 30 days; and

(D) permit the calculation of the actual percentage reductions in underage use of a type of tobacco product (or, in the case of the manufacturer-specific surcharge, the use of a type of the tobacco products of a manufacturer) based on the point estimates of the percentage of young individuals reporting use of a type of tobacco product (or, in the case of the manufacturer-specific surcharge, the use of a type of the tobacco products of a manufacturer) from the annual performance survey.

(2) CRITERIA FOR DEEMING POINT ESTIMATES CORRECT.—Point estimates under paragraph (1)(D) are deemed conclusively to be correct and accurate for calculating actual percentage reductions in underage use of a type of tobacco product (or, in the case of the manufacturer-specific surcharge, the use of a type of the tobacco products of a manufacturer) for the purpose of measuring compliance with percent reduction targets and calculating surcharges provided that the precision of estimates (based on sampling error) of the percentage of children reporting use of a type of tobacco product (or, in the case of the manufacturer-specific surcharge, the use of a type of the tobacco products of a manufacturer) is such that the 95 percent confidence interval around such point estimates is no more than plus or minus 1 percent.

(3) SURVEY DEEMED CORRECT, PROPER, AND ACCURATE.—A survey using the methodology required by this subsection is deemed conclusively to be proper, correct, and accurate for purposes of this Act.

(4) SECRETARY MAY ADOPT DIFFERENT METHODOLOGY.—The Secretary by notice and comment rulemaking may adopt a survey methodology that is different than the methodology described in paragraph (1) if the different methodology is at least as statistically precise as that methodology.

SEC. 204. PERFORMANCE OBJECTIVES.

(a) BASELINE LEVEL.—The baseline level for each type of tobacco product, and for each manufacturer with respect to each type of tobacco product, is the percentage of children determined to have used such tobacco product in the first annual performance survey (in 1999).

(b) INDUSTRY-WIDE NON-ATTAINMENT ASSESSMENTS.—For the purpose of determining industry-wide non-attainment assessments, the performance objective for the reduction of the percentage of children determined to have used each type of tobacco product is the percentage in subsection (d) as measured from the baseline level for such type of tobacco product.

(c) PERFORMANCE OBJECTIVES FOR EXISTING MANUFACTURERS.—Each existing manufacturer shall have as a performance objective the reduction of the percentage of children determined to have used each type of such manufacturer's tobacco products by at least the percentage specified in subsection (d) as measured from the baseline level for such manufacturer for such product.

(d) REQUIRED PERCENTAGE REDUCTIONS.—The reductions required in this subsection are as follows:

(1) In the case of cigarettes—

(A) with respect to the third and fourth annual performance surveys, 20 percent;

(B) with respect to the fifth and sixth annual performance surveys, 40 percent;

(C) with respect to the seventh, eighth, and ninth annual performance surveys, 55 percent; and

(D) with respect to the 10th annual performance survey and each annual performance survey thereafter, 67 percent.

(2) In the case of smokeless tobacco—

(A) with respect to the third and fourth annual performance surveys, 12.5 percent;

(B) with respect to the fifth and sixth annual performance surveys, 25 percent;

(C) with respect to the seventh, eighth, and ninth annual performance surveys, 35 percent; and

(D) with respect to the 10th annual performance survey and each annual performance survey thereafter, 45 percent.

(e) PERFORMANCE OBJECTIVE RELATIVE TO THE DE MINIMIS LEVEL.—If the percentage of children determined to have used a type of the tobacco products of an existing manufacturer in an annual performance survey is equal to or less than the de minimis level, the manufacturer shall be considered to have achieved the applicable performance objective.

(f) PERFORMANCE OBJECTIVES FOR NEW MANUFACTURERS.—Each new manufacturer shall have as its performance objective maintaining the percentage of children determined to have used each type of such manufacturer's tobacco products in each annual performance survey at a level equal to or less than the de minimis level for that year.

(g) DE MINIMIS LEVEL.—The de minimis level shall be 1 percent of children for the applicable year.

SEC. 205. MEASURES TO HELP ACHIEVE THE PERFORMANCE OBJECTIVES.

(a) ANNUAL DETERMINATION.—Beginning in 2001, and annually thereafter, the Secretary shall, based on the annual performance surveys conducted under section 203, determine if the performance objectives for each type of tobacco product under section 204 has been achieved and if each manufacturer has achieved the applicable performance objective under section 204.

(b) INDUSTRY-WIDE NON-ATTAINMENT ASSESSMENTS.—

(1) INDUSTRY-WIDE NON-ATTAINMENT PERCENTAGE.—The Secretary shall determine the industry-wide non-attainment percentage, if any, for cigarettes and for smokeless tobacco for each calendar year.

(2) NON-ATTAINMENT ASSESSMENT FOR CIGARETTES.—For each calendar year in which the performance objective under section 204(b) is not attained for cigarettes, the Secretary shall assess a surcharge on cigarette manufacturers as follows:

If the non-attainment percentage is:	The surcharge is:
Not more than 5 percentage points	$40,000,000 multiplied by the non-attainment percentage
More than 5 but not more than 20 percentage points	$200,000,000, plus $120,000,000 multiplied by the non-attainment percentage in excess of 5 but not in excess of 20 percentage points
More than 20 percentage points	$2,000,000,000

(3) NON-ATTAINMENT ASSESSMENT FOR SMOKELESS TOBACCO.—For each year in which the performance objective under section 204(b) is not attained for smokeless tobacco, the Secretary shall assess a surcharge on smokeless tobacco product manufacturers as follows:

If the non-attainment percentage is:	The surcharge is:
Not more than 5 percentage points	$4,000,000 multiplied by the non-attainment percentage
More than 5 but not more than 20 percentage points	$20,000,000, plus $12,000,000 multiplied by the non-attainment percentage in excess of 5 but not in excess of 20 percentage points
More than 20 percentage points	$200,000,000

(4) STRICT LIABILITY; JOINT AND SEVERAL LIABILITY.—Liability for any surcharge imposed under this subsection shall be—

(A) strict liability; and

(B) joint and several liability—

(i) among all cigarette manufacturers for surcharges imposed under paragraph (2); and

(ii) among all smokeless tobacco manufacturers for surcharges imposed under paragraph (3).

(5) SURCHARGE LIABILITY AMONG MANUFACTURERS.—A tobacco product manufacturer shall be liable under this subsection to one or more other manufacturers if the plaintiff tobacco product manufacturer establishes by a preponderance of the evidence that the defendant tobacco product manufacturer, through its acts or omissions, was responsible for a disproportionate share of the non-attainment surcharge as compared to the responsibility of the plaintiff manufacturer.

(6) EXEMPTIONS FOR SMALL MANUFACTURERS.—

(A) ALLOCATION BY MARKET SHARE.—The Secretary shall allocate the assessments under this subsection according to each manufacturer's share of the domestic cigarette or domestic smokeless tobacco market, as appropriate, in the year for which the surcharge is being assessed, based on actual Federal excise tax payments.

(B) EXEMPTION.—In any year in which a surcharge is being assessed, the Secretary shall exempt from payment any tobacco product manufacturer with less than 1 percent of the domestic market share for a specific category of tobacco product unless the Secretary finds that the manufacturer's products are used by underage individuals at a rate equal to or greater than the manufacturer's total market share for the type of tobacco product.

(c) MANUFACTURER-SPECIFIC SURCHARGES.—

(1) IN GENERAL.—If the Secretary determines that the required percentage reduction in use of a type of tobacco product has not been achieved by a manufacturer for a year, the Secretary shall impose a surcharge on such manufacturer under this paragraph.

(2) CIGARETTES.—For each calendar year in which a cigarette manufacturer fails to achieve the performance objective under section 204(c), the Secretary shall assess a surcharge on that manufacturer in an amount equal to the manufacturer's share of youth incidence for cigarettes multiplied by the following surcharge level:

If the non-attainment percentage for the manufacturer is:	The surcharge level is:
Not more than 5 percentage points	$80,000,000 multiplied by the non-attainment percentage
More than 5 but not more than 24.1 percentage points	$400,000,000, plus $240,000,000 multiplied by the non-attainment percentage in excess of 5 but not in excess of 24.1 percentage points
More than 24.1 percentage points	$5,000,000,000

(3) SMOKELESS TOBACCO.—For each calendar year in which a smokeless tobacco product manufacturer fails to achieve the performance objective under section 204(c), the Secretary shall assess a surcharge on that manufacturer in an amount equal to the manufacturer's share of youth incidence for smokeless tobacco products multiplied by the following surcharge level:

If the non-attainment percentage for the manufacturer is:	The surcharge level is:
Not more than 5 percentage points	$8,000,000 multiplied by the non-attainment percentage
More than 5 but not more than 24.1 percentage points	$40,000,000, plus $24,000,000 multiplied by the non-attainment percentage in excess of 5 but not in excess of 24.1 percentage points
More than 24.1 percentage points	$500,000,000

(4) MANUFACTURER'S SHARE OF YOUTH INCIDENCE.—For purposes of this subsection, the term "manufacturer's share of youth incidence" means—

(A) for cigarettes, the percentage of all youth smokers determined to have used that manufacturer's cigarettes; and

(B) for smokeless tobacco products, the percentage of all youth users of smokeless tobacco products determined to have used that manufacturer's smokeless tobacco products.

(5) DE MINIMIS LEVELS.—If a manufacturer is a new manufacturer or the manufacturer's baseline level for a type of tobacco product is less than the de minimis level, the non-attainment percentage (for purposes of paragraph (2) or (3)) shall be equal to the number of percentage points by which the percentage of children who used the manufacturer's tobacco products of the applicable type exceeds the de minimis level.

(d) SURCHARGES TO BE ADJUSTED FOR INFLATION.—

(1) IN GENERAL.—Beginning with the fourth calendar year after the date of enactment of this Act, each dollar amount in the tables in subsections (b)(2), (b)(3), (c)(2), and (c)(3) shall be increased by the inflation adjustment.

(2) INFLATION ADJUSTMENT.—For purposes of paragraph (1), the inflation adjustment for any calendar year is the percentage (if any) by which—

(A) the CPI for the preceding calendar year; exceeds

(B) the CPI for the calendar year 1998.

(3) CPI.—For purposes of paragraph (2), the CPI for any calendar year is the average of the Consumer Price Index for all-urban consumers published by the Department of Labor.

(4) ROUNDING.—If any increase determined under paragraph (1) is not a multiple of $1,000, the increase shall be rounded to the nearest multiple of $1,000.

(e) METHOD OF SURCHARGE ASSESSMENT.—The Secretary shall assess a surcharge for a specific calendar year on or before May 1 of the subsequent calendar year. Surcharge payments shall be paid on or before July 1 of the year in which they are assessed. The Secretary may establish, by regulation, interest at a rate up to 3 times the prevailing prime rate at the time the surcharge is assessed, and additional charges in an amount up to 3 times the surcharge, for late payment of the surcharge.

(f) BUSINESS EXPENSE DEDUCTION.—In order to maximize the financial deterrent effect of the assessments and surcharges established in this section, any such payment shall not be deductible as an ordinary and necessary business expense or otherwise under the Internal Revenue Code of 1986.

(g) APPEAL RIGHTS.—The amount of any surcharge is committed to the sound discretion of the Secretary and shall be subject to judicial review by the United States Court of Appeals for the District of Columbia Circuit, based on the arbitrary and capricious standard of section 706(2)(A) of title 5, United States Code. Notwithstanding any other provisions of law, no court shall have authority to stay any surcharge payments due the Secretary under this Act pending judicial review.

(h) RESPONSIBILITY FOR AGENTS.—In any action brought under this subsection, a tobacco product manufacturer shall be held responsible for any act or omission of its attorneys, advertising agencies, or other agents that contributed to that manufacturer's responsibility for the surcharge assessed under this section.

SEC. 206. DEFINITIONS.

In this subtitle:

(1) CHILDREN.—The term "children" means individuals who are 12 years of age or older and under the age of 18.

(2) CIGARETTE MANUFACTURERS.—The term "cigarette manufacturers" means manufacturers of cigarettes sold in the United States.

(3) EXISTING MANUFACTURER.—The term "existing manufacturer" means a manufacturer which manufactured a tobacco product on or before the date of the enactment of this title.

(4) NEW MANUFACTURER.—The term "new manufacturer" means a manufacturer which begins to manufacture a type of tobacco product after the date of the enactment of this title.

(5) NON-ATTAINMENT PERCENTAGE.—The term "non-attainment percentage" means the number of percentage points yielded—

(A) for a calendar year in which the percent incidence of underage use of the applicable type of tobacco product is less than the baseline level, by subtracting—

(i) the percentage by which the percent incidence of underage use of the applicable type of tobacco product in that year is less than the baseline level, from

(ii) the required percentage reduction applicable in that year; and

(B) for a calendar year in which the percent incidence of underage use of the applicable type of tobacco product is greater than the baseline level, adding—

(i) the percentage by which the percent incidence of underage use of the applicable type of tobacco product in that year is greater than the baseline level; and

(ii) the required percentage reduction applicable in that year.

(6) SMOKELESS TOBACCO PRODUCT MANUFACTURERS.—The term "smokeless tobacco product manufacturers" means manufacturers of smokeless tobacco products sold in the United States.

DURBIN AMENDMENTS NOS. 2522–2524

(Ordered to lie on the table.)

Mr. DURBIN submitted three amendments intended to be proposed by him to the bill, S. 1415, supra; as follows:

AMENDMENT NO. 2522

In section 1404(a)(1)(B), strike "on mass transit vehicles" and insert "on or in mass transit vehicles and systems".

AMENDMENT NO. 2523

In the amendment made by section 221, insert after the part heading the following:

"SEC. 1980. DEFINITION.

"In this part and part E, the term 'tobacco product' has the meaning given such term in section 201(kk) of the Federal Food, Drug and Cosmetic Act, and shall include cigars, smokeless tobacco, and cigarettes.

AMENDMENT NO. 2524

At the appropriate place, insert the following:

SEC. . CONGRESSIONAL ACCOUNTABILITY.

(a) APPLICATION OF LAWS.—Section 102 of the Congressional Accountability Act of 1995 (2 U.S.C. 1302) is amended by adding at the end the following:

"(12) Section 502 of the National Tobacco Policy and Youth Smoking Reduction Act.".

(b) PROCEDURES.—Title II of the Congressional Accountability Act of 1995 (2 U.S.C. 1311 et seq.) is amended—

(1) by redesignating parts E and F as parts F and G, respectively; and

(2) by inserting after part D the following:

"PART E—TOBACCO SMOKE EXPOSURE REDUCTION REQUIREMENTS

"SEC. 222. RIGHTS AND PROTECTIONS UNDER THE NATIONAL TOBACCO POLICY AND YOUTH SMOKING REDUCTION ACT.

"(a) REDUCTION OF EXPOSURE.—

"(1) RIGHTS AND PROTECTIONS.—Each responsible entity shall comply with section 502 of the National Tobacco Policy and Youth Smoking Reduction Act.

"(2) DEFINITION.—For the purpose of this section and the application of such section 502 under this section—

"(A) the term 'public facility' means a building owned by or leased to an entity of the legislative branch of the Federal Government, that is not a building or portion excluded under section 501(2)(B) of the National Tobacco Policy and Youth Smoking Reduction Act; and

"(B) the term 'responsible entity' means an employing office, the General Accounting Office, the Government Printing Office, the Library of Congress, and any other entity of the legislative branch.

"(b) REMEDY.—The remedy for a violation of subsection (a) shall be such order enjoining the violation or such civil penalty as would be appropriate if issued under subsection (b) or (e) of section 503 of the National Tobacco Policy and Youth Smoking Reduction Act.

"(c) PROCEDURES.—

"(1) HEARINGS AND REVIEW.—After providing notice as described in section 503(c) of the National Tobacco Policy and Youth Smoking Reduction Act, an aggrieved person may file a complaint alleging a violation of subsection (a) with the Office against the responsible entity. The complaint shall be submitted to a hearing officer for decision pursuant to subsection (b) through (h) of section 405, subject to review by the Board pursuant to section 406.

"(2) JUDICIAL REVIEW.—A party aggrieved by a final decision of the Board under paragraph (1) may file a petition for review with the United States Court of Appeals for the Federal Circuit pursuant to section 407.

"(d) REGULATIONS TO IMPLEMENT SECTION.—

"(1) IN GENERAL.—The Board shall, pursuant to section 304, issue regulations to implement this section.

"(2) AGENCY REGULATIONS.—The regulations issued under paragraph (1) shall be the same as substantive regulations promulgated by the Secretary of Labor to implement the statutory provisions referred to in subsection (a) except to the extent that the Board may determine, for good cause shown and stated together with the regulation, that a modification of such regulations would be more effective for the implementation of the rights and protections under this section.

"(3) OFFICE RESPONSIBLE FOR CORRECTION.—The regulations issued under paragraph (1) shall include a method of identifying, for purposes of this section and for different categories of violations of subsection (a), the office responsible for correction of a particular violation.

"(e) EFFECTIVE DATE.—Subsections (a) through (c) shall be effective on January 1, 1999.".

(c) CONFORMING AMENDMENTS.—

(1) The table of contents of the Congressional Accountability Act of 1995 is amended by striking the items relating to parts E and F of title II of such Act and inserting the following:

PART E—TOBACCO SMOKE EXPOSURE REDUCTION REQUIREMENTS

Sec. 222. Rights and protections under the National Tobacco Policy and Youth Smoking Reduction Act.

PART F—GENERAL

Sec. 225. Generally applicable remedies and limitations.

PART G—STUDY

Sec. 230. Study and recommendations regarding General Accounting Office, Government Printing Office, and Library of Congress.

(2) Section 407(a)(1)(C) of the Congressional Accountability Act of 1995 (2 U.S.C. 1407(a)(1)(C)) is amended by inserting before the comma the following: ", or a party aggrieved by a final decision of the Board under section 222(c)".

(3) Section 414 of such Act (2 U.S.C. 1414) is amended by inserting "222," after "220,".

(4) Section 415(c) of such Act (2 U.S.C. 1415(c)) is amended—

(A) in the subsection heading, by striking "AND ACCESS" and inserting "ACCESS, AND TOBACCO SMOKE EXPOSURE REDUCTION"; and

(B) by striking "or 215" and inserting "215, or 222".

BINGAMAN AMENDMENT NO. 2525

(Ordered to lie on the table.)

Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill, S. 1415, supra; as follows:

At the end of section 451, add the following:

(f) VETERANS COMPENSATION ACCOUNT.—

(1) IN GENERAL.—There is established within the trust fund a separate account, to be known as the Veterans Compensation Account. Of the net revenues credited to the trust fund under section 401(b)(1), $10,000,000,000 shall be allocated to this account over the 5-fiscal year period beginning on the date of enactment of this Act.

(2) AUTHORIZATION OF APPROPRIATIONS.—Amounts in the Veterans Compensation Account shall be available to the extent and in the amounts provided in advance in appropriations acts, to remain available until expended, only for purposes of enabling the Department of Veterans Affairs to provide disability payments to former military personnel who became addicted to tobacco while on active duty and who have sustained a disability for tobacco-related illnesses.

MURRAY AMENDMENT NO. 2526

(Ordered to lie on the table.)

Mrs. MURRAY submitted an amendment intended to be proposed by her to the bill, S. 1415, supra; as follows:

At the end of section 501(2), add the following:

(D) CHILD CARE PROVIDERS.—The term "public facility" includes any residence or facility at which a licensed or certified child care provider provides child care services, regardless of whether the residence or facility serves 10 or more individuals each day.

CONRAD AMENDMENTS NOS. 2527–2529

(Ordered to lie on the table.)

Mr. CONRAD submitted three amendments intended to be proposed by him to the bill, S. 1415, supra; as follows:

AMENDMENT NO. 2527

On page 124, line 8, strike "5" and insert "50".

AMENDMENT NO. 2528

On page 125, strike lines 4 through 8, and insert the following:

"an amount equal to 40 percent of the amount determined under section 1933 of the Public Health Service Act (42 U.S.C. 300x–33) for the State for the fiscal year from the amounts otherwise payable under this Act.".

AMENDMENT NO. 2529

On page 195, between lines 17 and 18, insert the following flush sentence:

"Not less than $500,000,000 of the amounts made available under this subparagraph shall be used each year to carry out counter-advertising activities under clause (i).".

KERREY AMENDMENT NO. 2530

(Ordered to lie on the table.)

Mr. KERREY submitted an amendment intended to be proposed by him to the bill, S. 1415, supra; as follows:

Strike title XV and insert the following:

TITLE XV—TOBACCO TRANSITION

SEC. 1501. DEFINITIONS.

In this title:

(1) GOVERNOR.—The term "Governor" means the chief executive officer of a State.

(2) LEASE.—The term "lease" means—

(A) the rental of quota on either a cash rent or crop share basis;

(B) the rental of farmland to produce tobacco under a farm marketing quota; or

(C) the lease and transfer of quota for the marketing of tobacco produced on the farm of a lessor.

(3) OWNER.—The term "owner" means a person that, on the date of enactment of this Act, owns quota provided by the Secretary.

(4) PRODUCER.—The term "producer" means a person that for each of the 1995 through 1997 crops of tobacco (as determined by the Secretary) that were subject to quota—

(A) leased quota or farmland;

(B) shared in the risk of producing a crop of tobacco; and

(C) marketed the tobacco subject to quota.

(5) QUOTA.—The term "quota" means the right to market tobacco under a basic marketing quota or acreage allotment allotted to a person under the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.).

(6) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(7) STATE.—The term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States.

(8) TOBACCO.—The term "tobacco" means any kind of tobacco for which—

(A) a marketing quota is in effect;

(B) a marketing quota is not disapproved by producers; or

(C) price support is available.

Subtitle A—Payments for Lost Value of Tobacco Crops

SEC. 1511. PAYMENTS FOR LOST VALUE OF TOBACCO CROPS.

(a) IN GENERAL.—For each of fiscal years 1999 through 2005, the Secretary shall make payments for the lost value of tobacco crops to owners and producers from funds made available from the National Tobacco Trust Fund established by section 401.

(b) AMOUNT.—

(1) OWNERS.—The amount of the payment made to an owner for a fiscal year under this section shall equal 30 percent of the value of the tobacco produced under a tobacco farm marketing quota or farm acreage allotment established owned by the owner under the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) for the 1997 crop year.

(2) PRODUCERS.—The amount of the payment made to a producer for a fiscal year under this section shall equal 15 percent of the value of the tobacco produced by the producer under a tobacco farm marketing quota or farm acreage allotment established under the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) for the 1997 crop year.

Subtitle B—Rural Economic Assistance Block Grants

SEC. 1521. RURAL ECONOMIC ASSISTANCE BLOCK GRANTS.

(a) IN GENERAL.—From funds made available from the National Tobacco Trust Fund established by section 401, the Secretary shall use $200,000,000 for each of fiscal years 1999 through 2003 to provide block grants to tobacco-growing States to assist areas of such a State that are economically dependent on the production of tobacco.

(b) PAYMENTS BY SECRETARY TO TOBACCO-GROWING STATES.—

(1) IN GENERAL.—The Secretary shall use the amount available for a fiscal year under subsection (a) to make block grant payments to the Governors of tobacco-growing States.

(2) AMOUNT.—The amount of a block grant paid to a tobacco-growing State shall be based on, as determined by the Secretary—

(A) the number of counties in the State in which tobacco production is a significant part of the county's economy; and

(B) the level of economic dependence of the counties on tobacco production.

(c) GRANTS BY STATES TO ASSIST TOBACCO-GROWING AREAS.—

(1) IN GENERAL.—A Governor of a tobacco-growing State shall use the amount of the block grant to the State under subsection (b) to make grants to counties or other public or private entities in the State to assist areas that are dependent on the production of tobacco, as determined by the Governor.

(2) AMOUNT.—The amount of a grant paid to a county or other entity to assist an area shall be based on—

(A) the ratio of gross tobacco sales receipts in the area to the total farm income in the area; and

(B) the ratio of all tobacco related receipts in the area to the total income in the area.

(3) USE OF GRANTS.—A county or other entity that receives a grant under this subsection may use the grant in a manner determined appropriate by the county or entity (with the approval of the State) to assist producers and other persons that are economically dependent on the production of tobacco, including use for—

(A) on-farm diversification, alternatives to the production of tobacco, and risk management;

(B) off-farm activities such as education, retraining, and development of non-tobacco related jobs; and

(C) assistance to tobacco warehouse owners or operators.

(d) TERMINATION OF AUTHORITY.—The authority provided by this section terminates September 30, 2003.

Subtitle C—Tobacco Price Support and Production Adjustment Programs

SEC. 1531. TERMINATION OF TOBACCO PRICE SUPPORT PROGRAM.

(a) PARITY PRICE SUPPORT.—Section 101 of the Agricultural Act of 1949 (7 U.S.C. 1441) is amended—

(1) in the first sentence of subsection (a), by striking "tobacco (except as otherwise provided herein), corn," and inserting "corn";

(2) by striking subsections (c), (g), (h), and (i);

(3) in subsection (d)(3)—

(A) by striking ", except tobacco,"; and

(B) by striking "and no price support shall be made available for any crop of tobacco for which marketing quotas have been disapproved by producers;"; and

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

(b) TERMINATION OF TOBACCO PRICE SUPPORT AND NO NET COST PROVISIONS.—Sections 106, 106A, and 106B of the Agricultural Act of 1949 (7 U.S.C. 1445, 1445–1, 1445–2) are repealed.

(c) DEFINITION OF BASIC AGRICULTURAL COMMODITY.—Section 408(c) of the Agricultural Act of 1949 (7 U.S.C. 1428(c)) is amended by striking "tobacco,".

(d) REVIEW OF BURLEY TOBACCO IMPORTS.—Section 3 of Public Law 98–59 (7 U.S.C. 625) is repealed.

(e) POWERS OF COMMODITY CREDIT CORPORATION.—Section 5 of the poration Charter Act (15 U.S.C. 714c) is amended by inserting "(other than tobacco)" after "agricultural commodities" each place it appears.

(f) TRANSITION PROVISIONS.—

(1) LIABILITY.—The amendments made by this section shall not affect the liability of any person under any provision of law as in effect before the effective date of this section.

(2) TOBACCO STOCKS AND LOANS.—The Secretary shall issue regulations that require—

(A) the orderly disposition of tobacco stocks; and

(B) the repayment of all tobacco price support loans by not later than 1 year after the effective date of this section.

(g) CROPS.—This section and the amendments made by this section shall apply with respect to the 1999 and subsequent crops of the kind of tobacco involved.

SEC. 1532. TERMINATION OF TOBACCO PRODUCTION ADJUSTMENT PROGRAMS.

(a) DECLARATION OF POLICY.—Section 2 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1282) is amended by striking "tobacco,".

(b) DEFINITIONS.—Section 301(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301(b)) is amended—

(1) in paragraph (3)—

(A) by striking subparagraph (C); and

(B) by redesignating subparagraph (D) as subparagraph (C);

(2) in paragraph (6)(A), by striking "tobacco,";

(3) in paragraph (7), by striking the following:

"tobacco (flue-cured), July 1—June 30;

"tobacco (other than flue-cured), October 1–September 30;";

(4) in paragraph (10)—

(A) by striking subparagraph (B); and

(B) by redesignating subparagraph (C) as subparagraph (B);

(5) in paragraph (11)(B), by striking "and tobacco";

(6) in paragraph (12), by striking "tobacco,";

(7) in paragraph (14)—

(A) in subparagraph (A), by striking "(A)"; and

(B) by striking subparagraphs (B), (C), and (D);

(8) by striking paragraph (15);

(9) in paragraph (16)—

(A) by striking subparagraph (B); and

(B) by redesignating subparagraph (C) as subparagraph (B); and

(10) by redesignating paragraphs (16) and (17) as paragraphs (15) and (16), respectively.

(c) PARITY PAYMENTS.—Section 303 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1303) is amended in the first sentence by striking "rice, or tobacco," and inserting "or rice,".

(d) MARKETING QUOTAS.—Part I of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1311 et seq.) is repealed.

(e) ADMINISTRATIVE PROVISIONS.—Section 361 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1361) is amended by striking "tobacco,".

(f) ADJUSTMENT OF QUOTAS.—Section 371 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1371) is amended—

(1) in the first sentence of subsection (a), by striking "peanuts, or tobacco" and inserting "or peanuts"; and

(2) in the first sentence of subsection (b), by striking "peanuts or tobacco" and inserting "or peanuts".

(g) REPORTS AND RECORDS.—Section 373 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373) is amended—

(1) by striking "peanuts, or tobacco" each place it appears in subsections (a) and (b) and inserting "or peanuts"; and

(2) in subsection (a)—

(A) in the first sentence, by striking "all persons engaged in the business of redrying,

prizing, or stemming tobacco for producers,"; and

(B) in the last sentence, by striking "$500;" and all that follows through the period at the end of the sentence and inserting "$500.".

(h) REGULATIONS.—Section 375(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1375(a)) is amended by striking "peanuts, or tobacco" and inserting "or peanuts".

(i) EMINENT DOMAIN.—Section 378 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1378) is amended—

(1) in the first sentence of subsection (c), by striking "cotton, tobacco, and peanuts" and inserting "cotton and peanuts"; and

(2) by striking subsections (d), (e), and (f).

(j) BURLEY TOBACCO FARM RECONSTITUTION.—Section 379 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1379) is amended—

(1) in subsection (a)—

(A) by striking "(a)"; and

(B) in paragraph (6), by striking ", but this clause (6) shall not be applicable in the case of burley tobacco"; and

(2) by striking subsections (b) and (c).

(k) ACREAGE-POUNDAGE QUOTAS.—Section 4 of the Act entitled "An Act to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes", approved April 16, 1965 (Public Law 89-12; 7 U.S.C. 1314c note), is repealed.

(l) BURLEY TOBACCO ACREAGE ALLOTMENTS.—The Act entitled "An Act relating to burley tobacco farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended", approved July 12, 1952 (7 U.S.C. 1315), is repealed.

(m) TRANSFER OF ALLOTMENTS.—Section 703 of the Food and Agriculture Act of 1965 (7 U.S.C. 1316) is repealed.

(n) ADVANCE RECOURSE LOANS.—Section 13(a)(2)(B) of the Food Security Improvements Act of 1986 (7 U.S.C. 1433c-1(a)(2)(B)) is amended by striking "tobacco and".

(o) TOBACCO FIELD MEASUREMENT.—Section 1112 of the Omnibus Budget Reconciliation Act of 1987 (Public Law 100-203) is amended by striking subsection (c).

(p) LIABILITY.—The amendments made by this section shall not affect the liability of any person under any provision of law as in effect before the effective date under subsection (q).

(q) CROPS.—This section and the amendments made by this section shall apply with respect to the 1999 and subsequent crops of the kind of tobacco involved.

Subtitle D—Miscellaneous

SEC. 1541. TOBACCO PRODUCERS MARKETING CORPORATION.

(a) ESTABLISHMENT.—There is established a corporation to be known as the "Tobacco Producers Marketing Corporation", which shall be a federally chartered instrumentality of the United States.

(b) DUTIES.—The Corporation negotiate with buyers of tobacco produced in the United States on behalf of producers of the tobacco that elect to be represented by the Corporation (referred to in this section as "participating producers").

(c) BOARD OF DIRECTORS.—

(1) IN GENERAL.—The powers of the Corporation shall be vested in a Board of Directors.

(2) MEMBERS.—The Board of Directors shall composed of members elected by participating producers.

(3) MEMBERSHIP QUALIFICATIONS.—A member of the Board shall not hold any Federal, State, or local elected office or be a Federal officer or employee.

(4) CHAIRPERSONS.—The chairperson of the Board shall be elected by members of the Board.

(5) EXECUTIVE DIRECTOR.—

(A) APPOINTMENT.—The Board shall appoint an Executive Director.

(B) DUTIES.—The Executive Director shall be the chief executive officer of the Corporation, with such power and authority as may be conferred by the Board.

(C) COMPENSATION.—The Executive Director shall receive basic pay at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(6) OFFICERS.—The Board shall establish the offices and appoint the officers of the Corporation, including a Secretary, and define the duties of the officers in a manner consistent with this section.

(7) MEETINGS.—

(A) IN GENERAL.—The Board shall meet at least 3 times each fiscal year at the call of a Chairperson or at the request of the Executive Director.

(B) LOCATION.—The location of a meeting shall be subject to approval of the Executive Director.

(C) QUORUM.—A quorum of the Board shall consist of a majority of the members.

(8) TERM; VACANCIES.—

(A) TERM.—The term of office of a member of the Board elected under paragraph (2) shall be 4 years.

(B) VACANCIES.—A vacancy on the Board shall be filled in the same manner as the original appointment was made.

(9) COMPENSATION.—

(A) IN GENERAL.—A member of the Board shall receive, for each day (including travel time) that the member is engaged in the performance of the functions of the Board, compensation at a rate not to exceed the daily equivalent of the annual rate in effect for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(B) EXPENSES.—A member of the Board shall be reimbursed for travel, subsistence, and other necessary expenses incurred by the member in the performance of the duties of the member.

(10) CONFLICT OF INTEREST; FINANCIAL DISCLOSURE.—

(A) CONFLICT OF INTEREST.—Except as provided in subparagraph (C), a member of the Board shall not vote on any matter concerning any application, contract, or claim, or other particular matter pending before the Corporation, in which, to the knowledge of the member, the member, spouse, or child of the member, partner of the member, or organization in which the member is serving as officer, director, trustee, partner, or employee, or any person or organization with which the member is negotiating or has any arrangement concerning prospective employment, has a financial interest.

(B) VIOLATIONS.—Violation of subparagraph (A) by a member of the Board shall be cause for removal of the member, but shall not impair or otherwise affect the validity of any otherwise lawful action by the Corporation in which the member participated.

(C) EXCEPTIONS.—

(i) IN GENERAL.—Except as provided in clause (ii), the prohibitions contained in subparagraph (A) shall not apply if—

(I) a member of the Board advises the Board of the nature of the particular matter in which the member proposes to participate, and if the member makes a full disclosure of the financial interest, prior to any participation; and

(II) the Board determines, by majority vote, that the financial interest is too remote or too inconsequential to affect the integrity of the member's services to the Corporation in that matter.

(ii) VOTE.—The member involved shall not vote on the determination under clause (i)(II).

(D) FINANCIAL DISCLOSURE.—A Board member shall be subject to the financial disclosure requirements of subchapter B of chapter XVI of title 5, Code of Federal Regulations (or any corresponding or similar regulation or ruling), applicable to a special Government employee (as defined in section 202(a) of title 18, United States Code).

(11) BYLAWS.—The Board shall adopt, and may from time to time amend, any bylaw that is necessary for the proper management and functioning of the Corporation.

(12) PERSONNEL.—The Corporation may select and appoint officers, attorneys, employees, and agents, who shall be vested with such powers and duties as the Corporation may determine.

(d) GENERAL POWERS.—In addition to any other powers granted to the Corporation under this section, the Corporation—

(1) shall have succession in its corporate name;

(2) may adopt, alter, and rescind any bylaw and adopt and alter a corporate seal, which shall be judicially noticed;

(3) may enter into any agreement or contract with a person or private or governmental agency;

(4) may lease, purchase, accept a gift or donation of, or otherwise acquire, use, own, hold, improve, or otherwise deal in or with, and sell, convey, mortgage, pledge, lease, exchange, or otherwise dispose of, any property or interest in property, as the Corporation considers necessary in the transaction of the business of the Corporation;

(5) may sue and be sued in the corporate name of the Corporation, except that—

(A) no attachment, injunction, garnishment, or similar process shall be issued against the Corporation or property of the Corporation; and

(B) exclusive original jurisdiction shall reside in the district courts of the United States, and the Corporation may intervene in any court in any suit, action, or proceeding in which the Corporation has an interest;

(6) may independently retain legal representation;

(7) may provide for and designate such committees, and the functions of the committees, as the Board considers necessary or desirable;

(8) may indemnify officers of the Corporation, as the Board considers necessary and desirable, except that the officers shall not be indemnified for an act outside the scope of employment;

(9) may, with the consent of any board, commission, independent establishment, or executive department of the Federal Government, including any field service, use information, services, facilities, officials, and employees in carrying out this section, and pay for the use, which payments shall be transferred to the applicable appropriation account that incurred the expense;

(10) may obtain the services and fix the compensation of any consultant and otherwise procure temporary and intermittent services under section 3109(b) of title 5, United States Code;

(11) may use the United States mails on the same terms and conditions as the Executive agencies of the Federal Government;

(12) shall have the rights, privileges, and immunities of the United States with respect to the right to priority of payment with respect to debts due from bankrupt, insolvent, or deceased creditors;

(13) may collect or compromise any obligations assigned to or held by the Corporation, including any legal or equitable rights accruing to the Corporation;

(14) shall determine the character of, and necessity for, obligations and expenditures of the Corporation and the manner in which the obligations and expenditures shall be incurred, allowed, and paid, subject to provisions of law specifically applicable to Government corporations;

(15) may make final and conclusive settlement and adjustment of any claim by or against the Corporation or a fiscal officer of the Corporation;

(16) may sell assets, loans, and equity interests acquired in connection with the financing of projects funded by the Corporation; and

(17) may exercise all other lawful powers necessarily or reasonably related to the establishment of the Corporation to carry out this title and the powers, purposes, functions, duties, and authorized activities of the Corporation.

SEC. 1542. ASSISTANCE FOR PRODUCERS EXPERIENCING LOSSES OF FARM INCOME.

(a) IN GENERAL.—Notwithstanding any other provision of this title, from amounts made available to carry out this title, the Secretary shall use $250,000,000 for each of fiscal years 1999 through 2004 to establish a program to indemnify eligible producers that have experienced, or are experiencing, catastrophic losses in farm income, as determined by the Secretary.

(b) GROSS INCOME AND PAYMENT LIMITATIONS.—In carrying out this section, the Secretary shall, to the maximum extent practicable, use gross income and payment limitations established for the Disaster Reserve Assistance Program under section 813 of the Agricultural Act of 1970 (7 U.S.C. 1427a).

SEC. 1543. SAVINGS.

Except as provided in section 1542, any savings derived as a result of this title shall be used for tobacco use prevention and cessation initiatives.

BOND AMENDMENTS NOS. 2531–2532

(Ordered to lie on the table.)

Mr. BOND submitted two amendments intended to be proposed by him to the bill, S. 1415, supra; as follows:

AMENDMENT NO. 2531

(1) Title II, Subtitle B add the following:

SEC. 231. (B)(2)(D)(ii)(III) Strike the section in its entirety and add the following: "A system of graduated sanctions for underage youths who possess, purchase or attempt to purchase tobacco products, the sanction for the first offense shall be no less than a requirement of community service and the sanction for the second offense shall be no less than a requirement of community service or a fine."

(2) SEC. 232. Add the following:

SEC. 232(b)(3) have a law that provides for a system of graduated sanctions for underage youths who possess, purchase or attempt to purchase tobacco products, the sanction for the first offense shall be no less than a requirement of community service and the sanction for the second offense shall be no less than a requirement of community service or a fine."

(3) Title II, Subtitle C, SEC. 261 add the following:

SEC. 1981A(4) A state receiving or expending, or if any of the state's agencies receives or expends, under this subtitle funds from the Tobacco Settlement Trust Fund, that state shall establish to the Secretary that it has laws or regulations that include such measures as fines, suspension of driver's license privileges, or community service requirements, for underage youths who possess, purchase or attempt to purchase tobacco products.

AMENDMENT NO. 2532

Title II, Subtitle B, SEC. 231. State Retail Licensing and Enforcement Block Grants. Add the following:

SEC. 231(a) After "to carry out the provisions of this section." add the following: $100,000,000 of the annual appropriation shall be used for block grants to state and local law enforcement agencies to assist in providing the resources necessary for law enforcement to enforce sanctions on underage youths who possess, purchase or attempt to purchase tobacco products and enforce the remaining provisions of this title.

SHELBY AMENDMENTS NOS. 2533–2534

(Ordered to lie on the table.)

Mr. SHELBY submitted two amendments intended to be proposed by him to the bill, S. 1415, supra; as follows:

AMENDMENT NO. 2533

On page 441, line 5, insert before the period the following: ", including the success of the claimant in prior related litigation that contributed materially and directly to the result obtained".

AMENDMENT NO. 2534

On page 440, line 25, insert before the period the following: ", both in the litigation in which the award is sought, and to the extent, if any, that the result of such litigation has the effect of making available documentary evidence that materially and directly contributes to a successful result in other pending or subsequent litigation involving the same or similar issues involving different litigants".

HATCH AMENDMENTS NOS. 2535–2539

(Ordered to lie on the table.)

Mr. HATCH submitted five amendments intended to be proposed by him to the bill, S. 1415, supra; as follows:

AMENDMENT NO. 2535

On page 58, strike lines 8 through 23, and insert the following:

"(3) PROCEDURE FOR GENERAL PROHIBITION OF TOBACCO PRODUCTS AND ELIMINATION OF NICOTINE.—

"(A) NONDELEGATION.—The Secretary may not delegate the authority provided under this section to promulgate a regulation that results in a general prohibition of cigarettes or smokeless tobacco or the reduction of nicotine yields of a tobacco product to zero.

"(B) CONGRESSIONAL REVIEW.—In accordance with section 801 of title 5, United States Code, Congress shall review, and may disapprove, any rule of the Secretary establishing, amending, or revoking a tobacco product health risk reduction standard, except that with respect to a standard that results in a general prohibition of cigarettes or smokeless tobacco or the reduction of nicotine yields of a tobacco product to zero, such standard shall only take effect following the date of enactment of a joint resolution of approval of such standard. The provisions of section 802 of title 5, United States Code, relating to certain disapproval resolutions shall apply to the consideration of any joint resolution of approval under this subsection.

AMENDMENT NO. 2536

On page 28, between lines 2 and 3, insert the following:

"(d) APPLICATION OF FDA RULE.—The provisions of the final regulations promulgated by the Secretary in the rule dated August 28, 1996 (61 Fed. Reg. 44615-18) shall be given effect as follows:

"(1)(A) The regulations codified in sections 897.1, 897.2, 897.3, 897.10, 897.12, 897.14, and 897.16(b) through (d) of title 21, Code of Federal Regulations, shall be deemed to have been promulgated by the Secretary pursuant to chapter IX of the Federal Food, Drug and Cosmetic Act (as added by section 103 of this Act).

"(B) The Secretary shall promulgate a regulation under section 701(a) of the Federal Food, Drug and Cosmetic Act to—

"(i) transfer the regulations referred to in subparagraph (A) to the appropriate part of the Code of Federal Regulations; and

"(ii) make such other amendments to such regulations if the Secretary determines that such amendments are necessary to conform such regulations to the provisions of this Act.

"(2) Any portion or provision of the final regulations not specifically referred to in paragraph (1) shall be considered null and void.

AMENDMENT NO. 2537

Beginning on page 67, strike line 4 and all that follows through line 6 on page 79.

AMENDMENT NO. 2538

Beginning on page 42, strike line 10 and all that follows through line 20 on page 43.

AMENDMENT NO. 2539

On page 52, strike lines 3 through 16, and insert the following:

"(a) PERFORMANCE STANDARDS.—

"(1) ADOPTION.—

"(A) IN GENERAL.—Within 24 months after the date of enactment of this chapter, the Secretary, in accordance with the regulatory policies and principles set forth in Executive Order No. 12866 (including the policies and principles set forth in the January 11, 1996 Office of Management and Budget guidance document entitled, 'Economic Analysis of Federal Regulations Under Executive Order 12866'), shall adopt performance standards for tobacco products that maximize the net benefits to the public health.

"(B) OBJECTIVE.—Performance standards under subparagraph (A) shall have as their major objective reducing the overall health risks to the public. Such performance standards shall take into account—

"(i) the increased or decreased likelihood that existing consumers of tobacco products will stop using such products;

"(ii) the increased or decreased risk of likelihood that existing users of tobacco products will reduce their use of such products; and

"(iii) the increased or decreased likelihood that those who do not use tobacco products will start using such products.

"(C) CONSIDERATIONS.—In establishing performance standards under subparagraph (A), the Secretary shall identify, make available

for public comment, and consider relevant factors including the following:

"(i) Whether the proposed standard will result in a reduction in the health risks associated with the use of the tobacco product, constituent, or component.

"(ii) Whether the proposed standards will result in a significant increase in the number of individuals seeking tobacco product cessation or withdrawal treatments, including an assessment of the effectiveness, availability, and accessibility of such treatments.

"(iii) Whether the proposed standard will result in any possible countervailing effects on the health of adolescent tobacco users, adult tobacco users, or nontobacco users, such as the creation of a significant demand for, and supply of, contraband tobacco products specifically including increased consumption of tobacco products that do not meet the requirements of this chapter.

"(iv) Whether the proposed standard is technologically feasible for commercial manufacturing.

"(v) Whether the proposed standard is likely to be accepted by and affordable to adult consumers of tobacco products.

Nothing in this subparagraph shall be construed as requiring the Secretary to make a finding on each of the individual considerations described in this subparagraph. The issuance of performance standards requires the balancing of many considerations and other factors and performance standards shall not be invalidated solely on the basis of the Secretary's evaluation of any of the individual considerations described in this subparagraph.

"(2) TECHNICAL PROVISION.—In implementing this Act, any reference to 'appropriate for the protection of public health' in this section, and sections 906(d)(1) and 910, shall be deemed to be a reference to 'maximize the net benefits to the public health'.

DODD AMENDMENT NO. 2540

(Ordered to lie on the table.)

At the end of section 452, add the following:

(___) ASSISTANCE FOR CHILDREN.—A State shall use not less than $1,250,000,000 of the amount described in subsection (b)(2) for each fiscal year to carry out activities under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.).

KERRY (AND OTHERS) AMENDMENT NO. 2541

(Ordered to lie on the table.)

Mr. KERRY (for himself, Mr. BOND, Mr. CHAFEE, Mr. CAMPBELL, Mr. KENNEDY, Mr. DODD, Mr. WELLSTONE, Mr. JOHNSON, Mrs. BOXER, Mr. SPECTER, Ms. LANDRIEU, Mr. DURBIN, and Mr. GRAHAM) submitted an amendment intended to be proposed by them to the bill, S. 1415, supra; as follows:

At the End of Section 452, add the following:

(___) ASSISTANCE FOR CHILDREN.—A State shall use not less than 50 percent of the amount described in subsection (b)(2) for each fiscal year to carry out activities under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.).

JEFFORDS (AND BINGAMAN) AMENDMENT NO. 2542

(Ordered to lie on the table.)

Mr. JEFFORDS (for himself and Mr. BINGAMAN) submitted an amendment intended to be proposed by them to the bill, S. 1415, supra; as follows:

On page 159, line 8, strike "such sums as may be necessary" and all that follows through line 11, and insert "not less than 5 percent of such funds in fiscal year 1999, 10 percent of such funds in fiscal year 2000, 15 percent of such funds in fiscal year 2001, and 20 percent of such funds in fiscal year 2002 and each subsequent fiscal year, shall be used to expand existing support for epidemiological, behavioral, psychopharmacological, psychobiological, psychophysiological, health services and social science research related to the prevention and treatment of tobacco addiction. Research described in this paragraph shall include research on the effect of nicotine on the brain and behavior.".

On page 159, line 13, strike "may" and insert "shall".

On page 160, line 18, strike "may" and insert "shall".

On page 161, between lines 15 and 16, insert the following:

"(h) RESEARCH AND COLLABORATION.—The Director may conduct and support neurobiological, biomedical, biochemical, or other biological research related to tobacco addiction, and shall encourage collaboration between such research and research conducted under subsection (c), except that research described in this subsection shall not be included in determining whether the requirement of subsection (c) has been satisfied with respect to a fiscal year.".

JEFFORDS AMENDMENT NO. 2543

(Ordered to lie on the table.)

Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill, S. 1415, supra; as follows:

On page 194, line 8, add after the period the following: "Each agency authorized to receive funds under this subsection shall consult with the committees of the House or Representatives and the Senate with jurisdiction over each such agency to establish, consistent with the Government Performance and Responsibility Act of 1993—

"(A) goals and performance measures for activities under this Act within the jurisdiction of each such agency; and

"(B) annual financial accountings of the allocation and expenditure of funds appropriated to each such agency as authorized under this subsection.".

On page 194, line 10, add after "be" the following: "authorized to be appropriated for each of the fiscal years 1999 through 2008, and such authorization shall expire after such period. Such amounts shall be".

On page 197, line 8, add after the period the following: "Each agency authorized to receive funds under this subsection shall consult with the committees of the House or Representatives and the Senate with jurisdiction over each such agency to establish, consistent with the Government Performance and Responsibility Act of 1993—

"(A) goals and performance measures for activities under this Act within the jurisdiction of each such agency; and

"(B) annual financial accountings of the allocation and expenditure of funds appropriated to each such agency as authorized under this subsection.".

On page 197, line 11, add after "be" the following: "authorized to be appropriated for each of the fiscal years 1999 through 2008, and such authorization shall expire after such period. Such amounts shall be".

ASHCROFT AMENDMENTS NOS. 2544–2553

(Ordered to lie on the table.)

Mr. ASHCROFT submitted 10 amendments intended to be proposed by him to the bill, S. 1415, supra; as follows:

AMENDMENT NO. 2544

In section 452, beginning on page 200, strike line 8 and all after, through page 202, line 14.

AMENDMENT NO. 2545

Strike lines 7–11, page 161.

AMENDMENT NO. 2546

Strike lines 1–5, page 154.

AMENDMENT NO. 2547

Strike lines 14–20, page 196.

AMENDMENT NO. 2548

Strike section 1107.

AMENDMENT NO. 2549

Strike section 1104.

AMENDMENT NO. 2550

Strike section 405.

AMENDMENT NO. 2551

On page 180, line 10, after the period add the following: "Amounts credited to the Trust fund under subsection (b) may be used to fund anti-illegal drug programs in States and other programs that target illegal drugs.".

AMENDMENT NO. 2552

At the appropriate place, insert the following:

SEC. ___. METHAMPHETAMINE PENALTY INCREASES.

(a) CONTROLLED SUBSTANCES ACT.—Section 401(b)(1) of the Controlled Substances Act (21 U.S.C. 841(b)(1)) is amended—

(1) in subparagraph (A)(viii)—

(A) by striking "100 grams" and inserting "50 grams"; and

(B) by striking "1 kilogram" and inserting "500 grams"; and

(2) in subparagraph (B)(viii)—

(A) by striking "10 grams" and inserting "5 grams"; and

(B) by striking "100 grams" and inserting "50 grams".

(b) CONTROLLED SUBSTANCES IMPORT AND EXPORT ACT.—Section 1010(b) of the Controlled Substances Import and Export Act (21 U.S.C. 960(b)) is amended—

(1) in paragraph (1)(H)—

(A) by striking "100 grams" and inserting "50 grams"; and

(B) by striking "1 kilogram" and inserting "500 grams"; and

(2) in paragraph (2)(H)—

(A) by striking "10 grams" and inserting "5 grams"; and

(B) by striking "100 grams" and inserting "50 grams".

AMENDMENT NO. 2553

On page ____, strike lines ____ through ____, and insert the following:

SEC. ____. MODIFICATION OF SYNAR AMENDMENT.

Section 1926 of the Public Health Service Act (42 U.S.C. 300x–26) is amended—

(1) in subsection (a)(1), to read as follows:

"(1) IN GENERAL.—Subject to paragraph (2), for fiscal year 1999 and subsequent fiscal years, the Secretary may make a grant

under section 1921 only if the State involved has in effect a law providing that it is unlawful for—

"(A) any manufacturer, retailer, or distributor of tobacco products, or for any individual to sell or distribute any such product to any individual under the age of 18; and

"(B) any individual under the age of 18 to purchase or possess any such product."; and

(2) in subsection (b)(1), by adding at the end the following: "In enforcing such law the State shall ensure that penalties for violations of such law are at least as stringent as penalties applied for the illegal distribution or possession of alcohol to or by minors.".

SEC. ____. INCREASED PENALTIES FOR DRUG OFFENSES INVOLVING MINORS.

(a) INCREASED PENALTIES FOR DISTRIBUTING DRUGS TO MINORS.—Section 418 of the Controlled Substances Act (21 U.S.C. 859) is amended—

(1) in subsection (a), by striking "one year" and inserting "10 years"; and

(2) in subsection (b), by striking "one year" and inserting "20 years".

(b) INCREASED PENALTY FOR DRUG TRAFFICKING IN OR NEAR A SCHOOL OR OTHER PROTECTED LOCATION.—Section 419 of the Controlled Substances Act (21 U.S.C. 860) is amended—

(1) in subsection (a), by striking "one year" and inserting "10 years"; and

(2) in subsection (b), by striking "three years" each place that term appears and inserting "20 years".

(c) INCREASED PENALTIES FOR USING MINORS TO DISTRIBUTE DRUGS.—Section 420 of the Controlled Substances Act (21 U.S.C. 861) is amended—

(1) in subsection (b), by striking "one year" and inserting "10 years"; and

(2) in subsection (c), by striking "one year" and inserting "20 years".

SEC. ____. DISTRICT OF COLUMBIA.

(a) INCREASED PENALTIES FOR SALE TO MINORS.—Section 1120 of title 22 of the District of Columbia Code is amended by striking subsection (d) and inserting the following:

"(d)(1) Upon finding that a licensee has violated subsection (a) or (b) of this section, the Mayor shall—

"(A) on the first violation, fine the licensee not less than $1,000 and not more than $2,000, or suspend the license for 10 consecutive days;

"(B) on the second violation, fine the licensee not less than $2,000 and not more than $4,000 and suspend the license for 20 consecutive days; and

"(C) on the third violation and each subsequent violation, fine the licensee not less than $4,000 and not more than $10,000 and suspend the license for 30 consecutive days, or revoke the license.

"(2) In the event of revocation or suspension of the license pursuant to this subsection the Mayor shall post a notice in a conspicuous place on the exterior of the premises stating the reason for the revocation or suspension. The notice shall remain posted through the prescribed dates. The licensee shall immediately notify the Mayor if the notice is removed or defaced. Failure of the licensee to notify the Mayor may result in the extension of the prescribed period of revocation or suspension.".

(b) PENALTIES FOR PURCHASE BY MINORS.—Section 1120 of title 22 of the District of Columbia Code is amended—

(1) in the caption, by inserting "or purchase of tobacco by" after "to"; and

(2) in subsection (a)—

(A) by inserting "(1)" after "(a)"; and

(B) by adding at the end the following:

"(2)(A) No person who is under 18 years of age shall possess or purchase any cigarette or other tobacco product.

"(B)(i) Any person under 21 years of age who falsely represents his or her age for the purpose of procuring a cigarette or other tobacco product shall be deemed guilty of a misdemeanor and be fined not more than $300 for each offense, and in default in the payment of the fine shall be imprisoned for not longer than 30 days.

"(ii) A civil fine may be imposed as an alternative sanction for any infraction of this subsection, or any rules or regulations issued under the authority of this subsection, pursuant to sections 6–2701 to 6–2723 ("Civil Infractions Act"). Adjudication of any infraction of this section shall be pursuant to sections 6–2701 to 6–2723.

"(C) In addition to the penalties provided in subparagraph (B), any person who violates any provision of this subsection shall be subject to the following additional penalties:

"(i) Upon the first violation, shall have his or her driving privileges in the District suspended for a period of 90 consecutive days.

"(ii) Upon the second violation, shall have his or her driving privileges in the District suspended for a period of 180 days.

"(iii) Upon the third violation and each subsequent violation, shall have his or her driving privileges in the District suspended for a period of 1 year.".

McCAIN AMENDMENT NO. 2554

(Ordered to lie on the table.)

Mr. MCCAIN submitted an amendment intended to be proposed by him to the bill, S. 1415, supra; as follows:

On page 106, strike lines 7 through 11, and insert the following:

(3) SURVEY METHODOLOGY SCOPE OF REVIEW.—A survey using the methodology required by this subsection shall be subject to judicial review only by the United States Court of Appeals for the District of Columbia Circuit, based on the standard set forth in section 706(2)(A) of title 5, United States Code.

On page 188, line 4, strike "**ADJUSTMENTS.**" and insert "**ADJUSTMENTS; LIMITATIONS.**".

On page 188, line 5, strike "The" and insert "(a) IN GENERAL.—The".

On page 188, strike line 8.

On page 188, move the matter appearing in lines 9 through 22 2 ems to the left.

On page 188, line 9, strike "(A) IN GENERAL.—Beginning" and insert "(1) ADJUSTMENT.—Beginning".

On page 188, beginning in line 15, strike "CPI, adjusted (for calendar year 2002 and later years) by the volume adjustment under paragraph (2)." and insert "CPI.".

On page 188, line 18, strike "(B)" and insert "(2)".

On page 188, beginning in line 18, strike "subparagraph (A)," and insert "paragraph (1),".

On page 188, beginning with line 23, strike through line 16 on page 189 and insert the following:

(b) LIMITATION BASED ON ANNUAL INCREASE IN PRICE-PER-PACK.—Notwithstanding the amount set forth in paragraph (1), (2), (3), (4) or (5) of section 402(b) and the amount determined under paragraph (6) of that section, the amount of the payment required under section 402(b) for any calendar year from cigarette manufacturers shall not exceed an amount which, when divided by the number of packs of cigarettes sold during the calendar year, will be equal to—

(1) 65 cents in year 1;

(2) 70 cents in year 2;

(3) 80 cents in year 3;

(4) $1.00 in year 4; or

(5) $1.10 in year 5 and thereafter.

(c) PRICE-PER-PACK LIMITATION APPLIES TO SMOKELESS TOBACCO PRODUCTS.—Under regulations prescribed by the Secretary, the price-per-pack limitation set forth in subsection (b) shall be applied to units of smokeless tobacco at equivalent per-unit prices, taking into account applicable ad valorem taxes.

(d) ADJUSTMENT.—Beginning with the second calendar year after the date of enactment of this Act, the amounts set forth in subsection (b) shall be adjusted as provided in subsection (a)(1).

STEVENS AMENDMENT NO. 2555

(Ordered to lie on the table.)

Mr. STEVENS submitted an amendment intended to be proposed by him to the bill, S. 1415, supra; as follows:

On page 20, line 21, strike "and includes" and insert in lieu thereof "and, except for the purposes of carrying out this Act in Alaska, also includes".

On page 220, strike lines 16 and 17 and insert in lieu therof, "modifying it to address population factors, land base factors, and, except in Alaska, jurisdiction factors.".

On page 224, line 8, immediately after the word "Act" insert ", except that regional health entities (as that term is used in section 325 of Public Law 105–83) shall be the only entities eligible to receive such grants in Alaska under this paragraph.".

On page 224, line 13, insert immediately before the period "and, in Alaska, such regional health entities shall be required to utilize such grants, to the maximum extent possible, to support programs operated by community health aides within the service populations of such entities".

On page 224, line 18, strike "smoking" and insert in lieu thereof "tobacco use".

On page 225, strike lines 14–22 and insert in lieu thereof:

(C) USE OF HEALTH CARE FUNDS.—Amounts made available to the Indian Health Service under this paragraph shall be—

(I) made available to Indian tribes pursuant to the provisions of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b et seq.), except in Alaska where such amounts shall, notwithstanding any other provision of law, be made available pursuant to such Act only to the Consortium (as that term is used in section 325 of Public Law 105–83) which shall be eligible to enter into contracts, compacts, or other funding agreements under such Act without further resolutions of the Regional Corporations, Village Corporations, tribes and/or villages represented by the members of the Consortium; and

(II) used to reduce tobacco consumption, promote smoking cessation, and to fund health care activities, including—

On page 225, line 23, strike "(i)" and insert in lieu thereof "(I)".

On page 226, line 1, strike "(ii)" and insert in lieu thereof "(II)".

On page 226, line 3, strike "(iii)" and insert in lieu thereof "(III)".

On page 226, line 6, strike "(iv)" and insert in lieu thereof "(IV)".

On page 226, line 8, strike "(v)" and insert in lieu thereof "(V)".

INOUYE AMENDMENT NO. 2556

(Ordered to lie on the table.)

Mr. INOUYE submitted an amendment intended to be proposed by him to the bill, S. 1415, supra; as follows:

On page 402, strike lines 15–25 and insert in lieu thereof the following:

If the Congress enacts legislation to provide for the payment of asbestos claims, then unobligated amounts in the National Tobacco Trust Fund established by title IV of this Act may be made available, as provided by appropriations Act, to make those payments.

MACK AMENDMENT NO. 2557

(Ordered to lie on the table.)

Mr. MACK submitted an amendment intended to be proposed by him to the bill, S. 1415, supra; as follows:

On page 210, between lines 18 and 19, insert the following:

SEC. 456. STATE SETTLEMENTS.

(a) IN GENERAL.—Notwithstanding any other provision of law, or of this Act, amounts received by a State as a result of the resolution by such State of tobacco-related civil actions through settlement or court judgment with tobacco product manufacturers shall not be available to the Secretary as reimbursement of Medicaid expenditures or considered as Medicaid overpayments for purposes of recoupment.

HUTCHISON (AND MACK) AMENDMENTS NOS. 2558–2559

(Ordered to lie on the table.)

Mrs. HUTCHISON (for herself and Mr. MACK) submitted two amendments intended to be proposed by them to the bill, S. 1415, supra; as follows:

AMENDMENT NO. 2558

On page 210, between lines 18 and 19, insert the following:

SEC. 456. NO REDUCTION OF STATE FUNDS.

Notwithstanding any other provision of this Act, payments under this Act to a State that, as of the date of enactment of this Act, has resolved tobacco-related civil actions through settlement or court judgment with tobacco product manufacturers, shall not be less than the State would have otherwise received under the State settlement or judgment.

AMENDMENT NO. 2559

On page 210, between lines 18 and 19, insert the following:

SEC. 456. STATE OPT-IN.

(a) IN GENERAL.—A State that, as of the date of enactment of this Act, has resolved tobacco-related civil actions through settlement or court judgment with tobacco product manufacturers, shall not be eligible to receive funds under section 452 unless the State provides notice in writing to the Secretary affirmatively electing to receive such funds and comply with the requirements of such section.

HUTCHISON AMENDMENTS NOS. 2560–2561

(Ordered to lie on the table.)

Mrs. HUTCHISON submitted two amendments intended to be proposed by her to the bill, S. 1415, supra; as follows:

AMENDMENT NO. 2560

On page 210, between lines 18 and 19, insert the following:

SEC. 456. STATE SETTLEMENTS.

(a) IN GENERAL.—Notwithstanding any other provision of law, or of this Act, amounts received by a State as a result of the resolution by such State of tobacco-related civil actions through settlement or court judgment with tobacco product manufacturers shall not be available to the Secretary as reimbursement of Medicaid expenditures or considered as Medicaid overpayments for purposes of recoupment.

(b) USE OF FUNDS.—Amounts received by a State under a settlement described in subsection (a) may be used in any manner that the State determines appropriate, consistent with State law.

AMENDMENT NO. 2561

On page 442, between lines 4 and 5, insert the following:

(d) OFFSET OF STATE LIABILITY FOR FEES.—In the case of a State that has pursued an independent civil action against tobacco product manufacturers, and that may be liable for attorneys fees, the total amount of any determination of attorneys fees to be paid by such manufacturers through arbitration under this section shall be applied as a dollar-for-dollar offset against any potential State liability for attorneys fees.

TORRICELLI AMENDMENTS NOS. 2562–2563

(Ordered to lie on the table.)

Mrs. TORRICELLI submitted two amendments intended to be proposed by him to the bill, S. 1415, supra; as follows:

AMENDMENT NO. 2562

At the appropriate place, insert the following:

SEC. ___. MICHAEL GILLICK CHILDHOOD CANCER RESEARCH STUDY.

(a) FINDINGS.—Congress finds that—

(1) during the period from 1979 to 1995, Ocean County, New Jersey, had a significantly higher rate of childhood brain cancer than the rest of the United States, including a rate of brain and central nervous system cancer that was nearly 75 percent above the rate of other States;

(2) during the period from 1979 to 1995—

(A) there were 350 cases of childhood cancer in Ocean County, of which 90 cases were in Dover Township, and of those 24 were in Toms River alone;

(B) the rate of brain and central nervous system cancer of children under 20 in Toms River was nearly 3 times higher than expected, and among children under 5 was 7 times higher than expected; and

(C) Dover Township, which would have had a nearly normal cancer rate if Toms River were excluded, had a 1.3 times higher cancer rate than the rest of the State and an 1.5 times higher leukemia rate than the rest of the State; and

(3)(A) according to New Jersey State cancer registry data from 1979 to 1995, a population the size of Toms River should have 14 children under age 20 with cancer; and

(B) Toms River currently has 24 children under the age of 20 with cancer.

(b) STUDY.—Section 104(i) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9604(i)) is amended by adding at the end the following:

"(19) MICHAEL GILLICK CHILDHOOD CANCER RESEARCH STUDY.—

"(A) IN GENERAL.—The Administrator of ATSDR shall conduct dose-reconstruction modeling and an epidemiological study of childhood cancer in Dover Township, New Jersey.

"(B) GRANT TO THE STATE OF NEW JERSEY.—The Administrator of ATSDR may make 1 or more grants to the State of New Jersey to carry out paragraph (1).

"(C) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this paragraph—

"(i) $2,000,000 for fiscal year 1999; and

"(ii) $1,000,000 for fiscal year 2000.".

AMENDMENT NO. 2563

On page 201, between lines 19 and 20, insert the following:

(3) MEDICAID CHILDREN'S ENROLLMENT PERFORMANCE BONUS.—

(A) SET ASIDE OF FUNDS.—Notwithstanding the preceding paragraphs of this subsection, 8 percent of the amount received under this section in a fiscal year shall not be used by a State unless the State satisfies the requirements of subparagraphs (B) and (C).

(B) DEMONSTRATION OF IMPLEMENTATION OF OUTREACH STRATEGIES.—A State shall demonstrate to the satisfaction of the Secretary that the State has a commitment to reach and enroll children who are eligible for but not enrolled under the State plan through effective implementation of each of the following outreach activities:

(i) STREAMLINED ELIGIBILITY PROCEDURES.—

(I) IN GENERAL.—The State uses streamlined procedures described in subclause (II) for determining the eligibility for medical assistance of, and enrollment in the State plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) of—

(aa) children in families with incomes that do not exceed the effective income level (expressed as a percent of the poverty line) that has been specified under such State plan (including under a waiver authorized by the Secretary or under section 1902(r)(2) of such Act (42 U.S.C. 1396a(r)(2))) for the child to be eligible for medical assistance under section 1902(l)(2) or 1905(n)(2) (as selected by a State) of such Act (42 U.S.C. 1396a(l)(2), 1396d(n)(2)) for the age of such child; and

(bb) children determined eligible for such assistance, and enrolled in the State plan under title XIX of the Social Security Act, in accordance with the requirements of paragraphs (1) and (2) of section 1931(b) of such Act (42 U.S.C. 1396u–1(b)).

(II) PROCEDURES DESCRIBED.—The streamlined procedures described in this subclause include—

(aa) using shortened and simplified applications for the children described in subclause (I);

(bb) eliminating the assets test for determining the eligibility of such children; and

(cc) allowing applications for such children to be submitted by mail or telephone.

(ii) CONTINUOUS ELIGIBILITY FOR CHILDREN.—The State provides (or demonstrates to the satisfaction of the Secretary that, not later than fiscal year 2001, the State shall provide) for 12-months of continuous eligibility for children in accordance with section 1902(e)(12) of the Social Security Act (42 U.S.C. 1396a(e)(12)).

(iii) PRESUMPTIVE ELIGIBILITY FOR CHILDREN.—The State provides (or demonstrates to the satisfaction of the Secretary that, not later than fiscal year 2001, the State shall provide) for making medical assistance available to children during a presumptive eligibility period in accordance with section 1920A of the Social Security Act (42 U.S.C. 1396r–1a).

(iv) OUTSTATIONING AND ALTERNATIVE APPLICATIONS.—The State complies with the requirements of section 1902(a)(55) of the Social Security Act (42 U.S.C. 1396a(a)(55)) (relating to outstationing of eligibility workers for the receipt and initial processing of applications for medical assistance and the use of alternative application forms).

(v) SIMPLIFIED VERIFICATION OF ELIGIBILITY REQUIREMENTS.—The State demonstrates to the satisfaction of the Secretary that the State uses only the minimum level of verification requirements as are necessary for the State to ensure accurate eligibility determinations under the State plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

(C) REPORT ON NUMBER OF ENROLLMENTS RESULTING FROM OUTREACH.—A State shall annually report to the Secretary on the number of full year equivalent children that are determined to be eligible for medical assistance under the State plan under title XIX of the Social Security Act and are enrolled under the plan as a result of—

(i) having been provided presumptive eligibility in accordance with section 1920A of such Act (42 U.S.C. 1396r–1a);

(ii) having submitted an application for such assistance through an outstationed eligibility worker; and

(iii) having submitted an application for such assistance by mail or telephone.

(D) PROCEDURE FOR REDISTRIBUTION OF UNUSED SET ASIDES.—The Secretary shall determine an appropriate procedure for the redistribution of funds set aside under this paragraph for a State for a fiscal year that are not used by the State during that fiscal year because the State did not satisfy the requirements of subparagraphs (B) and (C) to States that have satisfied such requirements for such fiscal year and have fully expended the amount of State funds so set aside.

(E) OFFSET OF FEDERAL EXPENDITURES.—The amount allocated to the State Litigation Settlement Account for a fiscal year shall, in addition to any reductions required under the third sentence of section 451(a), be further reduced by the additional estimated Federal expenditures that will be incurred as a result of increased State expenditures resulting from the application of this paragraph.

(F) APPLICATION OF RESTRICTION ON SUBSTITUTION OF SPENDING.—The provisions of subsection (c) of this section apply to this paragraph in the same manner and to the same extent as such provisions apply to the program described in paragraph (2)(G) of this subsection.

WARNER AMENDMENTS NOS. 2564–2566

(Ordered to lie on the table.)

Mr. WARNER submitted three amendments intended to be proposed by him to the bill, S. 1415, supra; as follows:

AMENDMENT NO. 2564

Strike Section 1031.

AMENDMENT NO. 2565

Strike Title II.

AMENDMENT NO. 2566

Strike Subtitle A of Title XI.

JEFFORDS AMENDMENT NO. 2567

(Ordered to lie on the table.)

Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill, S. 1415, supra; as follows:

On page 198, strike lines 3 through 10 and insert the following: "added by this Act, authorized under sections 2803 of that Act, as so added. Of the total amounts allocated to this account, not less than 12 percent, but not more than 18 percent shall be used for this purpose.

(D) Agency for Health Care Policy and Research under section 1991E of the Public Health Service Act, as added by this Act. Of the total amounts allocated to this account, not less than 1 percent, but not more than 3 percent shall be used for this purpose.".

THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1999

ABRAHAM (AND OTHERS) AMENDMENT NO. 2568

(Ordered to lie on the table.)

Mr. ABRAHAM (for himself, Mr. FEINGOLD, Mr. DEWINE, Mr. ASHCROFT, Mrs. SNOWE, and Mr. MACK) intended to be proposed by them to the bill (S. 2057) to authorize appropriations for the fiscal year 1999 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes; as follows:

At the appropriate place in the bill, insert the following section:

SEC. . EXPRESSING THE SENSE OF THE CONGRESS THAT THE PRESIDENT OF THE UNITED STATES SHOULD RECONSIDER HIS DECISION TO BE FORMALLY RECEIVED IN TIANANMEN SQUARE BY THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA.

(a) FINDINGS.—Congress makes the followings findings:

(1) Nine years ago on June 4, 1989, thousands of Chinese students peacefully gathered in Tiananmen Square to demonstrate their support for freedom and democracy;

(2) It was with horror that the world witnessed the response of the Government of the People's Republic of China as tanks and military units marched into Tiananmen Square;

(3) Chinese soldiers of the People's Republic of China were ordered to fire machine guns and tanks on young, unarmed civilians;

(4) "Children were killed holding hands with their mothers," according to a reliable eyewitness account;

(5) According to the same eyewitness account, "students were crushed by armored personnel carriers";

(6) More than 2,000 Chinese pro-democracy demonstrators died that day, according to the Chinese Red Cross;

(7) Hundreds continue to languish in prisons because of their belief in freedom and democracy;

(8) Nine years after the massacre on June 4, 1989, the Government of the People's Republic of China has yet to acknowledge the Tiananmen Square massacre; and

(9) By being formally received in Tiananmen Square, the President would bestow legitimacy on the Chinese government's horrendous actions of 9 years ago:

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that the President should reconsider his decision to be formally received in Tiananmen Square until the Government of the People's Republic of China acknowledges the Tiananmen Square massacre, pledges that such atrocities will never happen again, and releases those Chinese students still imprisoned for supporting freedom and democracy that day.

ADDITIONAL STATEMENTS

TRIBUTE TO GENERAL BERNARD A. SCHRIEVER

• Mr. BENNETT. Mr. President, I rise today to pay tribute to General Bernard A. Schriever, a modern-day pioneer whose legendary contributions to our nation's defense will be appropriately recognized on Friday, June 5, 1998, when Falcon Air Force Base will be renamed in his honor. General Schriever, a retired four-star general, is widely regarded as the father of the ICBM.

General Schriever was born in Bremen, Germany, on September 14, 1910. His family immigrated to the United States when he was seven years old, and he became a naturalized citizen at age 13 and finished his early schooling in San Antonio, Texas. His flying career began in the late 1920s, as a mail-carrier flying between my home state of Utah and Wyoming. In 1931, he received a Bachelor of Science degree from Texas A&M, and a reserve appointment in the Field Artillery. He earned his wings as a second lieutenant in the Army Air Corps Reserve in June 1933.

After obtaining his Master's degree in Aeronautical Engineering from Stanford University in 1942, he gained rapid promotions and positions of increasing responsibility during World War II. He was Chief of Staff of the 5th Air Force Service Command and later Commander of the Advanced Headquarters for the Far Eastern Air Force Service Command. After the war he became the Chief of the scientific Liaison Section at Headquarters USAF and held other scientific evaluation jobs as they pertained to military weaponry.

Beginning in 1954 when he assumed command of the Air Force Ballistic Missile Division and later with the Air Research and Development Command, General Schriever pushed forward research and development on all technical phases of the Atlas, Titan, Thor and Minuteman ballistic missiles. He also provided for the launching sites and equipment, tracking facilities, and ground support equipment necessary to the deployment of these systems.

With the expansion of the Air Research and Development Command, he became Commander of the newly created Air Force Systems Command (AFSC). Among the many creative programs he conceived and directed at

AFSC was Project Forecast I, completed in 1964, which enlisted the best scientific and technological minds of that period in the projection of the aerospace world for the future.

After retiring from the Air Force on August 31, 1966, with more than 33 years of active military service, General Schriever became a consultant to government and industry where he could most effectively use his knowledge and experience pursuing technology and its management into military operational capabilities.

General Schriever has had several important government advisory assignments since his retirement in 1966, including: by Executive Order, Chairman, President's Advisory Commission on Management Improvement (PACMI); member, National Commission on Space; member, President's Foreign Intelligence Advisory Board; member, Strategic Defense Initiative (SDI) Technical Advisory Committee; Chairman, SDI Institute, and various ad hoc advisory committees and panels involving national security (DoD) and space (NASA).

General Schriever has been awarded four honorary Doctor of Science degrees, one honorary Doctor of Aeronautical Science degree, one honorary Doctor of Engineering degree, and one honorary Doctor of Laws degree, by various colleges and universities, including Utah State University. Inducted into Aviation Hall of Fame in 1980. Elected Honorary Fellow AIAA, recipient of James Forrestal Award 1986. Member of NAE. He received the National Air and Space Museum Trophy for Lifetime Achievement in November 1996.

General Schriever remains very active even today, and continues to serve on several important advisory boards to government, industry, and education. He currently chairs the Guidance Council for the Space Dynamics Lab at Utah State University in my home state. Several years ago, I was honored to have General Schriever participate as the featured speaker at my annual conference, SpaceTalk.

General Schriever's patriotism, intelligence, and vision have served our country well. The United States is more secure thanks to his many contributions and achievements. Thank you, General Schriever, for your dedication to the nation's well-being. I congratulate you and wish you continued success.•

RACE FOR THE CURE

• Mr. LEAHY. Mr. President, fifteen years ago the first Susan G. Komen Breast Cancer Foundation Race For The Cure was held in Dallas. This year, at least 500,000 participants in more than 85 communities nationwide will host 5-K runs and 1-mile fitness run/walks to raise money for national breast cancer research efforts and local breast cancer initiatives.

I am proud to be honorary co-chair for this year's Vermont Race For The Cure, along with my distinguished colleague, Senator JEFFORDS. The race will be held in Manchester on July 26. Last year our race was a wonderful community event, with more than 2,300 Vermonters running or walking in the race and with others joining in support through pledges and by cheering racers on. That effort led to $84,000 in grants for nine projects throughout Vermont to support breast cancer treatment, education and survivor support.

The Race For The Cure is an important and successful effort to raise private funds for breast cancer screening, education, and treatment to reduce and one day eliminate this terrible disease. One woman somewhere in the United States is diagnosed with breast cancer every three minutes and one of its victims dies from the disease every twelve minutes. One in eight women will suffer from breast cancer in her lifetime, and it is the leading cause of death for women between the ages of 35 to 54.

The private contributions raised by the Race For The Cure are a vital complement to the efforts of those of us in Congress who strive each year to secure federal funding to fight breast cancer.

We in Congress have made it clear that we plan to continue to increase research funding at the National Institutes of Health.

And just yesterday, the Senate Appropriations Committee voted to guarantee at least $135 million for Fiscal Year 1999 for the Department of Defense breast cancer research program. This program continues to spawn far-reaching innovations in medical research, and the seven-year total allocated under this program will rise to $872 million, if this provision is enacted this year.

Seven years ago, working with the breast cancer survivor community, several of us launched this crusade to earmark a portion of the defense budget for this breast cancer research program, and over the years it has become a crucial supplement to other federally and privately sponsored research efforts.

Working together on these initiatives, and by supporting such private efforts as the annual Race For The Cure, we are drawing closer, year by year, to the day when we can eliminate the destruction and the pain of breast cancer from the lives of our wives, mothers and sisters.•

RECOGNITION OF OSSABAW ISLAND FOUNDATION AND IMPORTANCE OF WORKING TO PRESERVE NATURAL HABITATS

• Mr. CLELAND. Mr. President, I rise today to recognize the Ossabaw Island Foundation and the Georgia Commissioner of Natural Resources for their efforts to preserve Ossabaw Island, Georgia's first Heritage Preserve.

Georgia's high rate of population and economic growth have created statewide expansion into previously uninhabited areas. Efforts to preserve and protect endangered natural areas is vital to the well being of Georgia's environment.

Ossabaw Island is one of the few remaining barrier islands on the Atlantic Coast. The fragile ecosystems of the island should be preserved so that natural areas along the coast will work to protect estuaries, wildlife, marshes, and coastal shorelines. If Ossabaw Island remains in its natural state, it will provide needed protection for the mainland from Atlantic storms, permit the functioning of marshes which provide water and air purification essential to habitation of Georgia's mainland, and provide conditions not tainted by human intervention for environmental research.

I would like to commend the Ossabaw Island Foundation, a public/private partner with the State of Georgia's Department of Natural Resources, for diligently serving as a voice for the preservation of the island. The Foundation has worked to incorporate educational and cultural programs in the island's historical buildings and to provide appropriate access and utilization of the Ossabaw Heritage Preserve.

Through the efforts of the Board of Trustees of the Foundation, Ossabaw Island was included on the National Trust for Historic Preservation's Eleven Most Endangered Properties List of 1995. The island was also listed on the National Register of Historic Places by the United States Department of the Interior in 1996.

The importance of preserving natural habitats is a common belief among the members of the Senate. We must not allow the natural beauty and resourcefulness of our nation to be sacrificed for lesser purposes. The benefits of protecting and preserving areas of natural habitat range from aesthetic to practical and must not be ignored.

Mr. President, I ask that you and my colleagues join me in recognizing the partnership and hard work of the Georgia Commissioner of Natural Resources and the Board of Trustees of the Ossabaw Island Foundation. Their combined efforts have protected and will continue to protect and ensure a beautiful environment on Georgia's Ossabaw Island for many years to come.•

NATIONAL SMALL BUSINESS WEEK

• Mr. KERRY. Mr. President, I would like to express my support and admiration to small business owners and entrepreneurs during the first week of

June, otherwise known as National Small Business Week. It is appropriate that during this week of recognition that we honor the many contributions entrepreneurs have made to strengthen our communities and our national economy.

As the Ranking Democrat of the Small Business Committee, I have followed the dramatic growth of thousands of small businesses and have worked to champion their success by increasing access to capital, expanding Women's Business Centers, improving business education and technical assistance, and reducing capital gains taxes. Under Democratic Leadership, the Small Business Administration now annually guarantees about $10 billion in loans to small businesses, and has increased loans to women business-owners by 86 percent.

Small businesses are changing the face of the economy by creating jobs and bringing prosperity to small towns and cities across the country. Nationwide, small businesses represent 99.7 percent of all employers and provide 67 percent of workers with their first jobs. Smaller firms are also more likely to be flexible and hire workers from many segments of the economy, including younger workers, older workers, women, minorities, and people interested in working part time.

In the state of Massachusetts, we have two outstanding business owners that deserve special recognition. Cassie Farmer, President and Roberta Adams, Vice President/Treasurer of New World Securities Associates, Inc, have been named State Small Business Persons of the Year by the Small Business Administration, and have been honored this week here in Washington.

Ms. Farmer and Ms. Adams began their security business just eight years ago with fifteen employees, one patrol car, and a few clients. They invested their personal savings to get the company off the ground. By 1997, their company has grown to employ 240 people with annual sales of $5 million. The Dorchester-based company is not only the largest employer within the Dorchester/Roxbury/Mattapan area, but is also the largest women/minority owned security company in Massachusetts. I congratulate them on their success.•

JESS AND SELMA KAUFMAN CELEBRATE GOLDEN ANNIVERSARY

• Mr. GLENN. Mr. President, I rise today to recognize and congratulate Jess and Selma Kaufman on the celebration of their 50th wedding anniversary on June 20.

Jess served in the United States Navy during World War II and was wounded at the Battle of Guadalcanal. On June 20, 1948, Selma Bruckner and Jess Kaufman were married in Brooklyn, New York. Now retired and living in Stratford, Connecticut, their marriage has been blessed by their children David, Susan and Steven.

Successful marriages represent real commitment and serious work, yet the rewards are among the greatest delights of life. We share your joy in the years accomplished, and wish you many more rich and fulfilling years of happiness together.

Annie and I are delighted to extend our congratulations to the Kaufmans on their 50th wedding anniversary!•

TRIBUTE TO ALFRED HEALY, M.D.

• Mr. HARKIN. Mr. President, on June 30, 1998, Alfred Healy, M.D., professor emeritus of pediatrics and special education at the University of Iowa, in Iowa City, Iowa will conclude a distinguished 41-year career of clinical service, teaching, research, and administration of innovative programs supporting individuals with developmental disabilities. His career at the University of Iowa includes 21 years of directing three entities: the Division of Developmental Disabilities in the Department of Pediatrics, the University Hospital School of the University of Iowa Hospitals and Clinics, and the Iowa University Affiliated Program. He also provided leadership to numerous national and international programs promoting the independence, productivity, and community inclusion of people with disabilities.

Dr. Healy gained firsthand knowledge of physical disabilities as a young teenager, during his recovery from two prolonged episodes of rheumatic fever that later severely restricted his participation in sports and other physical activities. Seeking other ways to participate in athletics, he earned his bachelor's degree in physical education in 1956 from the University of Notre Dame while concurrently serving as Assistant Athletic Trainer for all Notre Dame athletic teams.

A Master of Arts Degree in physical education followed in 1957 from the University of Iowa, where for three years he served as a teacher at the Iowa Hospital School for Severely Handicapped Children, assisting children with cerebral palsy, the residuals of poliomyelitis, and other physical disabilities in their rehabilitation process. This experience led him to pursue a medical degree, which he earned from the University of Iowa in 1963. Following residency training in pediatrics and fellowship training in disabilities, he joined the pediatric faculty at Iowa in 1967, achieving full professorship in 1980. In 1977 he was appointed director of the Division of Developmental Disabilities, the renamed University Hospital School, and also of the Iowa University Affiliated Program.

As a professor of pediatrics, he served as director of the Division of Developmental Disabilities, and over the years he supervised the training of countless numbers of medical students, physical and occupational therapy students, pediatric and family practice residents, and community physicians. Of the fourteen physician fellows trained under Dr. Healy's leadership, nine are now sharing their expertise and understanding of the interdisciplinary process with another generation of trainees in other university training programs. As a professor of special education, Dr. Healy has taught several courses relating to disabilities on an on-going basis each year for the College of Education.

As director of University Hospital School, Dr. Healy has provided clinical care in both inpatient and outpatient settings to thousands of infants, children and adults with physical disabilities. He presided over the transition of University Hospital School from a residential school, founded prior to the passage of P.L. 94–142, to its current role as a tertiary level diagnosis and evaluation center supporting community education and human service programs throughout Iowa. The hallmark of Dr. Healy's administration of University Hospital School has been his commitment to the interdisciplinary process as the most effective response to meeting the clinical needs of individuals with disabilities.

As director of the Iowa University Affiliated Program, Dr. Healy expanded the breadth of University Hospital School programs to also emphasize preservice training, community education, technical assistance to state and local agencies, and information sharing programs. Most of these activities were implemented through grants and contracts that were awarded in no small part because of his leadership. Current examples include the statewide Iowa Program for Assistive Technology, the Iowa COMPASS information and referral service, the Iowa Telemedicine Project from the National Library of Medicine, the Iowa Prevention of Disabilities Policy Council, and the Maternal and Child Health funded Iowa Leadership in Neurodevelopmental and related Disabilities Project.

Dr. Healy has also participated in a wide range of national and international initiatives. Responding to a request from the American Academy of Pediatrics in 1978, Dr. Healy secured federal funding, and then served as chair of the National Advisory Committee, for the $3.9 million, four-year New Directions training course for pediatricians that dealt with Public Law 94–142. In 1986, also on behalf of the Academy of Pediatrics, he secured funding, and chaired the National Advisory Committee for the $3.2 million, four-year Project BRIDGE training program for pediatricians and therapists that focused on the use of the interdisciplinary process in early intervention for children with physical and

other disabilities. This led the academy to award him the Ross Award for Lifetime Accomplishment in Pediatric Education in 1986.

Following service in a number of committee and task force roles, Dr. Healy was elected president of the American Association of University Affiliated Programs in 1984, and was presented their "Distinguished Service Award" in 1995. He served as president of the American Academy for Cerebral Palsy and Developmental Medicine in 1989. He served two three-year terms as a member of the American Academy of Pediatrics National Committee for Children with Disabilities, followed by two three-year terms as chairman. These offices provided many opportunities to significantly influence federal legislation and funding for programs serving children with physical and other disabilities, and he provided verbal testimony on eight occasions to various committees of the U.S. Congress. In addition, he served as a member of the federal Social Security Administration panel selected to devise a federal response to the U.S. Supreme Court Zebley versus Sullivan decision regarding SSI benefits, which affected hundreds of thousands of children with physical and other disabilities in America.

On the international level, Dr. Healy has provided consultations to Ireland, Saudi Arabia, and Russia regarding ways to improve their national programs for children with physical and other disabilities. He was also instrumental in helping to establish a University Affiliated Program in Dublin, Republic of Ireland, and he has now completed two trips to Belfast, Northern Ireland, to assist Queens and Ulster Universities in establishing similar programs.

During the four decades of his career, Dr. Healy has seen, and contributed to, unprecedented changes in society's response to people with disabilities. According to Dr. Healy, the most rewarding aspect of his work has been participating in a dynamic systems change that now affirms that people with disabilities, and their families, must be at the center of service planning, setting goals, and identifying the means to achieve them. He repeatedly acknowledges that his greatest teachers have been individuals with disabilities and their families. My colleagues are particularly pleased, I know, to join me in expressing profound appreciation for the career of this remarkable American—clinician, teacher, researcher, and leader.●

MEASURE READ THE FIRST TIME—H.R. 3433

Mr. LOTT. Mr. President, on behalf of the Democratic leader I make the following request. I understand that H.R. 3433, received earlier today from the House, is at the desk. I ask for its first reading.

The PRESIDING OFFICER. The clerk will read the bill for the first time.

The assistant legislative clerk read as follows:

A bill (H.R. 3433) to amend the Social Security Act to establish a Ticket to Work and Self-Sufficiency Program in the Social Security Administration to provide beneficiaries with disabilities meaningful opportunities to work, to extend Medicare coverage for such beneficiaries, and to make additional miscellaneous amendments relating to Social Security.

Mr. LOTT. I now ask for its second reading, and object to my own request.

The PRESIDING OFFICER. Objection is heard. The bill will be read the second time on the next legislative day.

UNANIMOUS-CONSENT AGREEMENT

Mr. LOTT. Mr. President, I ask unanimous consent that if and when the Environment and Public Works Committee reports legislation that amends, modifies, deletes, or in any way affects transit provisions contained in section 135 of title 23, United States Code, it be referred to the Committee on Banking, Housing, and Urban Affairs for a period of not to exceed 20 session days of the Senate, solely for the purpose of considering such provisions, and that if not reported by the Committee on Banking, Housing, and Urban Affairs by that time, it be discharged and placed on the Senate calendar.

I further ask that if and when the Banking Committee reports legislation that amends, modifies, deletes, or in any way affects highway transportation provisions contained within section 135 of title 23, United States Code, it be referred to the Committee on Environment and Public Works for a period not to exceed 20 session days of the Senate, solely for the purpose of considering such provisions, and that if not reported by the Environment and Public Works Committee by that time, it be discharged and placed on the Senate Calendar.

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

DEADBEAT PARENTS PUNISHMENT ACT OF 1998

Mr. LOTT. I ask unanimous consent the Senate proceed to consideration of Calendar No. 369, H.R. 3811.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3811) to establish felony violations for the failure to pay legal child support obligations, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. DEWINE. Mr. President, I rise today in support of final passage of the Deadbeat Parents Punishment Act authored by my distinguished colleague, Senator HERB KOHL from Wisconsin. Senator KOHL has worked tirelessly to strengthen our child support laws, and I have been happy to lend my support to this effort.

The House bill we pass today mirrors the Senate-passed version that we sponsored earlier this session. I believe children should not have to suffer twice for the decisions of their parents to divorce; once when they decide to divorce, and again when one of the parents evades the financial responsibility to care for them.

Let me tell you just one story from my home state of Ohio. Marcia Walsh, the mother of seven children, became one of the working poor when she and her husband divorced, and he neglected his child support order. He left Ohio, leaving Marcia to support seven children, ages 6 to 15, on food stamps and a $14,000-a-year night job. When Marcia turned to our federal Child Enforcement Program, she discovered a failed program whose collection rate is only about 19.4 percent.

Mr. President, people like Marcia and her children deserve better than that.

Our bill will help address situations like theirs, in two ways. First, the Deadbeat Parents Punishment Act gives federal law enforcement an incentive to bring more of these cases against deadbeats by making this offense a felony. Second, this legislation would make movement from state to state to avoid child support payments a crime. Today, nonpayment of child support is a class B misdemeanor, and the Federal Bureau of Investigation is frustrated at having to chase deadbeats for just a class B misdemeanor. Federal prosecutors are equally discouraged about trying misdemeanor cases.

It is currently not a crime to move to another state to avoid having to pay child support. Under this bill, not paying child support for two years, owing more than $10,000 in back child support, or going to another state to avoid child support payments would be penalized by a fine or two years in jail, or both. If the parent flees the state where the child resides, and owes more than $5,000, the same penalty described above would apply.

Mr. President, making sure parents live up to their financial responsibilities for their children is a very important national priority. We have serious laws in this country protecting life and property—it's highly appropriate that we protect with equal seriousness the interests of our most precious national resource, America's children.

I thank Senator KOHL for his work on this important bill.

Mr. KOHL. Mr. President, I rise today to express my support for the

final passage of our Deadbeat Parents Punishment Act and to commend Senator DEWINE, cosponsor of the Senate version which we passed last November, along with Chairman HYDE and Congressman HOYER for their commitment to promoting the welfare of children and to strengthening our child support laws. In sum, this measure sends a clear message to the deadbeat parents of America: pay up or go to jail.

Mr. President, when the original Child Support Recovery Act of 1990 was first enacted, Senator SHELBY and I hoped to make a real impact on the non-payment of support orders. And we did make some progress. Over 200 more cases of nonpayment were prosecuted. Over 50 went to jail. Of the 150-some remaining cases, many were dropped when the defendant agreed to pay the support arrears. And some very high profile cases prosecuted under this law have also made some potential deadbeats think twice before not paying. But for some deadbeats the threat of a misdemeanor sentence still isn't enough to keep them paying. Many would rather "risk it." They know that if they get caught for a first offense—no matter how big their debt and no matter how long they went without paying—they aren't facing a felony conviction.

Now, Mr. President, we are not trying to throw people into jail. We'd rather they paid their child support on time and in full. And many parents—mothers and fathers—do just that. But some need a little extra incentive to fulfill their responsibilities. The threat of a year in prison and a felony conviction on their records, contained in this bill, provides that much needed incentive.

It has been estimated that if delinquent parents fully paid up their child support, approximately 800,000 women and children could be taken off the welfare rolls. In fact, Mr. President, since our original legislation was signed into law in 1992, collections have increased by nearly 50 percent, from $8 billion to $11.8 billion. Moreover, a new national database has helped identify 60,000 delinquent fathers—over half of whom owed money to women on welfare.

Although we should be proud of these efforts, they are merely a point of departure, not a final destination. It seems to me that in passing this legislation, we all recognize that we cannot simply stop and rest on our laurels. We must continue to work on behalf of children and families. We must give police and prosecutors the tools they need to make a real impact on the nonpayment of child support. And today, we have taken that next step, we have done these things, and we have continued this important work. I look forward to the President's signing this bill into law, which will help ensure that deadbeats across the country sign more child support checks.

Mr. LOTT. Mr. President, I would like to notify the Senate that this is the bill that is commonly referred to as the Deadbeat Parents Punishment Act, and I appreciate the cooperation that we received on both sides of the aisle today to get this legislation through, because it is clearly something that should be passed. We should have felony violations for failure to pay legal child support obligations. I am glad to move the legislation.

I ask unanimous consent the bill be considered read a third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed at the appropriate place in the RECORD.

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

The bill (H.R. 3811) was ordered to a third reading, was read the third time, and passed.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nomination on the Executive Calendar: No. 624. I further ask unanimous consent that the nomination be confirmed; that the motion to reconsider be laid upon the table; that any statements relating to the nomination of Judge Richard Roberts, to be a U.S. District Judge for the District of Columbia, appear at the appropriate place in the RECORD; that the President be immediately notified of the Senate's action; and that the Senate then return to legislative session.

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

The nomination was considered and confirmed, as follows:

THE JUDICIARY

Richard W. Roberts, of the District of Columbia, to be United States District Judge for the District of Columbia.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

ORDERS FOR TUESDAY, JUNE 9, 1998

Mr. LOTT. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9:30 a.m. on Tuesday, June 9. I further ask unanimous consent that on Tuesday, immediately following the prayer, the routine requests through the morning hour be granted and the Senate resume consideration of Coverdell amendment No. 2451 pending to the tobacco legislation.

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

Mr. LOTT. The minority leader filed a cloture motion yesterday, Thursday, June 4, and a second cloture motion was filed today by our minority colleagues. Therefore, I ask unanimous consent that the first cloture vote occur on Tuesday, June 9, at 2:15 p.m., and the mandatory quorum under rule XXII be waived. I further ask unanimous consent that all second-degree amendments must be filed by 12:30 p.m. on Tuesday.

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

PROGRAM

Mr. LOTT. Mr. President, for the information of all Senators, the Senate will not be in session on Monday, and we will resume the pending drug amendment at 9:30 a.m. on Tuesday. It is my hope that a vote will occur on the drug amendment prior to the scheduled cloture vote at 2:15 p.m. on Tuesday. That means it will have to occur before the luncheons that day. Rollcall votes could occur then Tuesday morning, one after 9:30 a.m. and then a second one at 2:15 p.m. I will consult with the minority leader, of course, further with respect to the scheduling of the second cloture vote, assuming the first cloture vote is not invoked, and that vote will occur then I believe on Wednesday.

The Senate could also consider any other legislative or executive items that may be cleared for action on Tuesday. In fact, we hope to have another Executive Calendar nomination or two that we will be able to get cleared.

ADJOURNMENT UNTIL 9:30 A.M., TUESDAY, JUNE 9, 1998

Mr. LOTT. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 3:31 p.m., adjourned until Tuesday, June 9, 1998, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate June 5, 1998:

THE JUDICIARY

ROBERT S. RAYMAR, OF NEW JERSEY, TO BE UNITED STATES CIRCUIT JUDGE FOR THE THIRD CIRCUIT, VICE H. LEE SAROKIN, RETIRED.

CONFIRMATION

Executive Nomination Confirmed by the Senate June 5, 1998:

THE JUDICIARY

RICHARD W. ROBERTS, OF THE DISTRICT OF COLUMBIA, TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF COLUMBIA.

EXTENSIONS OF REMARKS

H.R. 3998 OBEY/MATSUI AMERICAN HEALTH SECURITY PARTNERSHIP ACT OF 1998

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. OBEY. Mr. Speaker, last year, the Congress passed a proposal that was meant to take care of the health insurance needs of poor children. This year, the Congress is looking at ways to reform managed care so that the 85% of Americans in HMOs can be guaranteed quality health care based on need and not on profit margins. These are important steps but we need to, and we can go further.

Good health is one of God's greatest blessings. Those of us who have it have an obligation to see that every American who doesn't can walk into a hospital or a doctor's office and get the health care they need without begging. Over forty-one million Americans are without health insurance, and that number is rising by about one million every year. Many more have insurance today but are afraid of losing it. There is no reason why we cannot figure out a way to assure that every American has and will be able to keep affordable health insurance coverage.

That's why Congressman BOB MATSUI of California and I are sponsoring the American Health Security Partnership Act which is based on the premise that if revenue is raised from tobacco companies, it ought to be used to help see to it that every person has secure health insurance.

This legislation creates a cooperative cost sharing partnership between the federal government, state governments, employers and individuals. With each sharing in the cost and bearing a reasonable load, we can finally end the gap in health insurance coverage and put a stop to the cost shifting games that go on when the cost of providing care to the uninsured is shifted to those who do have insurance.

In the best Wisconsin LaFollette Progressive Tradition we would use the states as laboratories of democracy to help find alternative health care reform models that work. States will have maximum flexibility to make choices on what devices to use, what systems to implement, and how best to use the federal funds for their citizens. But, the main federal requirement is that everyone in the state will have access to health insurance that is at least as good as what is available to Members of Congress under the Federal Employees Health Benefits Plan (FEHBP).

Employers need to play a role too. That's why this legislation requires large employers to provide health insurance coverage for their workers and it provides funds that States can use to help small businesses expand health care coverage for their employees even though small business is not required to do so by this bill.

But this is not a something for nothing approach. Individuals have a responsibility to get health insurance and to the extent possible, pay for some of the cost of that insurance. Cost shifting contributes greatly to the rising costs of health care and the only means of putting an end to it is to ensure that every individual has health insurance coverage.

Many American families feel threatened by health care costs and many others are afraid of losing the health insurance coverage they have. The purpose of this bill is to strengthen the health care security of every American family. We do that by creating a 4 legged stool comprised of the federal government, the State government, employers and individuals.

If there is going to be a tobacco settlement of any kind, the most logical use of that settlement is to make sure the average American family has health care coverage when they need it.

Here are some of the elements of the plan.

It establishes a federal and state partnership in which states have the flexibility to decide how everyone in the state is covered by health insurance. The rules would be set by the states and not the federal government.

The only federal requirement is that health insurance coverage must be at least as good as what is currently available for Members of Congress and other federal employees under the Federal Employee Health Benefits Plan.

Farmers and people who are self-employed will be able to deduct 100% of their health insurance costs.

Workers who do not have employer subsidized health insurance will also be able to deduct 100% of their health insurance costs.

Businesses with 100 or more employees will be required to offer health care coverage to employees and their families.

It is paid for in two ways. A portion of the tobacco settlement would be used to establish a cost sharing agreement with the federal government and the states. That amount would be supplemented by a 1% increase on corporations with over $10 million in taxable income. Out of the one million corporations in the country, fewer than 3,000 pay income taxes at the top rate and would be affected by this increase.

That cost is a small price to pay to meet the moral responsibility that any ethical society has to ensure that all Americans receive the health care they need simply because they are God's creatures.

CONGRESSWOMAN NANCY PELOSI PAYS TRIBUTE TO PIONEERS WHO BUILT ISRAEL ON ITS 50TH ANNIVERSARY

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. LANTOS. Mr. Speaker, our distinguished colleague and my friend and neighbor in San Francisco, Congresswoman NANCY PELOSI, is the author of an excellent article marking the 50th anniversary of the establishment of the modern state of Israel. The article, which appeared in the San Francisco Chronicle on Wednesday, June 4, is an outstanding discussion of the commitment to the dream of the state of Israel by those pioneers who, from the ashes of the Holocaust, made the desert bloom.

Mr. Speaker, I ask that Congresswoman PELOSI's article be placed in the RECORD. I commend this article to my colleagues, and I urge them to give it careful and thoughtful attention.

[From the San Francisco Chronicle, Thursday, June 4, 1998]

DIVERSE GROUP OF PIONEERS BUILT A DREAM

(By Nancy Pelosi)

As Israel celebrates its 50th anniversary, we in the United States join in celebrating 50 years of friendship, a mutually beneficial alliance and the great future possibilities that exist for the U.S.-Israel partnership.

In looking back over 50 years, it is useful to remind ourselves of Israel's short history. In many ways, it mirrors America's early days as well as those of San Francisco, a city built by pioneers and blessed with diverse and skilled citizens. What we in the United States and the citizens of Israel now take for granted was, only a short time ago, nothing but an improbable dream. Like those who founded our nation, Israel's founding leaders sought to build a nation that would serve as an example to the world and a new home to those who fled oppression and tyranny.

After only 50 years of independence, a sophisticated, stable, and reliable Western democracy has been built in the sands of the Middle East, a region that cannot claim any other democracies. Israel has developed a world-class educational system and a high-tech economy. During the past 50 years, Israel has absorbed immigrants and refugees from more than 100 countries, people with different cultures, languages and backgrounds to create a nation with a common language and a 98 percent literacy rate. Israel has a challenge and a responsibility to continue to combat prejudice and respect the cultural heritage of Jews from other countries as well as the rights of Arabs in Israel.

As a nation of immigrants who have sacrificed for freedom, independence and democracy, we Americans have shared in the tragedies and triumphs of the Israeli people during their first 50 years. In fact, Israel's survival would not have been possible without

the help and friendship of the U.S. government. Israel continues to face existential threats and challenges; her future cannot, unfortunately, be taken for granted.

Only seven years ago, SCUD missiles fired by Saddam Hussein were directed at Israel's population centers but, fortunately, caused minimal damage. Since those attacks, Saddam Hussein has made no secret of the fact that he is seeking more accurate missiles and the biological and chemical arsenal to cause devastation within Israel.

Iran is well on the way to acquiring the technology needed to build its own accurate missiles as well as actively seeking a nuclear, biological and chemical weapons capability. So, in many ways, the challenges to Israel of the next 50 years are far greater than those of the first 50.

For many reasons—strategic, historic, religious and moral—American support for Israel has been generous. The United States has played and will continue to play an important role in ensuring Israel's success. As a member of Congress, and as the senior Democrat on the Appropriations Committee's Foreign Operations Subcommittee, I am proud to have had a unique opportunity to help build and maintain the very special relationship that exists between the United States and Israel. That relationship will continue to serve both nations as we look ahead—as friends and partners and allies—to the special challenges we face together in the next 50 years.

THE BLOODSHED IN KOSOVA MUST STOP

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. BONIOR. Mr. Speaker, the situation in Kosova, which has been tense all year, has taken a recent turn for the worse. The Serbian army has undertaken another brutal attack on the ethnic population in Kosova.

More than 39 ethnic Albanians were killed during the last two days in May in what was the worst crackdown since the March massacre of 80 people in Kosova.

The violent campaign continues, as Serbian forces have carried on a five-day operation that targets ethnic villages to the south and west of Pristina, the capital of Kosova. In addition to the demolition of village after village by air and rocket attacks, Serbian forces have laid mine fields in several locations in the southwest. It is clear that this has become an ethnic cleansing campaign.

On June 3rd, there was another surge of refugees in the way of the Serb attacks. The UN High Commissioner for Refugees estimates that over 2,000 crossed into Albania during that night, adding to the humanitarian crisis.

Women, children, and elderly trekked for days through the mountains. Weeping, they described how Serb police burst into their homes, dragged them out and told them to "go to Albania and never return" and then burned their houses before their eyes.

The latest wave of thousands of refugees and victims of this violent campaign of aggression shows us that unless we act now, the situation will only grow worse.

The possibility for a diplomatic solution grows increasingly dim as intensified Serbian military efforts reveal Milosevic's determination to wipe out the pro-separatist Kosova Liberation Army.

If we are to prevent another Bosnia from occurring in Kosova, as well as prevent chaos from spreading throughout the Balkans, we must convince our allies to discontinue the past policy of simply threatening, imposing, and then withdrawing sanctions.

In order to strengthen our position and compel the Serbian government to stop the bloodshed, it is necessary to consider military measures as well as reinstatement of economic sanctions. Yesterday, the Washington Post rightly editorialized that the "United States can intervene now, as it said it would. Or, as in Bosnia, it can be forced to intervene later, after much damage has been done and any solution is far more difficult."

A more dynamic approach is necessary in order to end the violence and oppression in Kosova and to allow the people there to determine their own future.

Let us not allow ourselves to be faced with a situation where we did too little too late.

HONORING DIKEMAN ENGINE AND HOSE COMPANY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. GILMAN. Mr. Speaker, for 125 years, the Dikeman Engine and Hose Company has served the community of Goshen located in Orange County. This weekend they are celebrating their anniversary. They have provided excellent prevention and protection from fire and other disasters. This company deserves to be acknowledged for their tireless efforts in all of their community related services.

On September 12, 1873, a group of local men met above Ed Dikeman's Drug Store in Goshen and decided to form a second hose company to protect Goshen. They decided to name the company after Mr. Dikeman, who was a prominent resident and business man.

In April 1874, the Dikeman company responded to their first fire, beginning their commitment to serving their community. For the next 124 years, the Dikeman Engine and Hose Company has continued their outstanding fire fighting practices and their dedication to the community of Goshen.

Dikeman Engine and Hose Company has been housed on New Street since 1885. This building was once shared by the Village Police Department and the Village Jail. In 1967, the company added a new truck bay, a meeting room over the truck bay, and a back room to the building.

Their continious service to the community of Goshen has not been over looked. They have protected the citizens from fire, instructed youth on fire prevention, aided the community in time of crisis, and gone above and beyond the call of duty.

I invite my colleagues to join in recognizing these dedicated volunteers on their years of service. Dikeman Engine and Hose Company Number 3 has been a vital asset to the residents of Goshen and to everyone they have helped over their years of service.

A TRIBUTE TO JOHN BERRY, SR.: OHIO ENTREPRENEUR

HON. ROB PORTMAN
HON. JOHN A. BOEHNER
HON. DAVID L. HOBSON
HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. PORTMAN. Mr. Speaker, I and my colleagues, JOHN BOEHNER, DAVID HOBSON and TONY HALL, rise today so that my colleagues and I may recognize the life of a giant of American business and philanthropy, John Berry, Sr., a friend and entrepreneur who passed away on May 20, 1998. When Mr. Berry took over his father's small telephone book company in 1946, it employed 50 people and generated $2 million in annual revenue. Under his leadership, the company became the largest independent publisher of the Yellow Pages in the United States and grew to $1 billion in annual revenue by 1986 and employed 3,000. It went international in the mid-sixties with a joint venture with ITT World Directories, which grew to become the largest publisher of the Yellow Pages outside of the United States.

Mr. Berry was a graduate of Dartmouth College, a school he loved and generously supported over the years. Most recently, the college library was renamed "Berry Baker" due to his strong support for the college and its mission. He served in the Army during World War II and was a committed community volunteer, serving as Chairman of the Board of Trustees of the Air Force Museum Foundation and on the Boards of Trustees of the University of Dayton and The Ohio State University and The Ohio State University Foundation. He was also a member of the Dayton Chamber of Commerce, Dayton Urban League and Junior Achievement of Dayton and Miami Valley.

Mr. Berry received several honorary degrees, including Doctor of Laws from Dartmouth College, Doctor of Humane Letters from University of Dayton, Doctor of Public Service from Rio Grande College, and Doctor of Business Administration from the Ohio State University. He also received the Everett D. Reese Medal from The Ohio State University in recognition of his service.

Those who knew John Berry knew him as a remarkably successful entrepreneur and a community leader. But they also knew that nothing was more important to him than his family. He is survived by his wife, Marilynn; five sons: George, John Jr., David, Richard, and Charles; two daughters: Vickie and Lynne; and 18 grandchildren. John Berry was the quintessential American success story, but also had a quintessential American spirit of giving back to his country. He will be missed by all.

TRIBUTE TO DANIEL C. PREECE

HON. BRAD SHERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. SHERMAN. Mr. Speaker, I rise today to pay tribute to Daniel C. Preece, for his leadership and effort to improve the quality of life in our community. Daniel is a determined, hard working individual who has dedicated 25 years of invaluable service to the California Department of Parks and Recreation.

There are many areas in California of immense natural beauty that are designated as sanctuaries where plant and wildlife can live in an undisturbed, harmonious environment. Mr. Preece has dedicated tireless hours upon hours of service to preservation of State Parks all over California, and has much to show for his devoted career.

Daniel first responded to his calling in 1972 with a nine month training course at the California State Park Training Center and the Regional Criminal Justice Training Center. Mr. Preece then served as a Park Ranger in the County of Orange, and later as a Supervising Ranger at San Clemente State Beach.

Two years later Daniel began a ten year commitment as an Associate Park and Recreation Specialist. As a Specialist, he worked as a liaison between Director of State Parks and the California State Parks Foundation, and other groups. Highlighting this period, Daniel served for two years as the Supervisor for the California Statewide Recreation Needs Analysis, and for six years as the Grants Administrator for Federal Land and Water Conservation Fund and the California State Parks Bond Programs.

Feeling the need for a new challenge, Daniel moved on to become the District Superintendent for the Gaviota District in 1984. During his five year tenure at this position, he played an instrumental role in the acquisition and development of park lands and facilities, and the historic restoration at El Presidio de Santa Barbara. He also worked to minimize the impact of major oil production and transportation on state parklands, resources and visitors.

Currently, Daniel is the District Superintendent and Deputy Regional Director for Los Angeles and the Santa Monica Mountains and Los Angeles District. As District Superintendent, Mr. Preece oversees thirty-five units of the California State Park System, including Red Rock Canyon, Malibu Creek and Leo Carrillo State Parks. During this period, which began in 1989, Daniel has helped to add over 20,000 acres to the Santa Monica and Los Angeles Mountains District, has opened numerous centers for public use, has developed nature preservation programs and has worked to better the relationship between State Parks and their neighbors. He has also sat on numerous boards and teams, including the Santa Monica Bay Restoration Project.

Mr. Speaker, distinguished colleagues, please join me in paying tribute to Daniel C. Preece. He has shown an unwavering commitment to the community and deserves our recognition and praise.

CONSTITUTIONAL AMENDMENT RESTORING RELIGIOUS FREEDOM

SPEECH OF

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1998

Mr. SERRANO. Mr. Speaker, I rise in strong opposition to H.J. Res. 78, the Religious Freedom Constitutional Amendment. I reject this measure because it is intended to destroy the delicate balance of church-state relations in America. The so-called Religious Freedom Amendment is fraudulently labeled and it would obliterate the Founders' vision, expressed in the First Amendment, of a tolerant nation where religion can flourish in the absence of excessive government entanglement. There are few passages in the Constitution more central to the premises of this country's establishment than the 10 words that open the First Amendment: "Congress shall make no law respecting an establishment of religion * * *" Americans already enjoy the liberty to worship freely and of not having to participate in religious activities in which they do not believe. And, they have the liberty not to have their taxes pay for religious instruction with which they might disagree. These are the freedoms that would fall if the Istook amendment were passed. Clearly, a proposal to offer schools and governments a role in determining how Americans worship is dangerous and unnecessary. Perhaps, we should more appropriately label this the Religious Freedom Stripping Amendment!

The Istook amendment is dangerous, because it aims to create a new right to practice religion in public institutions and on government property. It would permit inherently coercive programs of group prayer in public schools and mandate use of public funds to support private religious schools and other religious programs. It would also allow government officials, including teachers and judges, to display religious symbols in classrooms, courtrooms or other public spaces and communicate their personal religious beliefs while on the job, say by reciting a prayer at the beginning of a public school class or legal proceeding. The religious right in this country and, specifically, the Christian Coalition argue passionately about the need for prayer in school as a way to unite the nation in the face of racism, yet nothing currently bars students from praying voluntarily in school so long as they do not interfere with classes or commandeer a captive audience of other students. Moreover, it is hard to think of anything more divisive than putting the Federal and state governments in a position to favor one religion over another, as the amendment would do by granting officials the right to display religious material and channel tax dollars to religious programs.

The amendment rests on the false premise that neither the Constitution nor current law adequately protects religious expression or permits religiously affiliated groups to play a role in delivering secular services with public funds. However, recent court decisions have reaffirmed the equal right of private citizens to erect religious symbols in public areas and to have access to public facilities for religious activities. Religion has not been shut out of the public square but is an active voice in American culture. Students already enjoy many opportunities for religious expression within the school environment, including the opportunity to pray and read the Bible privately, say grace at lunch, distribute religious materials to their friends and join voluntary religious clubs. Two documents outline students' rights to religious expression: Religion in the Public Schools: A Joint Statement of Current Law and the U.S. Department of Education's guidelines on religious expression. Under current law, organizations that are religiously affiliated, but not pervasively sectarian, can and do receive government grants for secular social programs as long as they do not advance religion or discriminate on the basis of religion.

In short, Mr. Speaker the Istook amendment is dangerous and unnecessary. I urge my colleagues to reject the needless Istook amendment and preserve real religious freedom.

IN HONOR OF LOIS BEAUBIAN

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. DIXON. Mr. Speaker, I rise today with great pleasure to honor and acknowledge my friend Lois Beaubian for her distinguished career and her contributions to family and community. On June 26, 1998, Lois will retire as Principal of Saturn Street Elementary School in Los Angeles, culminating an illustrious career. I thank you, Mr. Speaker and esteemed colleagues, for joining me in commemorating this occasion.

Lois Beaubian—a longtime resident of Los Angeles—embarked on her path of lifetime achievement in 1954, graduating from Manual Arts High School. Following high school, Lois worked for Golden State Mutual Life Insurance Company, and received a scholarship through the firm to continue her education. While a full-time employee of Golden State, Lois studied education at California State University, Los Angeles.

After her graduation from Cal State, L.A. in 1965 with a bachelor of arts degree in Education, Lois began her career in education. Her first position was as a teacher at Wadsworth Avenue Elementary School. Through her experience as a teacher, Lois developed an interest in educating students with special needs. Lois continued her education while working as a teacher and earned a masters degree in Special Education from California Lutheran College in 1983.

Lois Beaubian taught at a number of Los Angeles schools, including Western Avenue Elementary, Marvin Elementary, and Crenshaw High School. In 1985, Lois took her expertise into school administration as an Administrative Assistant at Carver Junior High School. From 1986–88, Lois served over 55,000 Los Angeles Unified School District students as manager of the compensatory education program. In 1988, she assumed the position of Assistant Principal of Manchester Elementary. Lois Beaubian began her tenure

as Principal of Saturn Street Elementary School in 1992. Throughout her career, Lois developed a reputation as a warm, caring, and effective teacher and administrator. As Principal of Saturn, she inaugurated a computer technology program that is a permanent tribute to her commitment to assuring the future success of her students.

Lois is active in a number of community and professional organizations. She has served as a career instructor for the Los Angeles Urban League, as President of Women Aware, as Grammateus of Alpha Kappa Alpha, and as a member of the NAACP. Lois also is an Elementary Consultant to the Children's Discovery Centers of America, a member of the Associated Administrators of Los Angeles, and the Council of Black Administrators.

Lois and George Beaubian have been partners in life for 39 years and instilled in their children great self confidence and intellectual curiosity. Lois and George are now the proud grandparents of Britt, Jacqueline's son.

Mr. Speaker, I congratulate Mrs. Lois Beaubian on her long-time commitment to the education of our children, her service to our community, and her dedication to her family. I ask my colleagues to join me in congratulating her and extending our best wishes to her and George for many years of good health and prosperity.

MARKING THE DEDICATION OF THE BAKERSFIELD POLICE MEMORIAL

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. THOMAS. Mr. Speaker, last month we observed Law Enforcement Officers Memorial Week, seven days set aside to honor the courageous men and women who gave their lives protecting us and upholding the law. Last month, I was proud to vote for House Resolution 422 which states that law enforcement officers who have died in the line of duty should be honored, recognized, and remembered for their great sacrifice. Today I rise to help pay tribute to the law enforcement officers who died while serving Bakersfield, California.

With all of the advances that have been made in the field of American law enforcement this century, one sad and sobering fact remains the same: police officers are often killed in the line of duty. On May 15, the Bakersfield Police Department dedicated a monument to honor the law enforcement officers who sacrificed their lives for the safety and well-being of the people of Bakersfield over the past century.

Of great men, Ralph Waldo Emerson once said "brave men who work while others sleep, who dare while others fly . . . they build a nation's pillars deep and lift them to the sky." The names which have been etched on this memorial will be an eternal reminder of the seven brave men who lost their lives daring to protect the people of Bakersfield.

Mr. Speaker, it is with great pride that I pay tribute to the law enforcement officials in Bakersfield who died in the line of duty: T.J. Packard, Frank Sparks, Aaron A. Trent, Floyd B.D.W. Cummings, William L. Rucker, Patrick D. Vegas, and William L. Sikola. The somber black granite monument will be a lasting tribute to these individuals who put the safety of the community ahead of their own. I am proud to live in a town which has chosen to honor its fallen police officers in such a fitting and lasting manner.

A TRIBUTE TO LOUISVILLE MALE HIGH SCHOOL WE THE PEOPLE . . . THE CITIZEN AND THE CONSTITUTION

HON. ANNE M. NORTHUP

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mrs. NORTHUP. Mr. Speaker, I rise today to recognize a talented and motivated group of young people, who competed in the national finals of the We the People . . . The Citizen and the Constitution program in early May.

I am pleased to recognize the class from Male High School in Louisville, which represented the state of Kentucky in this national event. These young scholars worked diligently to reach the national finals by winning competitions in their home state and did a wonderful job at the national event.

The We the People . . . The Citizen and the Constitution program is the most extensive educational program in the country, developed specifically to educate young people about the Constitution and the Bill of Rights. The three-day national competition simulates a Congressional hearing in which students demonstrate their knowledge as they defend positions on historical and contemporary constitutional issues.

Administered by the Center for Civic Education, the We the People . . . program has provided curricular materials at upper elementary, middle and high school levels for more than 75,000 teachers and 24 million students nationwide.

In a time when the public is often disenfranchised with the political system, when public cynicism and apathy are fueled by media that love nothing more than a story of sin and corruption, this program is instilling in young people a sense of understanding and civic duty.

It is an honor for me to recognize this group of shining, young Kentuckians: Angela Adams, Perry Bacon, Katherine Breeding, Will Carle, Eric Coatley, Courtney Coffee, Brian Davis, Mary Fleming, Matt Gilbert, Amanda Holloway, Holly Jessie, Heath Lambert, Gwen Malone, Kristy Martin, Brian Palmer, Lauren Reynolds, Shane Skoner, LaVonda Willis, Bryan Wilson, Darreshia Wilson, Beth Wilson, Janelle Winfree, Treva Winlock and Jodie Zeller.

I am thrilled Male High School once again represented my home state of Kentucky in national competition. The student team worked diligently and demonstrated a remarkable understanding of the ideals of our government during the national competition in Washington, DC. I am proud of the students and their teacher, Sandy Hoover, and would like to extend my sincere congratulations for their success.

SIGNS DESIGNATING RONALD REAGAN NATIONAL AIRPORT

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. YOUNG of Alaska. Mr. Speaker, I rise today to introduce a simple bill—a bill to protect the good name of one of America's greatest Presidents, Ronald Reagan.

On February 4 of this year, Mr. Speaker, this body and the other body both overwhelmingly passed legislation renaming National Airport after Ronald Reagan. President Clinton signed the bill into law on February 6, President Reagan's 87th birthday.

Nevertheless, the National Park Service has announced that it intends to thumb its nose at the will of Congress and the President by erecting signs on the George Washington Memorial Parkway that omit President Reagan's name.

This bill prohibits such a move, and requires new signs that use the correct name of the airport. And, if the Park Service decides to go ahead with its plan to thwart the will of Congress, then we will require the signs to be replaced, with the funds coming out of the budget of the director of the National Park Service.

Ronald Reagan is an American hero. Mr. Speaker, the Park Service must not be allowed to rob him of any part of his tremendous legacy.

Mr. Speaker, I insert a copy of the bill for the RECORD:

H.R. —

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 "Ronald Reagan National Airport Preservation and Protection Act of 1998".

SEC. 2. FINDINGS.

The Congress finds that—

(a) Ronald Reagan is an American hero deserving of recognition;

(b) the will of the Congress to honor President Reagan was clearly expressed when both Houses overwhelmingly passed legislation changing the name of "Washington National Airport" to "Ronald Reagan Washington National Airport" on February 4, 1998;

(c) the will of President Clinton to honor President Reagan was clearly expressed when he signed such legislation into law on February 6, 1998, the 87th birthday of President Reagan;

(d) notwithstanding the fact that the will of the Congress and the President had been clearly expressed through passage of such legislation and signing such legislation into law, the National Park Service (NPS) has recently announced that it intends to erect new signs on the George Washington Memorial Parkway directing motorists to Ronald Reagan National Airport that omit Ronald Reagan's name.

SEC. 3. PROHIBITION OF SIGNS OMITTING RONALD REAGAN'S NAME.

(a) Notwithstanding any other provision of law, the Director of the National Park Service—

(1) shall not erect any new signs on, near, or adjacent to the George Washington Memorial Parkway in Northern Virginia, Maryland, the District of Columbia, or elsewhere,

displaying the name "National Airport", but omitting the name "Ronald Reagan.".

(2) shall, on or before August 5, 1998, replace all signs on, near, or adjacent to the George Washington Memorial Parkway in Northern Virginia, Maryland, the District of Columbia, or elsewhere, displaying the name "National Airport" with signs prominently displaying the name "Ronald Reagan National Airport."

(3) shall fund the replacement pursuant to subsection (2) of any signs that had been erected after February 4, 1998, entirely out of the budget of the Director of the National Park Service.

TRIBUTE TO RANCE LEADERS OF BATTLE CREEK, MICHIGAN

HON. NICK SMITH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. SMITH of Michigan. Mr. Speaker, I wanted to take a moment today to point out to my colleagues someone in my district who epitomizes the dedication and commonsense leadership we all should value in our local government officials. On Friday, June 12, 1998, Rance Leaders will retire as City Manager of Battle Creek, Michigan, after serving with distinction for 10 years. Today, our community will salute Mr. Leaders with a gala retirement celebration for his years of service to Battle Creek.

Mr. Leaders has served the people of Battle Creek, Michigan, for 18 years, first starting as Assistant City Manager in 1980. When Gordon Jaeger retired in 1988, the City Commission, then led by Mayor Al Bobrofsky, selected Mr. Leaders as Battle Creek's City Manager, effective June 1, 1988. Rance served our country in the United States Marine Corp during the Vietnam Conflict and also worked for the U.S. Department of Housing and Urban Development prior to working for the city of Battle Creek.

Tonight's salute, dubbed "Operation Compass," honors an outstanding leader in the community. I wholeheartedly believe that Mr. Leaders is deserving of such recognition for its leading role in revitalizing Battle Creek—the best-known city of its size anywhere in the world.

Mr. Speaker, as you know, I'm pretty proud of Battle Creek. The town, as millions of Americans know, is affectionately called the "Cereal City," because it is the birthplace of modern breakfast cereal. It was once home to over 100 cereal companies and today is home of the world headquarters of the Kellogg Company.

Mr. Leaders has been a key catalyst for many positive changes within the City. He has worked to create better partnerships with regional units of government and most of all among the citizens of Battle Creek. Today, according to some surveys, citizens' trust in city government has risen from 45 percent in 1990 to 83 percent in 1997. One of his favorite sayings might be one any leader should remember—especially here in Congress—"None of us is as smart as all of us."

Rance worked to strengthen Battle Creek's global reputation by working in collaboration with all parties to continue to attract business to Battle Creek's Fort Custer Industrial Park. Most recently, I was honored to join city officials as Western Michigan University opened its elite International Pilot Training Center in Battle Creek to train airplane pilots from all over the world.

Rance also worked on several projects including the Emmett Street overpass, Full Blast, a premier youth recreation facility, removal of the pedestrian mall to increase economic development in the downtown area, and most recently, Kellogg's Cereal City U.S.A., a museum recognizing Battle Creek's breakfast cereal heritage.

I personally have had the pleasure of working closely with Rance Leaders since 1993 when the Department of Defense sought to close several agencies at the Federal Center located in downtown Battle Creek. Rance helped us convince the Department of Defense that the work performed at the facility was cost-effective and at a lower cost than that cited by the federal government. Because of our coalition's efforts, the Federal Center remains in Battle Creek and its operations are expanding.

As other cities have faltered, the transformation that Battle Creek has experienced over the last 10 years is nothing short of miraculous. Rance Leaders deserves much praise and recognition for his accomplishments. And there is so much more that I could highlight. But perhaps it will suffice to say that Rance Leaders truly exemplifies the spirit of Battle Creek, a city that will continue to thrive due in no small part to his efforts.

Mr. Speaker, for all of these reasons, and on behalf of the citizens of Battle Creek, I am very proud to offer this tribute to Rance Leaders, retiring City Manager of Battle Creek, Michigan. I know that Rance enjoys sailing and may take some time to explore other areas of our world. But all of us hope he stays anchored in Battle Creek.

Thank you, Rance, and good luck. Bonnie and I wish you the very best.

PERSONAL EXPLANATION

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. SERRANO. Mr. Speaker, last evening, I was inadvertently delayed in my office and missed the vote on H. Con. Res. 285, a resolution expressing the sense of Congress that the President should reconsider his decision to be received in Tiananmen Square when he visits the People's Republic of China.

Had I been present, I would have voted against the resolution. I fully believe that if the United States is to exercise leadership in the world and, particularly, to influence other governments to adopt policies we support on issues such as human rights, we must be engaged with those governments. This includes exchanging visits, but a resolution urging the President to insult his hosts by refusing to be received where all national leaders are received comes pretty close to telling the President not to go to China at all.

Indeed, Mr. Speaker, I would go a step farther. China is not the only nation with which we should be engaged. I look forward to the day when our policies toward Cuba will make possible an American President's visit there, and, when that day comes, I will be happy to support a resolution calling on the President to be received in the Plaza of the Revolution in Havana.

TRIBUTE TO RABBI HAROLD AND MALKAH SCHULWEIS

HON. BRAD SHERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. SHERMAN. Mr. Speaker, I rise today to pay tribute to Rabbi Harold and Malkah Schulweis, two extraordinary individuals who have, throughout their 50 years of married life, dedicated themselves to strengthening our community.

The Talmud tells us that, "Great is charity. It uplifts the soul." By giving selflessly of their time, Rabbi and Mrs. Schulweis have not only enriched the lives of those around them, but they have also strengthened the bond of love that exists and continues to grow between them. They have challenged all of us who live in the San Fernando Valley to live ethical and moral lives, embrace their warm spirituality and their commitment to education and personal growth. For their efforts, Rabbi and Mrs. Schulweis will be honored by Valley Beth Shalom, their temple of over 25 years, as Couple of the Year at the Temple's annual awards gala. This honor is well deserved.

For over 45 years, Rabbi and Mrs. Schulweis have dedicated themselves to teaching others about religion, culture and life in general. Privately, they have created a Jewish home which is caring, compassionate and alive with moral and intellectual dialogue. Publicly, they have "sounded the call," challenging their fellow congregation members to study and share in their love of knowledge.

But this dedication to others has not been bound by temple walls. Together, Rabbi and Mrs. Schulweis have coordinated a number of innovative community outreach programs, among them the Valley Beth Shalom Counseling Center, Food Bank, Prayer and Theological Commission, Day School, and Outreach to Jews By Choice as well as the now national Synagogue Havurah Program. Together, they have opened their hearts to all members of the community, regardless of race, creed, color, or gender. They have been shining examples of love and unconditional acceptance of others in our community. And it is this love between this remarkable couple that I wish to honor today. May their happiness continue to grow as it has through their first 50 years of marriage.

Mr. Speaker, distinguished colleagues, please join me in paying tribute to Rabbi Harold and Malkah Schulweis for their controlled efforts to strengthen our community and the example of love for one another that they continue to set for each and every one of us to follow.

COMMENDING TOM CONLAN

HON. ROB PORTMAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. PORTMAN. Mr. Speaker, I rise today to commend a leader in the Cincinnati community, Mr. Tom Conlan. On June 15, Tom will receive the Peace of the City Award from the Jewish Community Relations Council of Cincinnati. This award is presented annually to citizens who contribute greatly to the life of their community and whose lives are dedicated to creating a fair, equitable and just society for all.

Throughout his life, Tom has assisted others through his professional career and charitable activities. Tom's professional career has included financial analysis and feasibility of higher education, energy, housing and health care. For example, he has served as executive director of the Ohio Energy Advisory Committee, where he spearheaded the development of the Winter Heating Assistance Program.

Importantly, Tom and his father co-founded Student Loan Funding in 1981, an organization dedicated to ensuring access to higher education in Ohio and throughout the nation. Over the past 17 years, Student Loan funding has helped over 600,000 students achieve their dreams of higher education with more than $4 billion in financial aid.

Most recently, Tom demonstrated his commitment to education through the formation of the Thomas L. Conlan Education Foundation, named after his late father. It is dedicated to supporting education access through grants, research and advocacy. With approximately $100 million in assets, the Foundation will be one of the premier education support organizations in Ohio.

Tom's charitable activities have included service on the Boards of the Hamilton County Alcohol and Drug Addiction Services, the National Underground Railroad Freedom Center, the Queen City Foundation, the Greater Cincinnati Tall Stacks Commission and the Catholic Big Brothers Association of Cincinnati.

The Peace of the City Award is a well-deserved recognition for a man whose efforts have significantly increased educational attainment in Ohio, and whose community involvement has contributed to the quality of life in Greater Cincinnati.

COMMEMORATING 50 YEARS OF RELATIONS BETWEEN THE UNITED STATES AND THE REPUBLIC OF KOREA, H. RES. 459

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. GILMAN. Mr. Speaker, I am proud to introduce today a Resolution commemorating 50 years of relations between the United States and the Republic of Korea. It is right and fitting that the House of Representatives makes note of the special relationship that the United States and the Republic of Korea have shared since 1948—nearly half a century.

The introduction of this Resolution also marks the visit of South Korean President Kim Dae-jung to the United States and to Capitol Hill next week on June 10th where he will address a joint session of the Congress.

I congratulate President Kim and the people of South Korea on the most recent presidential elections and their strong commitment to democratic principles and practices. President Kim's visit provides a unique opportunity for the United States and the Republic of Korea to renew their commitment to cooperate on issues of mutual interest and concern.

Though the United States and South Korea are literally an ocean apart, the large Korean-American community—of almost two million—has immeasurably enriched the social and cultural fabric of the United States and serves as a sturdy bridge of friendship between the two countries.

The United States has important strategic, economic and political interests at stake in Northeast Asia and maintaining stability remains an overriding U.S. security concern in the region. South Korean soldiers have stood shoulder to shoulder with American troops on the battlefields of Korea and Vietnam to protect and advance these mutual interests.

Today, South Korea remains an important partner and ally in guarding the peace and maintaining stability in Northeast Asia. To support these objectives, 37,000 American servicemen and women are stationed in South Korea protecting freedom and democracy which is threatened on a daily basis by the communist government and armed forces of the Democratic People's Republic of Korea (DPRK).

The United States is pleased with the flourishing of democracy in South Korea. It is hoped that the Republic of Korea will serve as an example to others in the region and will encourage progress in the furthering of democratic principles and practices, respect for human rights, and the enhancement of the rule of law.

I am confident that despite current economic uncertainties, the Republic of Korea will weather the troubles plaguing Asia and emerge even stronger than before.

The Congress looks forward to a broadening and deepening of friendship and cooperation with the Republic of Korea in the years ahead for the mutual benefit of the peoples of the United States and the Republic of Korea.

I am pleased to have this opportunity to introduce the legislation and I invite my colleagues in the House of Representatives to support this Resolution commemorating the distinctive ties between the peoples and the governments of these two great nations.

I include the entire text of H. Res. 459 for insertion at this point in the RECORD:

H. RES. 459

Whereas the Republic of Korea was established 50 years ago on August 15, 1948;

Whereas the United States and the Republic of Korea have long had a close relationship based on mutual respect, shared security goals, and common interests and values;

Whereas the United States relies on the Republic of Korea as a partner and treaty ally in fostering regional stability, enhancing prosperity, and promoting peace and democracy;

Whereas the American military personnel who are, and have been, stationed on the Korean Peninsula have been key in deterring armed aggression for more than 4 decades;

Whereas South Korean soldiers fought alongside American troops on the battlefields of Korea and Vietnam;

Whereas the Republic of Korea has embraced economic reform and free market principles in response to current economic circumstances;

Whereas the Republic of Korea is an important trading partner of the United States, the recipient of significant direct American investment, and a prominent investor in the United States;

Whereas the large Korean-American community has made significant contributions to American society and culture;

Whereas the people of the Republic of Korea have demonstrated their strong commitment to democratic principles and practices through free and fair elections; and

Whereas the state visit of President Kim Dae-jung to the United States offers the people of the United States and the people of South Korea an opportunity to renew their commitment to international cooperation on issues of mutual interest and concern: Now, therefore, be it

Resolved, That the House of Representatives—

(1) congratulates the Republic of Korea on the 50th anniversary of its founding;

(2) commends the people of the Republic of Korea on the peaceful democratic transition that has taken place during the most recent Presidential elections;

(3) supports the government of President Kim Dae-jung as it takes appropriate measures to address the problems in the Korean economy;

(4) confirms that the question of peace, security, and reunification on the Korean Peninsula is, first and foremost, a matter for the Korean people to decide and that the Four-Party Peace Talks complement direct North-South dialog; and

(5) looks forward to a broadening and deepening of friendship and cooperation with the Republic of Korea in the years ahead for the mutual benefit of the people of the United States and the people of the Republic of Korea.

REMEMBERING THE LIFE AND COMMITMENT OF ROBERT F. KENNEDY ON THE 30TH ANNIVERSARY OF HIS DEATH

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. LANTOS. Mr. Speaker, I invite my colleagues to join me in paying tribute to the memory of one of our Nation's most compassionate and principled leaders—Robert Francis Kennedy, who was assassinated thirty years ago today. He served our country as Attorney General and United States Senator, but his legacy cannot be measured by mere titles and offices; rather, his greatness can only be understood by understanding the uncompromising morality of his political philosophy, his

devotion to the most downtrodden in our society, and the intellectual eloquence of his efforts to communicate their needs to the rest of the American community.

Robert F. Kennedy believed that one person, standing alone and guided only by the courage of his or her convictions, could move metaphorical mountains. His inspirational words to the oppressed black people of South Africa, spoken 32 years ago today, capture this spirit. They apply not just to those who were fighting against the brutal racism of apartheid, but to all of us. These words apply in particular to the life of Robert F. Kennedy.

Few will have the greatness to bend history itself; but each of us can work to change a small portion of events, and in the total of all those acts will be written the history of this generation. * * * It is from numberless diverse acts of courage and belief that human history is shaped. Each time a man stands up for an ideal, or acts to improve the lot of others, or strikes out against injustice, he sends a tiny ripple of hope, and crossing each other from a million different centers of energy and daring those ripples build a current which can sweep down the mightiest walls of oppression and resistance.

Robert F. Kennedy rode the crest of an immense wave, serving as the nucleus of so many great progressive causes that marked the 1960's and helped mold a more just society, one less encumbered by bigotry, poverty, and apathy. His numerous lofty causes reflected these high ideals.

Senator Kennedy fought for civil rights with a moral intensity rarely matched by the most legendary of noble crusaders. During his visit to South Africa, a land fractured by the scourge of apartheid, he addressed the most controversial questions with the absolute certainty of a man driven by the righteous rectitude of his cause. When asked at the University of Witwatersrand to respond to charges that blacks were too barbarous to be entrusted with power, he replied: "It was not the black man of Africa who invented and used poison gas and the atomic bomb, who sent six million men and women and children to the gas ovens." He condemned the race-baiting leaders of South Africa to their faces, leaving no doubt about the moral degeneracy of their policies.

Robert F. Kennedy's quest for human rights was felt most strongly by his own countrymen. As Attorney General, he did not hesitate to stare down Southern governors who attempted to curry favor with the Ku Klux Klan by denying justice and opportunity to minorities. He sent federal marshals to integrate the University of Alabama, the University of Mississippi and other public institutions, withstanding vicious personal attacks against him in order to break down centuries-old barriers of hatred. As a United States Senator, he worked diligently to pass a wide array of civil rights legislation, including the Voting Rights Act of 1965. And as a presidential candidate in 1968, he uttered the following words to a crowd of black men and women in Indianapolis as he informed them of the tragic death of Rev. Martin Luther King, Jr.:

What we need in the United States is not division; what we need in the United States is not hatred; what we need in the United States is not violence or lawlessness, but love and wisdom, and compassion toward one another, and a feeling of justice toward those who will suffer within our country, whether they be white or they be black.

These were the words of a man who had known great pain after the assassination of his brother, but had overcome his hatreds to strive for a greater cause. His words touched the audience and helped to ease their immense pain at the loss of their leader.

Senator Kennedy's devotion to America's underprivileged extended to those whose problems were economic as well as social. He spoke with sharecroppers in Mississippi, hungry families in Appalachia, dispossessed Indian youths on the reservations, and migrant workers in California. He listened rather than preached to them, grasping their pain and fighting with them to ease it. Kennedy understood their longing for self-sufficiency, not government handouts. He campaigned tirelessly to provide a platform from which they could rise above their hellish circumstances: investment in impoverished cities and towns, comprehensive welfare reform (decades ahead of its time), strong advocacy for the expansion of educational opportunity, and the implementation and enforcement of labor laws to protect abused workers and, especially, exploited children.

Kennedy believed most passionately in the need to provide a better society for these young people: on the opening page of his 1967 book "To Seek A Newer World," he quoted the French intellectual Albert Camus: "Perhaps we cannot prevent this world from being a world in which children are tortured. But we can reduce the number of tortured children. And if you don't help us, who in the world can help us do this?" Kennedy's disgust at the mistreatment of children is most movingly shown by the story of a trip to a migrant worker camp in upstate New York in 1967. The noted historian Arthur M. Schlesinger, Jr., recorded an account of this visit in his biography "Robert Kennedy And His Times."

* * * The owner's sign warned: ANYONE ENTERING OR TRESPASSING WITHOUT MY PERMISSION WILL BE SHOT IF CAUGHT. This discouraged most of the party. Kennedy, head down, kept walking. He found three migrant families living in an old bus with the seats ripped out. Inside he saw six small children, their bodies covered with running sores. The stench was overpowering * * *. Cardboard covered the windows of the next bus, where a child played forlornly on a filthy mattress. 'As Kennedy looked down at the child,' reported Jack Newfield, 'his hands and his head trembled in rage. He seemed like a man going through an exorcism.' The owner, as billed, had a gun. 'You had no right to go in there,' he said. . . . Kennedy replied in a whisper, 'You are something out of the 19th century. I wouldn't let an animal live in those buses. . . .'' Once back in the twentieth century, Kennedy demanded that [New York Governor Nelson] Rockefeller investigate health conditions in the camps and called on labor leaders to organize the migrants.''

Mr. Speaker, we will never know for certain the impact that Robert Kennedy might have had upon our country as President of the United States, but I believe it fair to speculate that fewer children would live in abandoned buses today if his boundless compassion and his energetic commitment had become a driving force behind our government.

This love of children was the source of his desire to improve the quality of our nation's schools. I once had the privilege of working with him on this all-important issue. As a young professor of economics and as a member of the Millbrae, California, school board, I was invited by Senator Kennedy's Committee to testify on the merits of the Elementary and Secondary Education Act. Senator Kennedy's inciteful questioning reflected an unencumbered devotion to ensuring that all children, regardless of their race, ethnicity, geographic or economic circumstances, had access to a top-notch education that would prepare them to access unlimited opportunities.

Senator Kennedy's feelings for young people also led him to his principled stand against the Vietnam War. A committed anti-Communist whose belief in civil liberties mandated his abhorrence of collectivist oppression, Robert Kennedy was a key participant in the dealings with Nikita Khrushchev and Fidel Castro during the Cuban Missile Crisis. By the mid-1960's, however, he realized that the Johnson Administration's Vietnam policy would do little to curb Communism despite its sacrifice of thousands and thousands of young American men. Kennedy did not shy away from communicating his deep emotions regarding this loss. He once said:

Our brave young men are dying in the swamps of Southeast Asia. Which of them might have written a poem? Which of them might have cured cancer? Which of them might have played in a World Series or given us the gift of laughter from the stage or helped build a bridge of a university? Which of them would have taught a child to read? It is our responsibility to let these men live. * * * It is indecent if they die because of the empty vanity of their country.

Kennedy loved his country and all of its people, but he was not afraid to be unpopular if it meant doing what he felt was right.

Mr. Speaker, Robert F. Kennedy's life was cut short by an assassin's bullet 30 years ago today, and with his passing America lost one of its most brilliant and compassionate leaders. Many of his gifts, however, live on to this day. His invaluable contributions to civil rights, economic justice, and a moral and principled foreign policy will not be erased from our consciousness. Robert F. Kennedy's children have followed their father's example by their commitment to public service, and I am proud to have worked for the last twelve years with his oldest son, Rep. Joseph Kennedy, Jr., a dear friend and tireless advocate for human rights and the underprivileged.

I invite my colleagues to join me in remembering Robert F. Kennedy. I pray that we all let his moral courage guide our public service, and that we ensure that his lessons will never be forgotten.

TRIBUTE TO L'ANSE CREUSE MIDDLE SCHOOL SOUTH

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. BONIOR. Mr. Speaker, education is a lifelong commitment and adventure. As children and adults, we all have reaped the benefits of our teachers' and school administrators'

dedication. That is why each year, the United States Department of Education awards a selection of secondary schools with the Blue Ribbon Schools Award. This year, one hundred and sixty-six schools will be presented with the honor. We, in Macomb County, are proud of the fact that one of our own—L'Anse Creuse Middle School South—has been chosen to receive this important award this year.

As you walk into L'Anse Creuse Middle School South, a banner greets you with the words, "This is our village, these are our children. Love them, teach them, guide them." These are not merely words decorating a hallway. They symbolize the dedication that the staff feels for their students. As a recipient of the 1998 Blue Ribbon School Award, L'Anse Creuse Middle School South has worked hard to create a supportive educational environment for their students.

In 1975, L'Anse Creuse Middle School South opened its doors to students in Harrison Township, Michigan. Within the walls of Middle School South, an emphasis has been placed on academic success and self-esteem. The highly trained teaching staff is committed to working with each student as an individual. It is cooperation and respect between the staff and students that makes L'Anse Creuse Middle School South an exciting environment in which to learn and grow.

Each fall, for the past twenty-three years, students have entered the doors of L'Anse Creuse Middle School South to find a nurturing environment in which to learn. As a Blue Ribbon School, Middle School South is a working example for other schools to follow. I am proud to honor the achievements of the students and staff at L'Anse Creuse Middle School South.

HONORING MR. JIM BILL McINTEER FOR HIS 77TH BIRTHDAY, AND FOR THE 60TH ANNIVERSARY OF 21ST CENTURY CHRISTIAN

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. CLEMENT. Mr. Speaker, I rise today in honor of Jim Bill McInteer for his 77th birthday, and for the 60th anniversary of 21st Century Christian. This powerful, religious periodical, which humbly originated out of the home of M.N. Young, Sr., in 1938, is now in circulation to more than 6,000 people.

Mr. McInteer, who began his service with 20th Century Christian in 1947, working as a business manager, has been afforded the privilege to see this vehicle for Christ not only reach its 60th year of service, but also has been fortunate enough to stand at the helm, as this magazine now prepares itself for the new millennium—thus the name change to 21st Century Christian.

But more outstanding than recognition, medals or fame is the story of how Jim Bill McInteer, M. Norvel Young, Winston Moore and several others courageously worked with this organization in its early stages, while having to overcome a mountain of adversity. They relentlessly pursued a way to relate the Gospel to the lives of people everywhere. And, of course, they faced the financial realities of such a venture, which would constantly whisper discouragement to them.

Yet, these Christian leaders were equipped with an extraordinary amount of faith and fortitude, desiring to see "New Testatment Christianity" brought to the forefront of the modern age. They would work tirelessly knowing that many hurting people had a dire need to read and be encouraged by the Gospel.

As a result of the determination of Jim Bill McInteer and his partners, the 20th Century Christian magazine grew beyond its humble beginnings under the steps of the David Lipscomb College auditorium to a brand new 22,000 square-foot facility equipped with a bookstore, a warehouse filled with thousands of useful Christian books, Bibles and Christian curriculum materials.

Thanks to the services of the men and women at 21st Century Christian, the good news of the Gospel has reached and continues to reach the lives of many families all throughout Tennessee.

And I reserve a special "thank-you" to Jim Bill McInteer, whose visionary leadership and unselfish Christian service will have a far greater impact than his eyes will ever see. May God continue to shine upon his life, family and service as He has for the past 77 years. And may the future receivers and readers of 21st Century Christian literature forever be touched with the encouragement and inspiration that it has already brought to the lives of so many others.

THE STUDENT WINNERS OF THE 1998 EXPLORAVISION AWARDS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. BROWN of California. Mr. Speaker, for the recognition of their achievement, I am inserting into the RECORD the names of the student winners of the 1998 ExploraVision Awards:

1998 FIRST PLACE FINALISTS

Holmes Elementary School, San Diego, CA; Grade Level: K–3; Project: Finders Keepers; Students: Ashlyn Hrenko, Rachel Sampson, Tyler Santander; Teacher Advisor: Diana Celle; Community Advisor: Steve Celle.

Pickens Academy, Carrollton, AL; Grade Level: 4–6; Project: Operation Odor Eater; Students: Wetherly Collins, Maggie King, William Webb Lavender; Teacher Advisor: Nita Bailey; Community Advisor: Natalie Lavender.

Kate Collins Middle School, Waynesboro, VA; Grade Level: 7–9; Project: In Vivo Cartilage Implants: The Technological Application of Tissue Engineering to Regenerate Articular Cartilage; Students: Andrew Humphries, Lauren Preski, Kristen Burgess, Elizabeth Anderson; Teacher Advisor: Dr. John E. Pierce; Community Advisor: David A. Burgess, MD.

University of Detroit Jesuit High School and Academy, Detroit, MI; Grade Level: 10–12; Project: SMAART: Shape Memory Alloys in Airplanes Reduce Turbulence; Students: Brett Lee, Joseph Oravec, William Schlotter, Daniel Tremitiere; Teacher Advisor: Anne Moeser; Community Advisor: W. Charles Moeser.

1998 SECOND PLACE FINALISTS

Bluemont Elementary School, Manhattan, KS; Grade Level: K–3; Project: DNA Door Opener; Students: Phillip Kuehl, Margaret Thomas, Jamon John, Benjamin Stark-Sachs; Teacher Advisor: Cynthia Garwick; Community Advisor: John Garwick.

Eugene Christian School, Eugene, OR; Grade Level: K–3; Project: The Tooth Buffer; Students: Scott Oplinger, Micah Randall, Alex Woldt; Teacher Advisor: Gwen Philipsen; Community Advisor: Thomas Zorn.

Mayfield Woods Middle School, Elkridge, MD; Grade Level: 4–6; Project: The Medwatch; Students: Andrew White, Robert K. Albin II, Christopher Perks, Nirav Parekh; Teacher Advisor: Lynn Birdsong; Community Advisor: Kem White.

Leeds Elementary School, Arlington, WI; Grade Level: 4–6; Project: The Smart Smoke Detector; Students: Charles Delorey, Jeffrey Mueller, Ashly Hall; Teacher Advisor: Jeffrey Stern; Community Advisor: Roger Bjorge.

Point Grey Mini School, Vancouver, BC; Grade Level: 7–9; Project: N.A.F.T.A.-Newron Activation: A Frequency Technology Application; Students: Barry Wohl, Robyn Massel, Carly Glanzberg, Isaac Elias; Teacher Advisor: John O'Connor; Community Advisor: Sanford Wohl.

John Burroughs School, St. Louis, MO; Grade Level: 7–9; Project: QUACK-The Duckweed Paper; Students: Anita Devineni, Eric Hirsh, Jonathan Pollock, Catherine Whyte; Teacher Advisor: Mary Harris; Community Advisor: Elaine Kilmer.

University Laboratory High School, Urbana, IL; Grade Level: 10–12; Project: NaMReH: The Tissue Engineered Nanomachine Monitored Replacement Heart; Students: Mara Bandy, Kim Ly, Zeynab Moradi, Anna Sczaniecka; Teacher Advisor: David Stone .

South Salem High School, Salem, OR; Grade Level: 10–12; Project: AntiQuake: Securing Society Through the Science of Nitinol; Students: Randy Kluver, Patrick Gilger, Daniel Gruber, Joy Harms; Teacher Advisor: Michael Lampert.

PARITY FOR MENTAL HEALTH CARE

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mrs. ROUKEMA. Mr. Speaker, I rise to bring to the attention of this Congress a study that has found that health insurance coverage for mental health is being cut far faster than issuance coverage for physical injury and illness.

This study found that mental health benefit costs have been slashed six times as often as general health benefit costs over the past 10 years. Where the value of general health benefits has declined 7 percent (from $2,326.86 per covered individual in 1988 to $2,155.60 in 1997), the value of mental health benefits has declined 54 percent (from $154.08 in 1988 to $69.61 in 1997), according to the report.

This study was prepared by the Hay Group on behalf of the National Association of Psychiatric Health Systems, the Association of Behavioral Group Practices and the National Alliance for the Mentally Ill.

As the study shows, discrimination in benefits for mental health care persists. Mental health care has been, and remains, subject to different limits, caps, and deductibles than general health care. In addition, these caps, limits, and deductibles have not raised substantially in the past 10 years to account for inflation. That translates into additional erosion of the behavioral health benefit.

This is discrimination. And this is the reason the House Mental Health Working Group and I have introduced comprehensive legislation requiring health insurance companies to establish parity between mental health and substance abuse coverage and coverage for physical illnesses and injury.

The Mental Health and Substance Abuse Parity Act would prohibit insurance companies from setting spending limits for mental health and substance abuse coverage that are lower than limits set for physical illness or injury. Legislation introduced and passed with my initiative in 1996 prohibited unequal limits on annual and lifetime spending levels. This legislation goes further by prohibiting limitations on the frequency of treatments, number of visits, or other limitations on treatment not imposed for medical-surgical treatment. It would also prohibit copayments, deductibles, out-of-network charges, and out-of-pocket contributions or fees not imposed for medical surgical treatment.

This bill has been endorsed by the Coalition for Fairness in Mental Illness Coverage, which includes the American Medical Association, American Psychiatric Association, American Psychological Association, National Mental Health Association, National Alliance for the Mentally Ill, American Managed Behavioral Healthcare Association, Federation of American Health Systems and National Association of Psychiatric Health Systems.

The cost of mental health parity is small, especially when weighed against its benefits. A study by the Department of Health and Human Service's Office of Substance Abuse and Mental Health Services Administrations found the average increase in insurance premiums necessary to achieve parity for mental health coverage would be only 3.4 percent. Adding both mental health and substance abuse parity would require a combined increase of 3.6 percent.

Mental illness is not a character flaw, but a tangible treatable health problem as real as hypertension, cancer or heart disease. Today, the advances of our medical system have given us scientific breakthroughs that make appropriate care as effective for mental illness as insulin is for a diabetic.

It is time that health insurance plans recognize that mental illness is an illness. Most people who suffer from mental illnesses can live normal lives if they receive treatment but most can't receive treatment if their insurance won't pay for it.

The bottom line is that discrimination against people with mental and addictive disorders still exists. It must end.

TRIBUTE TO CHIEF RALPH H. ANDERSON

HON. JAMES P. McGOVERN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. McGOVERN Mr. Speaker, I rise today to pay tribute to an outstanding public servant, Police Chief Ralph H. Anderson. Chief Anderson is retiring after 30 years of dedicated service with the Rutland Police Department. I join his family, friends and colleagues in celebrating his distinguished career.

Chief Anderson began his career as a police officer in 1968 and became Chief of Police in 1983. Ralph Anderson's devotion to his community is truly impressive. During Ralph Anderson's tenure with the Rutland Police Department, a larger and more effective police force emerged. Under his guidance, community programs including Neighborhood Watch and Kindness Police programs have prospered, helping to make his community safer for all.

Mr. Speaker, it is my great pleasure to honor Chief Ralph H. Anderson for his strong commitment to serve the hardworking citizens of central Massachusetts and his genuine concern for his community. I want to congratulate and wish him the very best in his retirement.

A TRIBUTE TO PASQUALE "PAT" J. CURCIO, OF COPIAGUE, LONG ISLAND

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. FORBES. Mr. Speaker, I rise today to join my friends and neighbors as we pay tribute to Pasquale "Pat" J. Curcio, of Copiague, who received an "Honorary Doctorate Degree" from New York Institute of Technology for his leadership in many of Long Island's civic, community and educational causes.

Pat Curcio was honored because the college appreciates his seemingly endless contributions of time and energy to the Long Island community. Pat works tirelessly to improve the quality of life of all his neighbors, and his support, leadership and dedication have made our community a better place.

To celebrate this recognition, Pat's friends are establishing a scholarship fund at New York Institute of Technology in his name. This scholarship will help deserving students pursue their dreams of a college education and a career in communications, engineering, criminal justice, a political science or medicine.

Pat's accomplished business life includes more than 35 years experience in computer graphics, aerospace engineering, telecommunications and architectural design, leading to many awards and accolades. He received the "1st Shuttle Flight Achievement Award" and the "Creative Development of Technology Award" from NASA and the "Recognition of Achievement Award" for his work on the Orbital Flight of the Space Shuttle.

A natural leader, Pat serves as Vice Chairman for the New York State Conservative Party, and Chairman of the Suffolk County and Babylon Town Conservative Parties. For 25 years, Pat served the Babylon Town Zoning Board of Appeals, and has been recognized for his exceptional public service by every major political party, organization and club in New York State, Nassau and Suffolk Counties.

Yet, Pat is most proud of his work on behalf of fellow Long Islander Corporal Anthony Casamento in his battle against bureaucratic red tape so that he could receive the Congressional Medal of Honor for his heroic actions at Guadalcanal. Pat spearheaded a grassroots organization that for two and a half years worked to bring recognition to Corporal Casamento's heroism. President Jimmy Carter presented Corporal Casamento with the Medal of Honor in a White House, Rose Garden ceremony.

Mr. Speaker, I ask my colleagues in the House of Representatives to join me in honoring Pat Curcio and to recognize his commitment to promoting and protecting the quality of life for all of Long Island, for his family and his community. We are truly blessed to count him as our friend and neighbor.

HONORING LIEUTENANT COLONEL GARY C. POWELL

HON. CHARLES W. STENHOLM

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. STENHOLM. Mr. Speaker, I rise today to recognize Lieutenant Colonel Gary C. Powell upon his retirement from the United States Army after serving our great nation for over 20 exemplary years. For the past three years Lieutenant Colonel Powell has served as the Congressional Affairs Contact Officer for the Deputy Chief of Staff for Personnel, Headquarters Department of the Army. In this position he has established a solid reputation among his peers and superiors alike. He serves as the principal advisor to the Deputy Chief of Staff for Personnel on all matters relating to congressional activities.

Lieutenant Colonel Powell was born in Rotan, Texas on September 25, 1953. Upon completion of the Reserve Officers' Training Corps curriculum and the educational course of study at Hardin Simmons University in 1977, he was commissioned a second lieutenant of Infantry and awarded a BS degree in Social Work. He also holds a Master of Arts degree in Human Resource Development from Webster University. His military education includes completion of the Infantry Officer Basic and Advanced Courses, the Combined Arms Staff Course, and the United States Army Command and General Staff College.

His initial assignment was at Fort Campbell, Kentucky with the 101st Airborne Division. There he served as a rifle platoon leader, antitank platoon leader, and company executive officer, 1st Battalion, 503d Infantry, 3d Brigade, 101st Airborne Division. In January 1980, he was assigned to the United States Army Ranger Department as a Ranger Instructor in the Florida Ranger Camp. He attended the Infantry Officer Advance Course in

October 1982. After graduating in 1983, he was assigned as a Test Officer with the United States Airborne and Special Operations Test Board at Fort Bragg, North Carolina. In November 1984 he was assigned as an assistant operations officer with 3d Brigade, 82d Airborne Division. In May 1985 he assumed command of A Company, 1st Battalion, 505th Parachute Infantry Regiment, and again assuming command in June 1986 of Headquarters Company, 505th Parachute Infantry Regiment, 82d Airborne Division. In June 1987 he was assigned as a combat arms assignment officer in the Office of the Deputy Chief of Staff for Personnel, XVIII Airborne Corps. He served in this capacity until his selection and assignment in July 1988 as the commander of the Joint Security Force Company, United Nations Command Security Force, Panmunjom, and Republic of Korea. After completion of his command, he was assigned as an operations officer in the Office of the Deputy Chief of Staff for Plans and Operations, III Corps and Fort Hood, Texas. He left Fort Hood in June 1991 to attend the Command and General Staff College at Fort Leavenworth, Kansas. After graduating in 1992, he was assigned as the Operations Officer for the 2d Battalion, 505th Parachute Infantry Regiment, 82d Airborne Division, at Fort Bragg, North Carolina. Following his tour, he was selected to become the Deputy Chief of Staff for Force Integration for the 82d Airborne Division. In June 1994, he was assigned to Headquarters, Department of the Army, Office of the Deputy Chief of Staff for Personnel, in Washington, DC. He served as a Personnel Systems Staff Officer until his selection in October 1995 to become the Deputy Chief of Staff for Personnel, Congressional Affairs Contact Officer.

Lieutenant Colonel Powell's military decorations include the Meritorious Service Medal with three oak leaf clusters, the Army Commendation Medal with six oak leaf clusters, the Army Achievement Medal, the Army Superior Unit Award, the National Defense Service Medal, the Armed Forces Reserve Medal, the Expert Infantryman Badge, the Master Parachutist Badge, the Ranger Tab, the Air Assault Badge, the Australian Parachute Badge, and the Army Staff Identification Badge. He has served with great distinction and has earned our respect and gratitude for his many years of unselfish service to our nation's defense.

It is with great pride that I congratulate Gary upon his retirement and wish he and his wife, Tonie, all the best as they move on to face new challenges and rewards in the next exciting chapter of their lives.

KEEP THE GOVERNMENT OUT OF THE SOFTWARE INDUSTRY

HON. TOM DeLAY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. DELAY. Mr. Speaker, until recently, the computer services industry, an engine of economic growth and job creation in the United States, has remained unbridled by the government. But that all changed when the Clinton Justice Department decided that Microsoft—a company whose innovations have made the personal computer the modern personal productivity tool—that Microsoft is harmful to the U.S. economy and must therefore be regulated.

The computer software industry has doubled its number of employees in the last eight years. It is growing at 2½ times the rate of the U.S. economy. And it consistently delivers consumers more innovative products at lower prices. But despite these facts, the U.S. Department of Justice insists that the industry is not competitive. Instead, the DOJ suggests that Microsoft, a company at the center of all that job creation and economic growth, should be regulated. That's right. The problem with the computer services industry, insists the Clinton Justice department, is that the government needs to be more involved. Isn't this the president who told us the era of big government is over? When government starts defining for our nation's fastest growing industry which innovations will be legal, which will be illegal, what can be given away for free and what cannot—well, I say that that is the definition of big government.

Mr. Speaker, every industry the government has ever tried to manage has suffered because of it. The free market works. And I defy any member to name just one industry—just one—that has generated as much economic growth and good-paying jobs as the computer services industry has, that was improved when government lawyers decided to regulate it.

Apparently the American people understand this better than the Justice Department. They understand that the way to ensure competition is to let consumers and the market decide, not government regulators. They understand that Microsoft is an agent of economic growth, not an obstacle to it. And the American people understand that Microsoft's success has helped establish the U.S. as the worldwide leader in the computer and software industries.

I, for one, do not believe we should sacrifice this world leadership on the altar of government regulation just because the Clinton Justice Department thinks consumers are incapable of making intelligent market choices.

Computers and software are big markets, and each new technological innovation opens up vast economic opportunities for the companies that have the wisdom and creativity to take advantage of them. The market does not guarantee equal outcomes, and the government should not come to the aid of businesses that didn't make smart choices.

The Department of Justice should take that to heart. And the software companies supporting the DOJ's suit against Microsoft should consider the chilling prospect that tomorrow it could very well be they who the government next decides to regulate.

The bottom line is that most software companies would gladly trade places with Microsoft. It's a great company that has been innovative, improved its products, been aggressive, and reaped the rewards of market success. The place for companies to compete with Microsoft, however, is in the marketplace, where consumers will let the competitors know whose products they like and what innovations they want to see.

But for the government to choose sides in a highly competitive industry is not only unfair, it's not necessary. If Microsoft is to fail, it should be because it failed to innovate, not because its innovations were outlawed by the Clinton Justice Department.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1999

SPEECH OF

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1998

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.Con. Res. 284) revising the congressional budget for the United States Government for fiscal year 1998, establishing the congressional budget for the United States government for fiscal year 1999, and setting forth appropriate budgetary levels for fiscal years 2000, 2001, 2002, and 2003:

Mrs. MORELLA. Mr. Chairman, I voted against the rule for consideration of the House budget resolution yesterday and I will vote against the resolution itself when it is considered later today.

I voted against the rule because it did not allow consideration of the Minge-Stenholm budget substitute, a proposal based on the Senate-passed budget resolution. The Senate budget resolution closely tracks the Balanced Budget Act passed last summer, maintaining the discretionary caps set in last year's budget agreement and allowing for realistic tax cuts if offsets are provided. I strongly believe that we should follow the budget agreement that we approved by a wide bipartisan vote. In so doing, we could move quickly to approve the appropriations bills for Fiscal Year 1999 and avoid delaying our responsibility to pass all thirteen funding bills before October 1.

The Budget Committee budget resolution simply goes too far. Cutting $101 billion over five years beyond the cuts required by last year's budget agreement is too extreme and would do great harm to a number of domestic programs. It is important to understand that all of these additional cuts would come from nondefense spending. Of that total, $45 billion in additional domestic discretionary reductions would be required and $56 billion in additional mandatory spending reductions would be necessary. The additional $101 billion in cuts would be used for tax cuts.

Achieving that level of savings required under last year's budget agreement will be difficult enough—it is hard to imagine how we would achieve an additional $101 billion in cuts. The very fact that the bulk of these cuts are put off until 2002 and 2003 makes it clear that they would not only be extremely painful, they would be nearly impossible to achieve. We simply cannot provide a $101 billion tax cut without requiring unrealistic and unfair reductions in domestic programs.

Further, the Budget Committee's resolution bypasses the "PAYGO" rules by allowing a portion of the tax cut to be financed by cuts in discretionary spending. As the Concord Coalition has stated, "There is good reason for this rule (PAYGO). Because discretionary programs are funded year-by-year, temporary

cuts in discretionary spending should never be used to fund permanent tax cuts. . . The next Congress, or the one after that, may decide to put back the spending that was cut this year. But who thinks they will reinstate the income tax marriage penalty? The lost stream of revenue will continue forever, but the discretionary spending cuts could disappear after the next election. We are concerned that if the PAYGO rule is set aside, it will send a signal that from now on, 'anything goes'."

While I believe the Budget Committee was correct in dropping their recommendations for specific proposals to achieve the additional cuts, some of the savings are required in program areas with few options. For example, the Committee resolution requires a $1.7 billion reduction over five years in mandatory spending under the jurisdiction of the Committee on Government Reform and Oversight, on which I serve. Mr. Speaker, we have seen such attacks on federal employee and retiree benefits before. Because the committee's jurisdiction is limited to federal retirement and benefits and the postal service, it is very difficult to identify mandatory savings in the Balanced Budget Act. Each of the few remaining options are painful. It is unfair to come back again and again to federal employees and retirees who have borne more than their fair share of deficit reduction. In fact, the Budget Committee originally recommended limiting the annual growth in the government's share of FEHBP premiums to the consumer price index, which would result in cost-shifting $3.1 billion in premiums onto retirees and employees. According to a CBO estimate prepared last year, the added annual cost to enrollees would be $400 in 2002 and more in later years. This provision would undo an important change in FEHBP's formula that I offered as an amendment to the BBA. The formula included in the BBA is fair—it is derived from taking a weighted average of all the plans and setting the maximum government contribution at 72%; it will ensure that federal employee premiums do not rise and the government's share and employees' share will remain the same. Alternative proposals to cut mandatory spending could be equally harmful—we have already been through COLA delays and increased contributions to retirement, and it is unfair to keep going back to the same group for increased cuts.

The Budget Committee budget resolution has also been changed to eliminate an assumed $10 billion reduction in outlays in Medicare by requiring instead that the savings come from other income security programs within the Committee on Ways and Means. In effect, it appears that the Committee would be forced to take almost all of this reduction from the block grant for Temporary Assistance for Needy Families (TANF)—breaking Congress' agreement with the governor on welfare reform. Despite large caseload reductions in many states, families who remain on TANF experience substantial obstacles in achieving economic self-sufficiency. This block grant is critical to ensuring the resources are there to assist families in their transition from welfare to work.

The Senate budget resolution closely follows the spending cuts in last year's budget agreement and provides for a much smaller tax cut. A large bipartisan majority support the elimination of the marriage penalty as I do. The Senate budget resolution would provide the means to work toward that objective, while also preserving critical domestic programs.

I urge my colleagues to vote against this rule and this budget resolution. Let us follow the lead of the Senate and approve a sensible and realistic budget resolution. Last year, we passed a strong bipartisan budget agreement; let's stick to it.

50TH WEDDING ANNIVERSARY OF STEPHEN AND EMILY BARAN

HON. BILL PASCRELL, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. PASCRELL. Mr. Speaker, I would like to call to your attention the momentous occasion of the 50th Wedding Anniversary of Stephen and Emily Baran.

Stephen Baran and the former Emily Sarzensky will have been married 50 years on May 30, 1998. Their wedding took place on May 30, 1948 at the Holy Rosary Church in Passaic, New Jersey.

Stephen and Emily have been residents of the city of Clifton for 43 years, and both are active parishioners of Saint Philip the Apostle Church on Valley Road in Clifton.

Stephen worked for Athenia Steel before his retirement. A United States Army veteran of World War II, he is a member of the local American Legion. Emily has been, and continues to be, a dedicated homemaker.

They have two daughters, Nancy Felipe and Christine Beauvais, and are the proud grandparents of Stephanie Beauvais, Thomas Felipe, and Michael Felipe.

Mr. Speaker, I ask that you join me, our colleagues, Stephen and Emily's family and friends, and the cities of Clifton and Passaic in recognizing the momentous occasion that is the 50th Wedding Anniversary of Stephan and Emily Baran.

TRIBUTE TO CAPTAIN AL GASTON

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. ORTIZ. Mr. Speaker, I rise today to pay tribute to an outstanding patriot, United States Coast Guard Captain Al Gaston. This guy got a rather odd start for one who serves in the Coast Guard . . . he was drafted by the U.S. Army.

He served two tours in Vietnam, left the Army, went to college, then joined the Coast Guard. During Captain Gaston's command of Group and Air Station Corpus Christi, I have been impressed with his efficiency, his straightforwardness, and his extraordinary ability to exercise good judgment in any situation.

He was thoughtful about keeping my office appraised of situations as they occurred with regard to matters of security. He oversaw Operation Gulf Shield, the largest multi-agency counter-drug operation in the history of the United States.

As a former law enforcement officer myself, I am deeply aware of the price illegal drugs exact from our communities and our nation. Captain Gaston and I share a commitment to keeping drugs off the streets of our country. This native of Cuba, who emigrated here with his family in 1961, has carried out the policies of the United States in a professional manner; he is a true public servant.

The Coastal Bend of South Texas will miss his commitment and integrity. He is dedicated to the principles of democracy. He is the sort of leader who shows respect for the men he commands. Captain Gaston leads by example.

He worked incredibly hard, and with a cooperative spirit, with the agencies which formed Operation Gulf Shield. He is a talented diplomat and a dedicated family man. He is quick to give credit, wherever credit is due. He never fails to give out special awards to his men when they deserved it.

Al Gaston is a man of high integrity and value. He goes the extra mile for his duty; and he does his job well. I hope all of you will join me in commending this outstanding public servant and dedicated Coastie.

PERSONAL EXPLANATION

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. PORTER. Mr. Speaker, on June 3, 1998, I missed three roll call votes. Had I been present, on Roll No. 193, I would have voted yes, on Roll No. 194, I would have voted yes, and on Roll No. 195, I would have voted yes.

H.R. 3946—THE ICCVAM AUTHORIZATION ACT OF 1998

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. LANTOS. Mr. Speaker, recently I introduced legislation to promote better business, protect consumers, increase the efficiency of the federal government, contribute to scientific progress, and protect animals. H.R. 3946—The ICCVAM Authorization Act of 1998—is a non-partisan, non-controversial bill that emphasizes the protection of human health as well as animal health by facilitating the acceptance of alternative testing methods.

Mr. Speaker, there has never been such an impressive marriage of diverse interests working together to supply the same legislation. I am honored and delighted that H.R. 3946 is supported by the Procter & Gamble Company, the Gillette Company, the Colgate-Palmolive Company, the American Humane Association, the Humane Society of the United States, the Massachusetts Society for the Prevention of Cruelty to Animals, the Doris Day Animal League, and over 6.5 million Americans who have demanded viable alternatives to animal testing whenever possible.

Animal tests have been used for over fifty years by federal regulators to test for product

safety. In the last decade, however, biotechnology companies have researched, developed, and manufactured alternative testing procedures that are just as effective as outdated animal testing, but these newer technologies currently have no established avenue for receiving approval by federal agencies. By continuing to promote antiquated, although generally accepted, animal tests, federal agencies have put up an unnecessary roadblock to scientific and technological progress and innovation.

Mr. Speaker, in an effort to eliminate duplicative efforts and to increase communication in cross-cutting levels of different Federal regulatory agencies, the ground-work for the Interagency Coordinating Committee on the Validation of Alternative Methods (ICCVAM) under the National Institutes of Environmental Health Sciences (NIEHS) was laid by the National Institutes of Health (NIH) Revitalization Act of 1993. The ICCVAM has functioned solely on an ad-hoc basis since that time and was the first body to establish criteria for the validation and acceptance of alternative methods.

This important committee has functioned well and recently completed a final report receiving acknowledgment from federal agencies. Under the NIEHS Applied Toxicological Research and Testing Program, ICCVAM Contracts were listed in the Federal Register: $666,950 (year one), $691,308 (year two), $717,167 (year three), with two additional option years. In contrast, the NIEHS budget for FY1998 was over $300 million. The ICCVAM is a body that more than pays for itself in terms of its worth to the Federal agencies and its contribution to industry and the public.

H.R. 3946 will raise the ICCVAM to standing committee status and thus we can continue to move forward into the next century recognizing and supporting scientific progress. For years, the regulated industries and the biotech companies that engineer alternative testing methods have endured a frustrating, confusing Federal process for test method review and approval. Despite the fact that many companies have committed themselves to ensuring human safety while decreasing the usage of unnecessary animal tests, the federal government has remained unresponsive to their concerns. Mr. Speaker, these businesses have petitioned Congress to authorize the ICCVAM, thus simplifying the process for evaluating new tests.

I have introduced legislation that, for the first time, provides for gathering information in a single body for agencies, companies, animal protection advocates, and the consumer. H.R. 3946 requires that agencies be accountable for providing the appropriate information regarding all regulations, requirements, and recommendations on the animal tests under their respective jurisdictions. Federal agencies with jurisdiction over toxicity tests would be required to review and identify all regulations that require animal use for toxicity tests and forward the list to the ICCVAM.

Mr. Speaker, by adopting this legislation, the Congress will demonstrate a commitment to increasing the health and environmental safety of Americans. H.R. 3946 will open the doors to more technologically-advanced methods of research that will more closely replicate the reactions of the human body than does the current research that is done on animals. When a method meets a specific endpoint for specific agencies, or needs multiple agency acceptance, the ICCVAM can encourage agencies to modify their recommendations and/or requirements to reflect the best new scientific methods.

H.R. 3946 requires that agencies notify the ICCVAM within 180 days of receiving the ICCVAM's recommendations. The ICCVAM does not mandate the acceptance of any alternative testing method; it requires that federal agencies consider the ICCVAM's recommendations on new test methods and provides strict criteria under which the federal agencies can reject the alternative testing method. Under the Federal Advisory Committee Act, each agency under current federal statute has the ultimate authority to accept or reject recommendations in any situation under its regulatory jurisdiction.

Importantly, H.R. 3946 will end the incentive for companies to prefer status quo animal tests by giving the ICCVAM the authority to make an otherwise fragmented regulatory process coherent, cost-efficient, and accessible so that industry can more readily market its products.

Mr. Speaker, when the NIEHS worked towards the goal of establishing the ad-hoc ICCVAM as a single review body for the entire federal government, the objective was to end the usage of inappropriate tests from as far back as the 1940's before we stepped into the 21st century. Without the ICCVAM, we will fall short of maximizing health and human safety protections for all consumers. H.R. 3946 prioritizes high human health standards.

Mr. Speaker, to ensure that there is no confusion in its objectives and jurisdictions, H.R. 3946 also contains a specific exemption for regulations, guidelines, or recommendations related to medical research, expressly written into the bill. In effect, Mr. Speaker, medical research is not directly regulated by the federal agencies in the same manner as product testing.

Mr. Speaker, I am delighted to introduce the ICCVAM Authorization Act of 1998. I believe that H.R. 3946 streamlines the federal bureaucracy while increasing human safety and progress while refining, reducing, and replacing animal testing. We in Congress must ensure that as we step into the next century, the federal government works efficiently to demonstrate leadership in scientific advancement while emphasizing human health and animal health. With these goals in mind, Mr. Speaker, I urge my colleagues to join me by supporting this bill.

Recently, Mr. Speaker, I held a briefing on H.R. 3946. This legislation was broadly supported by the public and by all those who would be affected by this legislation. Mr. Speaker, I would like to defer at this time to the comments of the industry experts, scientists, and animal protection advocates, and federal agency representatives who have been integral in the creation of this legislation. Mr. Speaker, several of these distinguished professionals attended a briefing which I chaired and spoke out in support of H.R. 3946 and the merits of the ICCVAM. I ask that the full text of their testimonies be placed in the RECORD.

TEXT OF PRESENTATION BY DR. KATHERINE STITZEL, THE PROCTER & GAMBLE COMPANY

The Procter & Gamble Company is pleased to be here today to support the ICCVAM Authorization Act of 1998. P&G is one of the largest consumer products companies in the world. Our products our under the sink and in the bathroom medicine cabinet in nearly every home in America and used by billions of people around the world. We have an obligation to ensure our many products are safe not only when they are used as intended, but also when they are accidentally ingested by children, splashed into your eye, or used in other ways which were not intended.

We believe the ICCVAM Authorization Act of 1998 is a very important step in industry's efforts to reduce the use of animals while ensuring product safety. As science has progressed over the years industrial toxicologists have been constantly researching new ways to assess the effects of new products and ingredients. In the last fifteen years we have concentrated on developing and gaining regulatory acceptance of alternative methods, that is methods that reduce the number of animals necessary or the stress caused to the animals or that replace animals with an in-vitro or non-animal method. We have spent over $64MM dollars on this effort and reduced our animal use for non food/non drug testing by over 85% since 1984 even though the Company is more than three times larger than it was in 1984.

While we cannot predict every possible toxicological effect with an alternative test, there are many effects, such as the ability of a material to penetrate the skin, where we still find ourselves having to resort to what we believe is unnecessary animal testing. this is because the process for getting regulatory agencies to accept improved toxicological methods is time consuming, difficult and very rarely successful. Each new test must be submitted for evaluation and approval to each agency—sometimes to several different divisions within one agency. As the agencies are very busy, most do not have the time to carefully evaluate new test methods and therefore they opt to continue to use their current methods. Think about it, we are about to begin the 21st century using many toxicology methods that were originally developed in the 1940's. I can think of few other fields where acceptance of scientific progress has been so effectively blocked.

Recognizing this problem in the early 1990's P&G joined other companies and animal welfare organizations to support inclusion of language in the NIH Revitalization Act of 1993 which directed National Institute of Environmental Health Sciences to "establish criteria for validation and regulatory acceptance of alternative testing and recommend a process through which scientifically validated methods can be accepted for regulatory use". NIEHS worked with 15 government agencies and with the public to develop what we believe will be an effective solution—to create a single review body for the entire federal government. This organization, ICCVAM, is comprised of representatives from the various federal agencies that use animal testing. It will encourage the development of improved testing methods, particularly alternative tests, and evaluate these new methods for the entire government. This simplified process will be much more efficient. It will also be more effective because ICCVAM scientists will be expert in evaluating new test methods. We are very supportive of the proposal, and feel it is important to make ICCVAM a permanent part of the NIEHS.

We in industry applaud the efforts of Doris Day Animal League, the American Humane Association, the Humane Society of the United States, and the Massachusetts Society for the Prevention of Cruelty to Animals for working with us to help establish ICCVAM as the organization that will help ensure we are using the most efficient and effective safety tests and reduce animal use as far as scientifically possible

COMMENTS BY NEIL L. WILCOX, D.V.M., M.P.H., SENIOR SCIENCE POLICY OFFICER, OFFICE OF SCIENCE, FOOD AND DRUG ADMINISTRATION FOR THE CONGRESSIONAL BRIEFING ON THE "INTER-AGENCY COORDINATING COMMITTEE FOR THE VALIDATION OF ALTERNATIVE METHODS (ICCVAM) AUTHORIZATION ACT OF 1998"

Congressman Lantos and distinguished guests, thank you for the opportunity to participate in this briefing. I am here to describe the current and potential relationship between the Food and Drug Administration and the Inter-Agency Coordinating Committee for the Validation of Alternative Methods, or ICCVAM, listen to your comments, and attempt to answer your questions.

For the record, I may not take a position in favor of, or in opposition to, this or any other proposed bill intended for Congress. I am here to inform this audience as to how FDA has participated on the inter-agency committee known as ICCVAM and what affect it may have on the FDA in the future.

The FDA has a sincere and dedicated interest in emerging scientific technologies, including alternative methods intended to reduce, refine, or replace the use of animals, and that provide the agency with the best scientific answers to accomplish our public health mission. In particular, we are interested in test methods that provide specific answers for safety and efficacy testing of FDA-regulated products. To this end, the FDA supports the notion of the 3-R's in research and testing where scientifically feasible.

The FDA has been a participant of the ICCVAM ad hoc committee since it was chartered in 1994 and continues to be actively involved now that it is a standing committee. The Office of Science has the lead for the agency and has formed a committee with representatives from all FDA Centers and the Office of Regulatory Affairs.

You should understand that there is currently no formal process for a new testing method to be reviewed by the FDA for validation or regulatory acceptance. New methods are incorporated into the review of product applications in FDA, but it is on a case-by-case basis with no internal structure in place to facilitate such action. The ICCVAM model proposes to review new testing methods on behalf of federal agencies, which would provide a service not currently available.

ICCVAM, with its representatives from 15 federal agencies, provides many benefits. This forum benefits not only the agencies involved but also those who wish to introduce a novel test method to a regulatory agency such as FDA. ICCVAM will only review methods that have application to more than one agency. If the method is such that it will be used only by one agency, the sponsor of the method will be encouraged to take the method straight to that agency. For a method with potential use in several federal agencies, an early step in the ICCVAM process will be to establish an expert working group consisting of individuals from each of the agencies where the method may have application. This expert working group will then work with the sponsor of the method to make sure that adequate data are available to have the method thoroughly evaluated.

Any method used by the FDA must be validated for its intended use. Once the ICCVAM working group has determined that the method is ready to be reviewed for validation, a group of experts from outside the government would be convened as a Federal Advisory Committee. Through this external peer review process, the committee would make a recommendation to ICCVAM as to whether or not the proposed method meets the criteria for validation as put forth in an ICCVAM document, Validation and *Regulatory Acceptance of Toxicological Test Methods*, published in March 1997. The expert peer review panel's recommendation would then be conveyed to the relevant federal agencies by ICCVAM. Finally, each agency would distribute the recommendation to its appropriate organizational components.

FDA has five product Centers, on research Center, and the Office of Regulatory Affairs to which the ICCVAM recommendation would be distributed. It is clear that considering the many offices within the FDA to which such information must be distributed, the ICCVAM proposal would stream-line the process. Without ICCVAM, no one would know exactly which office should review a particular test. Moreover, even if one did know the appropriate offices to which a new method should be introduced, there would be no consistent review criteria for validation or regulatory acceptance across the agency. The individual review offices are simply not equipped or staffed to work with a method's sponsor for a process as resource intensive as validation.

Through an exhaustive and comprehensive three year process, ICCVAM has worked with U.S. federal agencies, as well as academia, industry and governments world-wide, to reach consensus on criteria for validation and regulatory acceptance. Due to the vast differences in regulatory requirements between U.S. regulatory agencies, not to mention other governments, the final acceptance and use of an ICCVAM-reviewed method remains the prerogative of each regulatory agency. However, ICCVAM assures that, to the extent feasible, adequate data for the proposed method have been reviewed by external peer review for their validity. ICCVAM provides a vehicle for a new method to be introduced to each agency through scientists responsible for its internal use.

With such intimate involvement of agency experts from within the appropriate scientific field, the method and its potential uses will be well understood by participating agencies. Furthermore, by the time a method has reached recommendation status to the agencies, it will more likely gain regulatory acceptance. Since the ICCVAM process has been endorsed by experts across the U.S. and throughout the world, international harmonization on ICCVAM-reviewed methods will be encouraged. Finally, the incorporation of methods that promote the reduction, refinement, and replacement of whole-animal tests into regulatory decision-making clearly supports the responsible use of animals in product testing.

In summary, from an FDA perspective, the ICCVAM facilitates the scientific review by experts, in both the public and private sectors, to establish the scientific validation of new testing methods that may have application in determining the safety of FDA-regulated products. It should be emphasized, however, that there may be occasions when a sponsor of a particular method would prefer submitting its data on a new method directly to the FDA, or any other agency, and this remains an important option. The ability to employ new technology in the regulatory decision-making process and facilitate the acceptance of new methods for safety testing is clearly enhanced with the added dimension of the ICCVAM process.

I would welcome questions relating to the current activities between ICCVAM and FDA, as well as our vision of this relationship in the future. Again, thank you for the opportunity to discuss this important issue in a public forum.

STATEMENT OF HOLLY E. HAZARD, EXECUTIVE DIRECTOR, DORIS DAY ANIMAL LEAGUE

We are proud to join with industry and animal protection organizations in support of the "ICCVAM Authorization Act of 1998."

The bill, sponsored by Representative Tom Lantos, will raise to standing status, an interagency coordinating committee that will review alternative methods for risk assessment and safety substantiation for humans and the environment. ICCVAM will make recommendations to agencies to adopt procedures for implementing these recommendations. The committee will be comprised of representatives from each of the agencies with jurisdiction over products that require or recommend some form of animal testing. There are over 15 such agencies in the federal government. The committee will also establish a scientific advisory committee that will allow interested outside scientists and other stakeholders to comment on newly-developed alternatives as they become available.

This committee will facilitate the acceptance of the use of alternatives that will significantly decrease the numbers of animals used in toxicity testing, while not only ensuring that the health and safety of Americans and the environment remain at the highest level, but hopefully increasing that level of safety as more technologically-advanced methods of research more closely mimic what may happen in the human body.

The bill is an outgrowth of the former Consumer Products Safe Testing Act. It builds on the mandate given to the National Institute of Environmental Health Sciences in the NIH Revitalization Act of 1993 to develop criteria for the validation and acceptance of alternative methods. It also consolidates the requirements for an evaluation of alternatives that have interagency implication to one central committee, rather than agency by agency.

We've received many staff calls on how this bill affects medical research. The bill has a specific exemption for research. However, because the government does not regulate industry protocols for medical research, the entire issue is outside the scope of the legislation.

The Doris Day Animal League is working with a number of leaders in industry, and within the animal protection movement, to bring about changes in the uses of animals for toxicity testing. These individuals include: Dr. Martin Stephens and Dr. Andrew Rowan of the Humane Society of the United States; Dr. Dan Bagley of Colgate-Palmolive; Dr. Wallace Hayes and Dr. Louis DiPasquale of Gillette; Dr. Kathy Stitizel of Procter & Gamble; Ms. Adele Douglass of the American Humane Association; and Dr. Peter Theran and Elaine Birkholz of the Massachusetts Society for the Prevention of Cruelty to Animals.

One of the significant frustrations of the humane community has been the lack of acceptance by the federal government of technologically-advanced alternatives to animal testing. Many in industry have met with a brick wall when they have attempted to move alternative methods of testing through the government bureaucracy to get their products on the market. The fact is that the easiest thing for any company is to simply maintain the *status quo* and do the animal tests to get on with marketing their products.

The Doris Day Animal League, along with a number of other organizations, successfully lobbied the Department of Transportation for the acceptance of the first federally-approved alternative to animal testing. This was an alternative to the use of rabbits for the testing of highly corrosive chemicals to determine the correct packaging material for transportation. In the animal test, the product would literally eat away the skin of a rabbit while researchers tested how long this took; it could take anywhere from hours to days. While this alternative was accepted at one agency, the company had to petition others for multiple agency acceptance and, as of yet, has been unsuccessful in securing full federal approval for the continued acceptance by the government of this alternative.

This bill is desperately needed to push this issue forward significantly in this country, and because of this country's stature in this area, throughout the world. We believe that many companies are standing ready to invest the resources that they need to develop alternatives. And now regulators have taken the first step. Many in the federal bureaucracy are extremely comfortable with old methodologies that have established protocols and a history of success from a regulatory perspective. Congress needs to push these agencies to look ahead, not behind, in terms of the most efficient, effective and humane scientific judgment that should be expected from the agencies called upon to protect the consumers of this country.

I urge your strong support of the ICCVAM Authorization Act and invite questions for the League or for our industry supporters.

THE SECURITY SITUATION IN MEXICO

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. GILMAN. Mr. Speaker, the Washington Times front page story yesterday about the threats to American law enforcement agents involved in fighting drugs along and across the border with Mexico should be a cause for alarm for all of us.

It strains credibility that the Administration again this past March "fully certified" Mexico as cooperating with us in the battle against illicit drugs. The recent stories on the deteriorating security situation along the border from drug related violence and threats against our law enforcement agents make it clear—the Mexican authorities are just not doing enough.

I have long argued that the safety and security of our law enforcement agents who every day risk their lives for us and our communities, should be of paramount concern in our bilateral relationship in the fight against drugs. These latest accounts of threats and inadequate resolution of the issue of the security of our law enforcement agents underscores that we have a long way to go.

[From the Washington Times, Thurs., June 4, 1998]

U.S. AGENTS WARNED OF MEXICAN RETALIATION

By Jamie Dettmer

The U.S. Drug Enforcement Administration has pulled its agents out of Tijuana, and the Justice Department is warning American lawmen on both sides of the 2,000-mile-long Mexican border to protect themselves more than ever.

The new threat they face isn't violence from narcotics traffickers, but hostility from their law enforcement counterparts in the Mexican federal judicial police.

Working relations between American and Mexican lawmen seldom have been smooth—distrust on both sides all too often undermines cooperation in the fight against drug smuggling and illegal immigration.

But as a result of a recent U.S. undercover money-laundering sting that nabbed several Mexican bankers, the bad blood has roiled to a pitch not seen since the murder 13 years ago of a DEA agent in Mexico, U.S. law-enforcement sources say.

According to a report by Insight magazine, a sister publication of The Washington Times, an urgent warning was sent Tuesday to all U.S. law-enforcement agencies with officers working along the border or in Mexico to stay alert "retaliation" from the Mexican police as a consequence of the sting, known as Operation Casablanca.

High-level DEA sources say they can't rule out physical assaults on U.S. lawmen operating in Mexico or visiting on official business.

The Mexican police are aggrieved by U.S. investigators luring Mexican bankers to America for arrest and are infuriated that American lawmen worked undercover on Mexican territory without the Mexican government's approval. U.S. authorities say they didn't want to tip off the subjects of their probe.

As a precaution, the DEA has withdrawn all agents from a joint U.S.-Mexico task force in Tijuana, the home city of the Arellano Felix brothers, who control Mexico's second-largest drug cartel. The retreat will disrupt investigations and jeopardize special operations against the traffickers, say DEA and U.S. Customs sources.

"We are basically facing a breakdown on the border," says a senior California-based DEA agent. "We have right now some big operations going on against the Arellano Felixes—last week we intercepted $4 million of their cash—and against a Tijuana family who control amphetamine smuggling. Those ops are endangered now."

The alert was issued when the El Paso Intelligence Center, the federal law-enforcement intelligence clearing house, noticed an abrupt rise in reports from various federal agents of hostility from their Mexican counterparts. The federal Bureau of Alcohol, Tobacco and Firearms (ATF) later verified the danger.

The official warning sent by the Justice Department to the U.S. Immigration and Naturalization Service cautions, "The Mexican Federal Judicial Police may seek retaliation against U.S. law-enforcement" because of Casablanca.

The warning goes on to say, "Reliable information received by the Los Angeles [ATF office] also indicates that Mexican law enforcement intends to seek revenge . . . by ensuring that any American law enforcement officer caught committing any sort of infraction will be given 'No Slack,' and they will be prosecuted to the fullest extent possible under Mexican law."

INS intelligence also suggests that bitterness over Operation Casablanca may not be limited to the Mexican police. "Feelings of injustice may manifest itself into the Mexican military as well."

An INS spokesman refused to confirm or deny the authenticity of the memo.

Frustrated U.S. lawmen point to the hostility of their Mexican counterparts as proof that DEA and Customs Service agents should be allowed to carry their sidearms when traveling south of the border on official business. Mexican authorities won't allow it, and the U.S. and Mexican governments have been locked in a fierce behind-the-scenes diplomatic dispute over the issue for more than a year.

The Mexicans have refused to budge. President Clinton's antidrug chief, Gen. Barry McCaffrey, recently sided with the Mexicans on the issue, infuriating Rep. Benjamin A. Gilman, New York Republican and chairman of the House International Relations Committee, by suggesting that U.S. lawmen should be satisfied with Mexican police protection.

In May, Mr. Gilman slammed Gen. McCaffrey, arguing that DEA agents couldn't entrust their lives to their Mexican counterparts because drug cartels are growing more violent and there is "proven massive corruption among Mexican law enforcement agencies."

A veteran DEA agent says he hasn't encountered such hostility from Mexican police since the fallout from the murder of DEA agent Enrique Camarena by narcotics traffickers in 1985. Some U.S. sources believe Mr. Camarena was killed with the collusion of corrupt Mexican officials and police officers.

Mexican law enforcement officials reacted very badly later when undercover DEA agents snatched a doctor in Mexico who had been involved in torturing Mr. Camarena before his murder.

HONORING KAVANAUGH'S FURNITURE FOR THEIR 125 YEARS OF BUSINESS

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. NEAL of Massachusetts. Mr. Speaker, I am privileged today to have the opportunity to acknowledge and honor Kavanaugh Furniture of Springfield, Massachusetts for its 125th year of business.

In 1873, Mr. Dennis Nelen opened his establishment as a "wholesaler and retailer in elegant furniture, hair and husk mattresses" and before 1900 he partnered with Mr. William Kavanaugh. Today, Kavanaugh's is the largest furniture store in Western Massachusetts and has three sister stores with a fourth on the way. It is Springfield's oldest family owned business still in existence and one of the oldest operating furniture stores in the entire United States.

In an era where retailers often sacrifice quality service for quantity sold, Kavanaugh's

has remained a testament to the beauty of the family business. In their establishment, quality service is a trait passed down through the generations. Mr. Jack Nelen, who became Kavanaugh's president in 1965 and is the grandson of the original founder, began making deliveries for the store when he was just a teenager. The success of a family business can be measured, in part, by the duration of its existence. Kavanaugh Furniture has survived and flourished through two world wars, the Great Depression, and several other fluctuations in the economy. They were also able to last during the recession of the early 90s even though furniture was considered a luxury by many. Perhaps more impressive has been Kavanaugh's ability to survive the local "big chain" competition, while located in an area not supported by mega-mall traffic. In this regard, the Nelen family business can be considered a huge success and a strong example for other family businesses.

Only 1 out of 30,000 retail stores makes it to be 100 years old, and Kavanaugh's has now reached its 125th year in the business. Not only has Kavanaugh's created lasting personal success for its owners and employees, it has been an enormous asset to the community and neighborhood as well. Its list of civil activities and commitments includes being a catalyst for and taking part in fund raisers for The Children's Miracle Network, Shriner's Hospital, the Red Cross, and the United Way. Kavanaugh's once even held a free picnic for over 2,500 city kids.

The Kavanaugh Furniture store is an anchor for the community. It has taken care of its customers and has been rewarded with 125 years of business. I wish the Nelen family and all of the folks at Kavanaugh's success in continuing a great tradition of excellent service to their customers and the community at large as they embark on the 21st century and another 125 years.

INTRODUCTION OF H.J. RES. 120: DISAPPROVING THE EXTENSION OF THE PRESIDENT'S WAIVER OF JACKSON-VANIK CRITERIA FOR VIETNAM

HON. DANA ROHRABACHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. ROHRABACHER. Mr. Speaker, I have introduced a Joint Resolution, co-sponsored by my good friends, BEN GILMAN, Chairman of the International Relations Committee and CHRIS SMITH, Chairman of the Subcommittee on Human Rights, in partnership with Senator BOB SMITH and Senator JESSE HELMS, to require Vietnam to provide freedom of emigration for its people, under the provisions of the U.S. Trade Act of 1974, before tax dollars from American citizens are used to insure or otherwise further trade with the communist regime in Vietnam.

Vietnam remains among the world's last Marxist-Leninist governments, where corrupt cronyism and an absence of credible courts have driven away foreign investors. The freedoms of speech, religion and assembly are denied to average citizens, as well as the freedom of emigration. As a result, Vietnam's economy is lagging, investor disenchantment is growing and, despite continued arrest and persecution of dissidents and religious leaders, protest movements have taken root in northern and southern provinces. It is both unconscionable and unsound for President Clinton to issue waivers in order to permit U.S. financing guarantees and credits to investors through the Overseas Private Investment Corporation and Export-Import Bank.

In addition to H.J. Res. 120, I have also introduced H.R. 3158 to prevent the President from granting waivers for Ex-Im and OPIC credits and financing guarantees in the absence of true democratic reform, release of all political prisoners, humane working conditions, as well as the Jackson-Vanik emigration criteria.

A critical lesson we should learn from the economic collapse of the so-called "Asian Tigers" such as Indonesia, South Korea and Thailand is that the U.S. Government should not put tax dollars at risk to subsidize unsound private business deals with corrupt regimes. The Heritage Foundation's *1998 Index of Economic Freedom* ranks Vietnam among the six worst economic environments in the world. It would be appalling to make American taxpayers guarantee private business investments before real democratic political reform is in place. We should stand with the people of Vietnam who crave for freedom, and abide firmly by America's principles and laws to require the despotic regime in Hanoi to respect international standards of human rights and labor before giving the Vietnamese regime the benefit of our taxpayer-backed institutions.

IN HONOR OF THE NEW JERSEY NETWORK'S IMAGES/IMAGENES

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. MENENDEZ. Mr. Speaker, I rise today to honor New Jersey Network's Images/Imagenes for its 25th year of providing quality cultural and public affairs programming for the Hispanic community. This program has helped introduce America to the rich depth, diversity and beauty of the Latino culture through probing documentaries and thought-provoking round table discussions.

Over the years Images/Imagenes has shed light on the everyday lives of the Latino community and provided a forum for role models such as Roberto Clemente, Ricardo Montalban, Gloria Estefan, Chi Chi Rodriguez, Julio Iglesias, Nancy Lopez, Lee Trevino and Tony Ayala. The program has done some of its best work by exploring major news stories such as the AIDS epidemic, bilingual education, U.S. relations with Cuba, and the roots of domestic violence.

The show's quality and professionalism has not gone unrecognized by the television industry. Images/Imagenes has earned a Regional Emmy Award and nine Regional Emmy Award nominations. The program has also been recognized for excellence in broadcasting from the National Commission on Working Women and has received the National Unity Award.

In the late '80's, Images/Imagenes began airing the Hispanic Youth Showcase. This competition provides a forum for the tri-state area's Hispanic youth to demonstrate their skills in the performing arts. Over 1500 children have participated, with many going on to professional acting and musical careers. Every participant gains confidence because they have competed in such a popular and renowned event.

Images/Imagenes is now the longest running Latino community program in the PBS system. On Saturday, June 6, Images/Imagenes will be celebrating its Silver Anniversary at the Robert Treat Hotel in Newark, New Jersey.

I urge my colleagues to join me in honoring Images/Imagenes by working to strengthen our commitment to strong community programming. Images/Imagenes has shown us that television can be more than just entertainment, but can also provide a forum through which community building activities can take place. I congratulate Images/Imagenes on a successful 25 years and wish them another 25 years of success.

TRIBUTE TO DR. SAMUEL KRANTZOW

HON. BILL PASCRELL, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. PASCRELL. Mr. Speaker, I would like to call your attention to the many accomplishments of Dr. Samuel Krantzow, who is being honored at the breakfast celebrating the occasion of the 70th Anniversary for Congregation Ahavas Israel.

Dr. Krantzow is a life long resident of Passaic, New Jersey and a graduate of their fine school system. After giving 3 years of service to the Army Air Force during World War II, he went to school and received his degree in optometry from the Pennsylvania State College of Optometry.

In 1951, after starting his practice in his hometown of Passaic, he married the former Estelle Wechsler. They have two lovely daughters, Caryl, who lives in Columbia, Maryland, and Debra who resides in Houston, Texas. Pamela and Rachel, their two granddaughters, are the light of Samuel and Estelle's eyes.

During his many years of optometrical practice, Dr. Krantzow served as President of the Bergen Passaic Optometric Society, as President of the N.J. Optometric Association, and as a member of the Board of Directors of the Omni Eye Services of Northern New Jersey. In addition to serving on the Governor's Advisory Committee where he was instrumental in setting up the vision portion of the Medicaid Program for the Garden State, Dr. Krantzow sat on the Board of Directors of the New Jersey Vision Service Plan. He also served for six years as a member of the Board of Directors of the Bergen Passaic Health Systems Agency. Apart from his distinguished medical associations, Dr. Krantzow is a past-chancellor of Passaic Lodge, Knights of Pythias.

Being active in the local Jewish community constitutes a large part of Dr. Krantzow's schedule. From 1989–1990, he served as President of the Ahavas Israel Congregation. Dr. Krantzow was called to serve again in June 1994 as co-President of his congregation, and from 1996 until 1997, he held the position on his own. Currently, Dr. Krantzow serves as co-chairman of the Chevra Kadisha of Congregation Ahavas Israel. Believing he should give something back to his community, he has been Staff Optometrist at the Daughters of Miriam Center for the Aged in Clifton and is a delegate to the Jewish Memorial Chapel.

Mr. Speaker, I ask that you join me, our colleagues, the Congregation of Ahavas Israel, Dr. Krantzow's family and friends, and the City of Passaic in recognizing and honoring the accomplishments of Dr. Samuel Krantzow.

TRIBUTE TO THE EXPLORAVISION AWARDS PROGRAM

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. BROWN of California. Mr. Speaker, I rise to announce the introduction of House Concurrent Resolution 279, a resolution to honor the ExploraVision Awards Program and to encourage more students to participate in this innovative national student science competition.

The ExploraVision Awards Program is funded by Toshiba and administered by the National Science Teachers Association. Nearly 18,000 students entered the competition this year, making it the largest K–12 student science competition in the world. Working in teams of 3 or 4 with a teacher-advisor, students use their imaginations to envision a form of technology 20 years from now and compete by sharing their vision through written descriptions and story boards.

As a strong advocate of science education in Congress, I am proud to have introduced House Concurrent Resolution 279 in support of the goals of the ExploraVision Awards Program. This is truly an innovative program that energizes students with a desire to learn and increases their interest in the world of science. The program is designed to help develop the kind of scientific and technological thinking our society needs for the 21st century.

On June 12, more than 40 students will come to our Nation's Capital to receive top honors in the 1998 ExploraVision Awards. I applaud the student winners for their hard work, creativity, and ability to work together as a team to explore innovative scientific work for the future. With their enthusiasm for learning and their commitment to scientific excellence, the future of our Nation is in good hands.

Mr. Speaker, I ask my colleagues to join me in cosponsoring House Concurrent Resolution 279 to support the goals of the ExploraVision Awards Program, and to commend the student winners for their outstanding accomplishment.

REPORT FROM INDIANA—TERRI TOWNER

HON. DAVID M. McINTOSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. McINTOSH. Mr. Speaker, I rise today to give my Report from Indiana.

There are so many good people doing great things to make our community a better place to live. Every so often, I run across a story that I feel stands out. These shining individuals are what I like to call Hoosier Heroes. These Heroes are an inspiration to me, and by sharing their stories I hope they can not only be an inspiration to my colleagues today, but as well as the American people.

Mr. Speaker, Terri Towner of Pendleton, Indiana, is a Hoosier Hero. Her dedication to the Senior Citizens of Madison County provides us with a role model that we all can strive to model. Terri is a volunteer for Pet-A-Pal, a volunteer organization that incorporates animals to bring smiles to the faces of Senior Citizens by parading animals in costumes.

Jo Rehm, coordinator of the Pet-A-Pal program, described Terri as "a dedicated and faithful volunteer to the Senior Citizens." She continued by adding that Terri "simply enjoys helping others."

Sharron Towner, her mother, feels that her dedication to helping Senior Citizens stems from her strong relationship with her grandparents, and that's why Terri really appreciates what Senior Citizens have to offer.

When not volunteering her time, Terri enjoys playing the trumpet in the East Side Church of God band and is an active member in Sunday school. Youth Pastor Andy Odle described Terri as, "a very responsible, talented, intelligent young lady."

After high school, Terri plans on attending Purdue University to study pre-law. She hopes to be able to utilize her education to become involved in laws pertaining to Senior Citizens.

This is testimony from people that have seen the difference that one person can make. This is just one example, of one person who has made a significant difference on the lives of others. Dedication, faithfulness, responsibility; these are examples of the values and beliefs that sometimes go unnoticed.

Mr. Speaker, this is the foundation for the American spirit. Doing the right thing. Helping others and demonstrating the qualities that make us "good" people. These are the qualities that Terri Towner has learned, and this is why she is a Hoosier Hero, Mr. Speaker that is my report from Indiana.

PERSONAL EXPLANATION

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. ENGEL. Mr. Speaker, I was necessarily absent during roll call votes 203, 204, and 205. If present, I would have voted 'yes' on roll call vote 203, 'yes' on roll call vote 204, and 'no' on roll call vote 205.

IMPACT OF MINIMUM WAGE INCREASE

HON. JAY DICKEY

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. DICKEY. Mr. Speaker, I rise today to bring to the attention of my colleagues the wise remarks of Mr. Leo Collins in the following article which appeared in the Pine Bluff Commercial. As a former small business owner myself, I understand and believe the comments made by Mr. Collins. Another increase in the minimum wage will have a negative impact on jobs, especially jobs for teenagers. Increases in the minimum wage lead employers to cut back on work hours and training. Unfortunately, low-skilled teenage workers will be the first to be affected. Combining the cutback of hours and training with the loss of job opportunities, this means that many youths are prevented from reaching the first rung on the ladder of success.

[From the Pine Bluff Commercial]

TO OVERCOME MEANS ACCEPTING REALITY

(By Leo Collins)

I became acquainted with a young Nigerian male some years ago who was fortunate to be one of a few chosen by his government to be given the opportunity to study and attend school in America.

He thought himself special and could not understand why so many Americans, particularly young blacks, did not pursue an education in an aggressive way since education was so accessible.

This young man was my roommate one summer while I was in graduate school. He asked me one day, "Why is it that blacks in America who will not take full advantage of an education, continue to blame other racial groups for their own personal failures?" I had no concrete answer.

He said, since he had been in America, it seems that every other race of people tend to overcome poverty except blacks. Other groups, he said, tend to take full and complete advantage of public schools, educational grants and low interest college student loans.

Every other group, other than American blacks—he implied—tend to develop a bond between themselves not too much unlike a mother and a new born child. He added that American blacks either do not like each other or they do not trust each other.

I had to tell him at that point that even though he is a Nigerian, his ancestors have never been enslaved. I told him that all of the other racial groups he sees came to America on their own accord. They didn't come, I told him, in the belly of slave ships and once here, sold on an auction block as chattel to the highest bidder.

I did not want him to go back to his native Nigeria with his knowledge bucket half full and half empty. I insisted that he fully understand that the black experience was unique only to blacks in America. He needs to fully understand that there is nothing in the annals of world history to compare that experience with; therefore, he shouldn't try to make a simple analogy when he returns to his native homeland.

Even today, blacks have not gotten completely away from the yoke of suppression. Too many are still seeking a solution to their economic, social and political woes

outside of their own ranks. Many seemingly seek ways to generate failure. They do so by dropping out of school, defying authoritative symbols, joining street gangs, resisting parental guidance, etc.

Blacks tend to keep the memory of slavery alive by doing to themselves exactly what the old slave masters of a bygone era did to them; that being, denying themselves the opportunity to develop the most important human organ: their minds.

Today, there is a great demand for all kinds of workers. Employers cannot find enough workers. But do you know who still cannot find work? I'll tell you; 9.6 percent of current unemployed Americans are black. Out of nearly 6 million unemployed, 600,000 are black. Is this because of racism? Some of it may be, but the bulk of it isn't.

Blacks are not getting the technical training needed in today's job market. Dropping out of school in the ninth grade doesn't prepare you for much other than membership in a street gang and a short life span.

Blacks must learn to bond with each other and stay in school. Being dumb is not being cool; it's being stupid. Minimum wage, as benevolent as it is, is only another crutch aimed at pacifying black Americans that there is no need to rush to help yourself. Uncle Sugar will guarantee you a marginal lifestyle.

Blacks should develop their skills. Minimum wage laws do nothing but pacify the conscience of whites who support it and sedate the minds of blacks who accept it. Minimum wage is not a panacea for high school dropouts.

H.R. 2652 "COLLECTIONS OF INFORMATION ANTIPIRACY ACT"

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. HYDE. Mr. Speaker, I would like to place in the RECORD the correspondence between Chairman BLILEY and myself on this legislation.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE JUDICIARY,
Washington, DC, June 3, 1998.

Hon. TOM BLILEY,
Chairman,
Committee on Commerce, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter of May 19, 1998, expressing your interest in H.R. 2652, the "Collections of Information Antipiracy Act."

As you know, H.R. 2652 was introduced on October 9, 1997. Its predecessor in the 104th Congress, H.R. 3531, authorized by then-Chairman of the Subcommittee on Courts and Intellectual Property, Carlos Moorhead, was introduced on May 23, 1996. H.R. 3531 was introduced in anticipation of a Diplomatic Conference on Intellectual Property in Databases held by the World Intellectual Property Organization in Geneva, Switzerland in December, 1996, and on a Directive issued by the European Union under which member countries must enact laws to protect collections of information and pursuant to which American collections would not receive reciprocal protection without offering comparable protection to foreign collections in the U.S. Both bills were referred to the Committee on the Judiciary.

H.R. 2652 was the subject of two days of hearings held by the Subcommittee on Courts and Intellectual Property on October 23, 1997 and on February 12, 1998. The Subcommittee held a markup on H.R. 2652 on March 18, 1998. The full Committee held a markup on the bill on March 24, 1998. The bill was reported to the House on May 12, 1998 (H. Rept. 105–525) and placed on the Union Calendar (Calendar No. 297) on that same date. I first learned of your interest in this important legislation on May 12, the date it was reported and placed on the Union Calendar, as the manager of the bill was preparing to call it up for consideration under suspension of the Rules on the House floor. After you expressed initial concerns, I agreed to recommend a one week delay in the consideration of the bill so that you might review it. It passed the House under suspension of the Rules on May 19, and was received in the Senate on May 20, 1998. It has been referred to the Senate Committee on the Judiciary for consideration by the other body.

There are several statements and assertions contained in your letter to me in need of clarification. The "Collections of Information Antipiracy Act" is legislation necessary to serve as a complement to copyright protection of collections in which there has been substantial investment. It does not, as your letter indicates, create a new federal property right; rather, like the Lanham Act for trademark protection, it prohibits misappropriation of another's collection under certain circumstances. The general prohibition and other specific provisions guarantee that a use of a collection similar to a "fair use" under copyright law is permitted.

The bill was developed in the aftermath of the Supreme Court's 1991 decision in *Feist Publications v. Rural Telephone Service Co.*, which, in denying copyright protection for certain collections, highlighted the need for Congress to establish a separate complementary federal remedy for the unauthorized copying of collections of information in order to guarantee complete protection. The bill is based on United States "sweat of the brow" case law predating the application by courts of copyright protection to collections of information, and was suggested as one viable way of "filling in" the "*Feist* gap" in a Report issued by the Copyright Office of the United States on Database Protection in September, 1997.

While, like almost every piece of legislation, H.R. 2652 affects commerce generally, it does not discriminate between environments in which collections may appear, such as print or digital, nor does it "govern a key component of interstate and foreign electronic commerce," as you assert. Rather, it establishes a legal right to bring a cause of action in federal district court for the unauthorized taking of another's collection of information organized, gathered, or maintained through the investment of substantial monetary or other resources. The bill specifically denies protection to any product or service incorporating a collection of information which is gathered, maintained or organized to address, route, forward, transmit, or store digital online communications or provide or receive access to connections for digital online communications. Thus, the bill provides a new legal cause of action in federal courts, rather than regulating any element or function relating to digital communications or electronic commerce.

Your letter states that the Committee on Commerce has two specific interests in H.R. 2652. It states that "[f]irst, proposed section 1204(a)(2) would . . . [a]s our staffs have discussed, . . . result in effective changes to existing laws and regulations administrated by the Securities and Exchange Commission, which would undermine the ability of the Commission to regulate and oversee the collection and dissemination of information about the securities markets, including information about stock quotations and transactions, and could create questions as to the public nature of that market data." I must take exception to this statement. You will recall that my staff communicated to your staff the opposite assertion. The language to which you refer the opposite effect of that which you claim. Paragraph 1204(a)(2) was drafted to avoid the interference you suggest.

As you know, the dissemination of stock and commodities information based on the public interest in such information is regulated by the Securities Exchange Act and the Commodity Exchange Act, and regulated by the Securities and Exchange Commission and the Commodity Futures Trading Commission. Currently, by regulation, exchanges are allowed to be compensated for certain market information for a short time after its creation. While the regulatory bodies to which exchanges are subject are governmental entities, the exchanges themselves are not. Subsection 1204(a) provides that government information is not protected under the bill in order to preserve free access by taxpayers to collections of information funded by them. In order to avoid any confusion, and to avoid interfering with the ability of exchanges to be compensated according to applicable regulations, paragraph 1204(a)(2) states that an exchange is not to be considered a governmental entity under 1204(a). In other words, to prevent any misconception that exchanges are governmental entities and therefore must give out information for free under the bill, which would undermine current regulations, and to avoid interference with the jurisdiction of the Committee on Commerce, the clarifying language contained in 1204(a)(2) was inserted. The provision you cite therefore averts, and does not create, jurisdiction in the Committee on Commerce.

Your letter states as your second specific interest in H.R. 2652, that "notwithstanding the savings clause in proposed section 1205(f) for provisions of the Communications Act of 1934, the bill may have the unintended effect of restricting the Federal Communications Commission's (FCC's) ability to administer telecommunications laws that require carriers make available to the FCC and other carriers certain information," and that 'if interpreted narrowly, the savings clause will not preclude carriers from limiting access to, or dissemination of, certain information that is critical to promoting competition in telecommunications markets." Again, I must take exception to this statement. The savings clause to which you refer states that nothing in the bill shall affect "the operation of the provisions of the Communications Act of 1934." This language has been drafted in the broadest possible terms so as to prevent any narrow reading. Further, just in case any court could possibly interpret any situation regarding the dissemination of subscriber information as somehow not falling under the scope of the "operation of the provisions of the Communications Act," an additional clause was added to provide excessive and abundant assurance that the circumstance you foresee could not occur.

Despite the careful drafting done by the Committee on the Judiciary to assure no repercussions on important issues and governmental bodies falling under the jurisdiction

of the Committee on Commerce, I agreed to recommend a delay in floor consideration of H.R. 2652 for one week, so that you and your staff might be able to review the provisions of this important bill. Based upon your review, Chairman Coble was equally pleased to include in a manager's amendment additional clarifying language suggested by you to reaffirm and reassure that the provisions contained in H.R. 2652 do not affect any matter or entity within the jurisdiction of the Committee on Commerce.

Per your suggestion, I will include your letter of May 19, along with this letter, in the record. Thank you for expressing your views, and for your cooperation.

Sincerely,

HENERY J. HYDE,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON COMMERCE,
Washington, DC, May 19, 1998.

Hon. HENRY J. HYDE,
Chairman,
Committee on the Judiciary, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: On May 12, 1998, the Committee on the Judiciary reported H.R. 2652, the Collection of Information Antipiracy Act. As you know, H.R. 2652 would establish a prohibition, with certain exceptions and exclusions, against the misappropriation of information gathered, organized or maintained by another person in a collection through the investment of substantial monetary or other resources.

The Committee on Commerce has a strong interest in legislation affecting the accessibility of information on the Internet, and other telecommunications and information networks that rely on electronic databases for the storage of information. The Committee is in the midst of a Committee-wide review of electronic commerce issues within its jurisdiction. Our review demonstrates that the Internet and other digital networks carry great potential for facilitating interstate and global commerce, and that the potential for global electronic commerce, among other things, presupposes that users and providers will have ready and affordable access to collections of information. By providing collections of information a new federal property right, H.R. 2652 would govern a key component of interstate and foreign electronic commerce.

In addition, the Committee on Commerce has two specific interests in H.R. 2652, as reported by the Committee on the Judiciary. First, proposed section 1204(a)(2) would except from the exclusion provided for government-owned collections any information required to be collected and disseminated by either a national securities exchange under the Securities Exchange Act of 1934 or a contract market under the Commodity Exchange Act. As our staffs have discussed, this exception would result in effective changes to existing laws and regulations administered by the Securities and Exchange Commission, which would undermine the ability of the Commission to regulate and oversee the collection and dissemination of information about the securities markets, including information about stock quotations and transactions, and could create questions as to the public nature of that market data.

Second, we have expressed a concern that, notwithstanding the savings clause in proposed section 1205(f) for provisions of the Communications Act of 1934, the bill may have the unintended effect of restricting the Federal Commission's (FCC's) ability to administer telecommunications laws that require carriers make available to the FCC and other carriers certain information. The Committee on Commerce is concerned that, if interpreted narrowly, the savings clause will not preclude carriers from limiting access to, or dissemination of, certain information that is critical to promoting competition in telecommunications markets. The Telecommunications Act of 1996 is intended to promote competition in all telecommunications markets, and the Committee on Commerce seeks to ensure that H.R. 2652, if enacted, does not supersede our national commitment to competition.

I understand your interest in moving this legislation expeditiously to the House Floor. In exchange for your agreement to include language in the bill to address the problems described above, I agree not to seek a sequential referral of the bill. By agreeing not to seek a sequential referral, the Committee on Commerce does not waive its jurisdictional interest in any matter within the scope of the bill. Furthermore, I reserve the right to seek appropriate representation on any House-Senate conference that may be convened on this legislation.

I want to thank you and your staff for your assistance in providing the Committee on Commerce with an opportunity to review it jurisdictional interests in H.R. 2652. I would appreciate your acknowledgement of our agreement and your including this letter in the record of the debate on H.R. 2652 on the House Floor.

Thank you again for your consideration.

Sincerely,

TOM BLILEY,
Chairman.

SMALL BUSINESS WEEK

HON. ALLEN BOYD

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. BOYD. Mr. Speaker, in honor of Small Business Week, I would like to commend a hard working group of dedicated men and women who own and operate the nearly 23 million small businesses in the United States. America's small busineses are the heart and soul of our Nation's marketplace and the lifeblood of our communities.

Small business owners constitute almost 98 percent of all employers and are the key to our economy's continued prosperity. Through their innovation and hard work, the United States has remained competitive in the world marketplace for the last 200 years. At the same time, the charity and civic leadership of America's small business owners have made our neighborhoods a better place to live.

During Small Business Week, and throughout the year, Congress should take time to consider the contributions of small business owners to our society. As Members of Congress, we must ensure that our nation's small business owners and their employees are not choked by unnecessary government regulation, but rather free to grow and provide new jobs and opportunities for our communities.

REGARDING CONCURRENT RESOLUTION ON SCHOOL VIOLENCE

HON. HAROLD E. FORD, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. FORD. Mr. Speaker, today, I will introduce a sense of the Congress resolution in the House calling on the President to use the imposing power of his office to make the issue of school violence a top priority in the United States.

In the last year alone, at least a dozen students and teachers have been killed, and many more wounded, by young people who have come to school with guns rather than books. And until recently, few if any Americans, ever could have imagined or expected that such shootings would become common place. The incidents in the last year demonstrate that school violence is not an isolated problem—confined only to poor schools or forgotten neighborhoods. In fact these communities have struggled with this problem for years. It is a problem that is plaguing urban, rural and suburban communities alike. It is an American problem.

Nor is this a manufactured crisis as some have claimed. According to the National School Safety Center, the number of persons who have died in school violence incidents has increased 30% over last year. As a public policy maker, I wish that new laws and regulations alone could bring an end to these tragedies. Rather the solution, like the problem runs much deeper.

My resolution simply calls upon the President to use his bully pulpit to bring together those who can make a difference on this issue. First, it urges the President to initiate a series of town meetings with school superintendents, principals, students and parents to explore solutions to the problem. Second, I am asking the President to call upon States and local communities to improve communication between law enforcement officials and students, parents, and teachers by establishing violence prevention hotlines to inform law enforcement officials when threats of violence are made at schools.

A phone call from one student who heard Kip Kinkel's threats may have saved lives. The same is true for every other fatal shooting that has occurred over the past year. If a school violence hotline saves one life, then these hotlines will be worth the time, effort and expense. Currently the resolution has 6 original cosponsors. I am also pleased that the International Brotherhood of Police Officers, the largest union in the AFL–CIO has endorsed this resolution and I look forward to working with other national school advocacy organizations on this issue.

The President has eloquently expressed his sympathy and concern over the recent shootings in Springfield, Oregon, and I believe his leadership on this issue would serve to galvanize communities to establish this and other effective violence prevention programs in our nation's schools.

TRIBUTE TO BENNETT HERMAN

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. PAYNE. Mr. Speaker, I would like to ask my colleagues here in the United States House of Representatives to join me in honoring a very special person who has given over 65 years of dedicated service to his community, Mr. Bennett Herman. Mr. Herman has channeled his many talents and boundless energy into improving the quality of life for his fellow citizens in the city of Orange, New Jersey. This weekend, the Orange Rotary Club is recognizing his remarkable achievements at a special dinner in his honor.

Bennett Herman truly stands out as a leader who was always there for those around him, eager to take up new challenges to enhance the well-being of the community. He is a member and officer of the Orange Rotary Club; a founder, the first Executive Secretary and President of the Orange Chamber of Commerce; a member of the Economic Development Corps of the City of Orange, the first president of the Oranges and Maplewood Meals on Wheels Program; an organizer of the first Child Care Center in Orange; a member of the Board of the Orange Public Library; former vice president of the Orange Evening Community School; past president Social Welfare Council of the Oranges and Maplewood; recipient of the Community Service Award from the Neighborhood Development Corp.; Outstanding Citizen award from the American Legion; VFW Award; Marine Corps League Award and numerous other community and state honors. He also brought the first, and only, State American Legion Convention to Orange. In addition, he took the lead in honoring the teachers of the Orange community in a highly successful tribute.

Mr. Speaker, I know my colleagues join me in extending warmest congratulations and appreciation to Mr. Bennett Herman for his tireless work and his outstanding contributions to his community. We are very proud of him and we wish him all the best in the years ahead.

PERSONAL EXPLANATION

HON. JOHN LEWIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. LEWIS. Mr. Speaker, had I been present for rollcall vote 200, I would have voted no.

FINANCIAL SERVICES COMPETITION ACT OF 1997

SPEECH OF

HON. TOM BLILEY

OF VIRGINIA

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 13, 1998

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 10) to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, and other financial service providers, and for other purposes:

Mr. BLILEY. Mr. Chairman, my colleague, Mr. DINGELL, and I strongly support H.R. 10, The Financial Services Act of 1998, which will create new opportunities for all financial services providers, make our nation's financial services businesses more competitive both domestically and internationally, and benefit consumers by providing for fair competition, investor protection, and the protection of American taxpayers. Several important aspects of this historic legislation merit further emphasis, which we provide below.

A. H.R. 10 PROTECTS AMERICAN TAXPAYERS AND PROVIDES FOR FAIR COMPETITION

H.R. 10 permits bank operating subsidiaries to engage in all financial agency activities. The bill protects American taxpayers and ensures that all financial services providers will be able to fairly compete with one another. The legislation specifically repudiates any interpretation of the Comptroller of the Currency of the National Bank Act as authorizing bank operating subsidiaries to engage in principal activities that a bank could not conduct directly, such as insurance or securities underwriting.

Banks, unlike other forms of business organizations, benefit from access to the federal safety net—which refers to FDIC deposit insurance and access to the Federal Reserve's discount window and payment system. Because of their access to the federal safety net, banks can raise funds at a lower cost than other nonbank entities. Allowing banks to establish and fund operating subsidiaries engaged in activities prohibited for the bank (including speculative securities activities), as the amendments offered by Messrs. LAFALCE and VENTO and Mr. BAKER would have done, to different degrees, would directly extend the subsidy inherent in the federal safety net to cover a variety of activities that Congress has decided should not be protected by governmental guarantees. It would do so by permitting national banks to establish operating subsidiaries with equity capital raised at subsidized rates through the bank's access to the federal safety net. Because each of those amendments was defeated, the LaFalce/Vento amendment by a vote of 115 to 306 and the Baker amendment by a vote of 140 to 281, the bill ensures that banks will not be able to use the subsidy provided by the federal safety net to fund a wide range of activities that a bank cannot engage in directly.

The Treasury Department's contention that H.R. 10 would "harm consumers" by limiting the benefits of improved services and lower costs is incorrect. H.R. 10 will dramatically help consumers by achieving these benefits through the full affiliation of banks, insurance companies, securities firms and other financial service providers through a holding company. There is no greater benefit to be achieved from allowing these new activities to be conducted through an operating subsidiary of a bank unless Congress desires to permit the operating subsidiary to fund these activities with subsidized funds raised through the parent bank's access to the federal safety net—and in that case, the benefit would be to the bank, not financial services consumers, and certainly not American taxpayers. Such subsidization would undermine the benefits that consumers reap through vigorous industry competition by unfairly discriminating against securities, insurance and other financial service providers that do not have access to such subsidies, and would pose financial risks to the federal safety net and American taxpayers.

Furthermore, the bill would not "force innovation out of banks." The bill does not scale back any power that national banks currently have to conduct banking activities, or require any national bank to terminate any of its existing activities. National bank subsidiaries are currently not authorized to engage in any ineligible securities or insurance underwriting activities (other than limited credit life underwriting). The bill would simply limit the ability of the Comptroller to authorize a subsidiary of a national bank to engage in new activities as principal that Congress has determined are beyond the scope of activities permissible for the parent national bank. To put it plainly, the bill prevents national banks from doing indirectly what Congress has determined to be imprudent for banks to do directly. This limit is necessary and appropriate to protect banks, the federal safety net and the taxpayer, as well as to ensure fair competition among all financial service providers.

We note that proponents of expanding the powers of bank operating subsidiaries have argued that a national bank is equally exposed to its subsidiaries and to its affiliates because a national bank can issue dividends to its holding company and thereby indirectly fund a nonbank affiliate engaged in activities that are not permissible for the bank to engage in directly. The federal banking laws, however, limit the ability of a national bank to pay dividends where the payment would impair the bank's capital. This arrangement also ignores the requirements of GAPP, which mandates that the entire loss incurred by a subsidiary be reflected in the financial statements of the parent bank. There is no similar requirement applicable to its affiliates. Thus, a parent bank's financial statements must reflect all the losses experienced by a subsidiary, even when those losses far exceed the capital of the parent bank, while a bank's financial statements do not need to reflect losses incurred by an affiliate (beyond any limited amount that the bank may have lent to the affiliate in accordance with federal law). Because losses incurred by a holding company subsidiary do not directly impact the financial condition of an affiliated bank, the bank may face less pressure to support a subsidiary of a holding company than a subsidiary of the bank.

B. FEDERAL RESERVE BOARD REGULATION OF FINANCIAL HOLDING COMPANIES

Title I of the bill addresses the establishment of capital requirements for financial holding companies by the Federal Reserve Board. It is our intention that, in establishing capital adequacy guidelines or requirements, the Board take into account

that certain holding companies predominantly engaged in nonbanking financial activities have been organized in non-corporate structures, and should treat as common equity such interests as limited company memberships and partnership interests where such interests are accepted in the marketplace as equity available to absorb losses.

In addition, Section 116 of the bill forbids the Board to take any action under or pursuant to the Bank Holding Company Act or Section 8 of the Federal Deposit Insurance Act against or with respect to a regulated subsidiary of a bank holding company except in two circumstances: where action is necessary to prevent or redress an unsafe or unsound practice or breach of fiduciary duty that poses a material risk to the financial safety, soundness, or stability of an affiliated depository institution or the domestic or international payment system, or where the action is appropriate to enforce compliance with federal law that the Board has specific jurisdiction to enforce. Section 10A prohibits the Board from taking any action under the specified statutes where the purpose or effect of doing so would be to override a determination that an activity is financial in nature and thereby exclude regulated subsidiaries from a line of business that is financial in nature or prevent regulated subsidiaries from offering a product or services that is financial in nature. None of the above would prevent the board from taking action in an individual case where the manner in which an activity is conducted renders action necessary to prevent or redress an unsafe or unsound practice or breach of fiduciary duty by a regulated subsidiary that poses a material risk to the financial safety and soundness or stability of an affiliated depository institution or to the domestic or international payment system.

In determining whether or not it is reasonably possible to effectively protect against the material risk at issue through action directed at or against the affiliated depository institution or against depository institutions generally, the Board must consider the full scope of any statutory authority it and the other federal banking agencies may have over any type of depository institution, including national banks and state nonmember banks, under any statute which the Board and the other federal banking agencies are authorized to administer. In this regard, we expect the Board, if necessary and possible, to request other federal banking agencies to exercise their authority in order to protect against any feared risk, and we expect the other agencies to coordinate with and accommodate requests for action by the Board.

C. H.R. 10 PROVIDES FOR FAIR COMPETITION AND INVESTOR PROTECTION THROUGH FUNCTIONAL REGULATION

H.R. 10 recognizes that blanket exceptions from securities regulation are no longer appropriate for banks that are actively participating in securities activities. It reflects our belief that functional regulation is necessary to ensure that all entities engaged in securities activities, and all securities professionals, are regulated by the functional regulator with over 60 years of expertise focused specifically on these activities—the SEC. We recognize, however, that certain limited existing bank securities activities may remain excepted from SEC regulation without creating significant opportunities for regulatory arbitrage. We believe these exceptions are appropriate, based on the limited nature of some activities and the existing scheme of regulation of other activities. For instance, the way that banking regulators oversee bank trust activities—including those involving securities products—may more closely approximate the scheme of regulation embodied in the federal securities laws than the banking regulations applicable to other parts of a bank.

H.R. 10 eliminates the blanket exceptions for banks from the definitions of "broker" and "dealer," and, instead, includes limited exceptions from these definitions available to banks.

1. TRUST AND FIDUCIARY ACTIVITIES EXCEPTION

H.R. 10 permits banks to effect transactions in a trustee or fiduciary capacity without being considered to be broker-dealers under the securities laws. Banks would be permitted to effect such transactions so long as the department in which they are conducting the activities is regularly examined by bank regulators for compliance with fiduciary principles. It is our intent that such examinations be specifically focused on these activities and rigorous in nature. Banks that use this exception may also be primarily compensated by an annual fee, a percentage of assets under management, or a flat or capped per-order processing fee, or any combination of such fees, and may not receive brokerage commissions exceeding the banks' execution costs. Such fees must not be structured in such a way that they give rise to the sales incentives inherent in brokerage commissions.

2. EMPLOYEE AND SHAREHOLDER BENEFIT PLANS EXCEPTION

Under H.R. 10, a bank will not be considered a "broker" when, acting in its transfer agent capacity, it conducts brokerage transactions for: (1) employee benefit plans; (2) dividend reinvestment plans; and (3) open enrollment plans.

In connection with all three types of plans, banks may not solicit transactions or provide investment advice concerning the purchase or sale of securities. In addition, banks using this exception may only receive compensation consisting of administrative fees, flat or capped per order processing fees, or both, and may not receive brokerage commissions exceeding the banks' execution costs. As to both dividend reinvestment plans and open enrollment plans, the substitute bill clarifies that banks also may not net shareholders' buy and sell orders except for odd-lot holders or plans registered with the SEC.

3. DEFINITION OF "BANKING PRODUCT"

The bill attempts to preserve the ability of the SEC to determine what is a "security" under the federal securities laws, and when new bank products are "securities," by putting the definition of "traditional banking product" into a stand-alone statute—not in the federal securities laws or the banking laws. As in the bill reported by the Commerce Committee, this bill's definition of traditional banking product includes such things as deposit accounts, letters or credit, credit card debit accounts, certain loan participations, and certain derivative instruments that traditionally have not been regulated as securities. If banks sell products within the scope of this definition, they are not required to register as a broker or a dealer.

We have also expanded the types of derivative products that come within the definition of traditional banking product. In addition to derivatives involving or relating to foreign currencies, under the substitute bill, banks may also sell as traditional banking products derivatives involving or relating to interest rates, commodities, other rates, indices or other assets, except instruments (i) that are based on a security or a group or index of securities, (ii) that provide for the delivery of one or more securities, or (iii) that trade on a national securities exchange. However, if a derivative other than an interest rate swap or a foreign currency swap is a security, it would not qualify as a traditional banking product unless it were based on a government security, commercial paper, banker's acceptance or commercial bill of a group of index of one or more of these products.

H.R. 10 includes a new provision that establishes a process by which the SEC shall decide whether banks that sell "new banking products" that are securities must register with the SEC as brokers, dealers, or both. Specifically, the SEC must engage in a rulemaking proceeding and must determine (1) that the new product is a security and (2) that imposing a registration requirement on a bank to sell the new product is necessary or appropriate in the public interest and for the protection of investors. In addition, during the rulemaking process, when considering whether an action is for the protection investors, the SEC also must consider whether the action will promote efficiency, competition and capital formation as set forth in Section 3(f) of the Exchange Act. Under this provision, during the rulemaking process, the SEC is also required to consult with and consider the views of the appropriate banking agencies concerning the proposed rules and the impact of those rules on the banking industry.

H.R. 10 is clear that the classification of a product as a traditional banking product does not imply that such product (i) is or is not a security for purposes of the securities laws, or (ii) is or is not an account, agreement, contract, or transaction for purposes of the Commodity Exchange Act.

RELIGIOUS FREEDOM AMENDMENT

HON. ERNEST J. ISTOOK, JR.

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. ISTOOK. Mr. Speaker, please enter the enclosed materials into the RECORD.

SOUTHERN BAPTIST CONVENTION,
Nashville, TN, June 2, 1998.

DEAR MEMBER OF CONGRESS: I am writing to re-iterate our support for the Religious Freedom Amendment, which is soon to be voted upon. Passage of the Religious Freedom Amendment is essential to restoring the original intent of our First Amendment. Restoring the original intent of the First Amendment is essential to fully restoring religious liberty. Therefore, I urge your support of this historic effort to further secure our inalienable right to the free exercise of religion.

If we may be of assistance to you in your deliberation, please feel free to contact Will Dodson in our Washington office at (202) 547-8105. thank you for your consideration of this issue of critical importance to the welfare of our nation.

Sincerely,

DR. RICHARD D. LAND,
President,
Ethics & Religious Liberty Commission.

CHRISTIAN VOICE,
Alexandria, VA, May 8, 1997.

Hon. ERNEST JIM ISTOOK,
U.S. House of Representatives.

DEAR ERNEST: Please accept our most heartfelt thanks and congratulations on the introduction of the Religious Freedom Amendment which Christian Voice fully supports.

As you may know, Christian Voice has been a strong advocate of returning voluntary prayer in public schools since our founding in 1978. We were instrumental in the introduction of and spearheaded the lobbying effort for President Reagan's Constitutional Amendment to restore voluntary prayer in 1983.

We look forward to working with you in this vital battle to restore religious freedom in our society in order to truly make America one nation under God. Please do not hesitate to call on us if there is anything we can do to help you advance this critically important initiative.

Thanking you again for your outstanding leadership in defending the religious freedom rights of all America, and wishing you God's richest blessings, I remain

Yours sincerely,

GARY L. JARMIN,
Legislative Director.

AMERICAN FAMILY ASSOCIATION,
Washington, D.C., May 28, 1998.

DEAR MEMBER OF CONGRESS: On behalf of our president Donald Wildmon and our hundreds of thousands of supporters, I am writing to indicate our support for the Religious Freedom Amendment sponsored by Representative Ernest Istook of Oklahoma. We are deeply concerned about the restrictions that the United States Supreme Court has placed on our right to religious expression. Americans' desire to keep God, our Creator, in all aspects of our lives. This is a desire, which conforms to that of our Founding Fathers and is our right as Americans. We believe that the Religious Freedom Amendment will restore the original intentions of our Founding Fathers.

We strongly urge you to vote in favor of the Religious Freedom Amendment.

Sincerely,

PATRICK A. TRUEMAN,
Director of Governmental Affairs.

CHRISTIAN ACTION NETWORK,
May 28, 1998.

Hon. ERNEST ISTOOK,
U.S. House of Representatives, Washington, DC.

DEAR CONGRESSMAN ISTOOK: On behalf of Christian Action Network and its 250,000 supporters, I heartily endorse the passage of the Religious Freedom Amendment (H.J. Res. 78) in the U.S. House of Representatives.

The Religious Freedom Amendment (RFA) will protect people of faith throughout the country. The American people have again and again expressed their support for voluntary prayer in the schools. Religious symbols and observances should not be stripped from our public life. The Ten Commandments have been banished from courthouses and public Christmas displays are often cleansed of their original religious significance.

However, the right of free speech has been expanded in almost every area except religious freedom. The premise of your amendment is simple: To secure the people's right to acknowledge God according to the dictates of conscience.

Last June, the Supreme Court overturned the Religious Freedom Restoration Act, which provided some basic protections for people of faith. This decision shows that passage of the Religious Freedom Amendment is even more important.

You have Christian Action Network's full support in this effort. Thank you for all of your hard work.

Sincerely,

MARTIN MAWYER,
President.

CHRISTIAN COALITION,
Capitol Hill Office, May 28, 1998.

PROTECT RELIGIOUS FREEDOM—VOTE FOR THE RELIGIOUS FREEDOM AMENDMENT

DEAR REPRESENTATIVE: On Thursday, June 4th, the House will hold a truly historic vote. For the first time in 27 years, you will consider an amendment to the United States Constitution concerning the fundamental right of an American citizen to publicly acknowledge his or her religious faith. This constitutional amendment will guarantee the same First Amendment protection to religious speech as for non-religious speech, including *voluntary school prayer*. In a nation that was founded on the principle of religious liberty, we must take steps to restore the rights that our Founding Fathers intended to protect. And in a recent poll in which voters were asked about moral issues confronting the nation, almost 70% agreed that America needed a Religious Freedom Amendment that would allow voluntary school prayer. The Christian Coalition strongly urge you to vote for the Religious Freedom Amendment (H.J. Res. 78).

The most dramatic example of a religious freedom that has been whittled away is the right to religious speech. The right to free speech is one of the most highly revered and protected rights in our Constitution. Yet, a series of Supreme Court rulings over the past 35 years have misinterpreted the Constitution to ban and censor free speech when that speech is religious in nature. Specifically, the Supreme Court has censored free speech in only three areas: inciting violence and insurrection, obscenity, and religious speech. It is absurd for the Supreme Court to equate the act of expressing one's faith in God with expressions of insurrection or obscenity.

This amendment would protect the right of school children to organize prayer during the school day, while explicitly reigning in the influence and participation of the government in such activities. The government, represented by either a teacher or a school administrator, would be prohibited from requiring, writing or forbidding prayer.

With the protection of the Religious Freedom Amendment, courts would no longer issue rulings such as the one in which the judge upheld a teacher's decision to give a young Tennessee student an "F" on a research paper simply because the student decided to write her paper about Jesus. (*Settle v. Dickson County School Board*). And the highest court in our land would be required to enforce the right of a rabbi to offer a nonsectarian prayer at a middle school graduation.

Enactment of the Religious Freedom Amendment is the only effective means to truly restore our religious freedom. On behalf of the Christian Coalition, I strongly urge you to vote yes for final passage on Thursday, June 4th.

Sincerely,

RANDY TATE,
Executive Director.

CONCERNED WOMEN FOR AMERICA,
March 21, 1997.

The Hon. Ernest Istook,
U.S. House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE ISTOOK: Concerned Women for America (CWA), as the largest pro-family women's organization in America, is pleased to support your efforts to bring forward a constitutional amendment that will safeguard religious expression. Our over 500,000 members have continued to remind us that their First Amendment rights to free religious expression are routinely trampled. It's time for those who seek to persecute religious people to stop hiding behind the robes of the Supreme Court. It is time for a Religious Freedom Amendment.

America's religious heritage can be traced to the Declaration of Independence, our founding document, which reminded the world that mankind has been endowed by the Creator with certain inalienable rights. And our Constitution further elaborated the fundamental rights that Americans hold dear. CWA favors protection for: Religious symbols (i.e. the cross, creche, menorah, etc.), voluntary, student-initiated and student-led prayer in all schools, and Free and secure religious expression.

Now is the time to permanently codify the rights of all Americans—rights that have been ignored by many in the judicial system for the last 30 years. Rep. Istook, CWA appreciates your tireless efforts on behalf of America's families, and we look forward to working with you and other members of Congress in the months ahead.

Sincerely,

BEVERLY LAHAYE,
Chairman & Founder.

WALLBUILDERS, INC.,
Aledo, TX, February 28, 1997.

The Hon. Ernest Istook,
U.S. House of Representatives, Washington, DC.

REPRESENTATIVE ISTOOK: I am President of the national ministry, WallBuilders. Our organization, which includes almost one-hundred-fifty thousand citizens among its direct supporters, and hundreds of States legislators and leaders, is dedicated to rebuilding and protecting the religious and family values on which America was founded, and which, for so long, were embraced in our public policy.

Thank you for your leadership and vision on the "Religious Freedom Amendment"—a long-awaited opportunity for millions of Americans. Your amendment will again secure their genuine "free exercise of religion," and will reverse the religious hostility now so evident in the federal courts, ending their micro-management of religious activities.

I applaud the scope of the protections you have provided in your amendment, ranging from securing freedom of conscience to forbidding religion-based discrimination, from securing public religious speech and expressions to protecting voluntary student religious exercises. Certainly, you know that you have much public support behind you as recent polls have shown 74 percent of the nation supporting a constitutional amendment explicitly protecting school prayer, and 73 percent supporting explicit wording to protect public religious acknowledgments (Luntz Research Companies, January 16–21, 1996).

Be assured that you have our complete and unwavering support for your amendment and the protections it encompasses. We are at your service in helping secure the passage of

this wonderful and necessary constitutional amendment.

Again, thank you for your leadership on this issue. You are a genuine friend to and champion for people of faith everywhere! May God continue to prosper you and your endeavors for Him! God bless!

In prayer that our government will once again be upon His shoulders, and that we will again become one nation under God, I remain,

DAVID BARTON.

YOUTH FOR CHRIST,
U.S. NATIONAL OFFICE,
June 13, 1997.

Hon. ERNEST ISTOOK,
U.S. House of Representatives,
Washington, DC.

DEAR CONGRESSMAN ISTOOK: We at Youth for Christ would like to offer our full and enthusiastic support of the Religious Freedom Amendment (HJRes 78) which you have presented to this session of Congress. We view your Amendment as the only way to restore religious liberties in America.

Youth for Christ is an international, interdenominational movement with affiliates in 225 cities across the United States and 127 countries around the world. Our target audience is junior high and senior high school students. As part of the body of Christ, our vision is to see every young person in every people group in every nation have the opportunity to make an informed decision to be a follower of Jesus Christ and become a part of a local church. Last year 600,000 young people were impacted by some aspect of our outreach and 33,000 young people made decisions to receive Jesus Christ as their Savior.

Nationally, we have 982 full time paid staff, 592 part time staff and over 14,000 volunteers. Our annual budget is $4.2 million.

We wholeheartedly encourage Congress to enact the Religious Freedom Amendment.

Cordially,

ROGER CROSS,
President.

CORAL RIDGE MINISTRIES,
March 21, 1997.

Hon. ERNEST ISTOOK,
U.S. House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE ISTOOK: Thank you for spearheading the effort to draft and introduce into Congress a Religious Freedom Amendment. This measure has my complete support.

The need for the protection that this constitutional amendment offers is evident in a cursory review of some recent attacks on religious expression, often under the rubric of protecting the so-called wall of separation between church and state.

Witness these few examples:

• In Alabama, a state judge is under attack for having the Ten Commandments posted in his courtroom and allowing an outside clergyman to lead prayer at jury organizing sessions.

• A Bronx church is prohibited from renting a public school to hold worship services even though other community groups are allowed.

• A federal court forbids a fourth grader from distributing religious literature at his public school.

Time magazine commented several years back on this current state of affairs—the bitter fruit, I believe, of the Supreme Court's 1962–63 school prayer decisions:

In this nation of spiritual paradoxes, it is legal to hang a picture in a public exhibit of a crucifix emerged in urine, or to utter virtually any conceivable blasphemy in a public place; it is not legal, the federal courts have ruled, to mention God reverently in a classroom, on a football field or at a commencement ceremony as part of a public prayer.

Religious freedom is the cornerstone of all the other freedoms we enjoy. Without it, our other freedoms are likewise open to attack. The idea that freedom is granted by God, not the state, and that religion—the duty man owes to God—is outside the jurisdiction of government, acts as a powerful safeguard against the everpresent impulse of government to encroach on the people's liberty. For that reason this amendment is not merely a concern of religious people, but of all Americans who value freedom.

It is long past time for Congress to address this issue. Public opinion polls over the past 30 years indicate overwhelming support for a constitutional amendment such as you are introducing. I applaud you for your leadership in this cause and pledge my support to help win passage.

Sincerely,

D. JAMES KENNEDY,
Ph.D.

CATHOLIC ALLIANCE,
April 23, 1998.

Hon. ERNEST ISTOOK,
Washington, DC.

DEAR CONGRESSMAN ISTOOK: Thank you for your sponsorship of the Religious Freedom Amendment. Catholic Alliance wholeheartedly supports passage of your bill.

Our nation's courts have rewritten the Constitution to governmentally institutionalize secularism. The founding fathers intended for all Americans to be able to exercise their religious beliefs openly without fear of government retribution. The founders prohibited the promotion of one religion over another, not the promotion of religious belief. The courts have created a world where school teachers can wear Black Sabbath t-shirts in school but cannot publicly pray the rosary. Students can display "Legalize Marijuana" badges but not scapulars. Saying grace over a teacher's own meal, if accompanied by the sign of the cross, can be a disciplinary offense.

We are compelled by the courts failure to rectify their errors to seek the Religious Freedom Amendment. The RFA does not require the schools or any public institution to incorporate or regulate religious expression. The RFA merely prohibits public institutions from suppressing individuals religious expression. The RFA clears the way for the full involvement of faith based institutions in solving the social ills of our times.

Thank you for your leadership.

Sincerely,

DEACON KEITH A. FOURNIER,
President.

FOCUS ON THE FAMILY ENDORSES "RELIGIOUS FREEDOM AMENDMENT"

Colorado Springs—Today Dr. James C. Dobson, president of Focus on the Family, joined many other national pro-family and religious liberty organizations to endorse the Religious Freedom Amendment, sponsored by Rep. Ernest Istook (R–Okla). His statement was released this morning at a Capitol Hill news conference:

"Focus on the Family strongly supports the Religious Freedom Amendment to secure the protection of religious freedom for all Americans. We believe in a vision for a just society that protects religious liberties for people of all faiths. This constitutional amendment will make that vision a reality and is long overdue.

"We at Focus on the Family receive 250,000 letters and phone calls each month. We hear all too often from citizens—especially children—who have had their First Amendment religious freedoms trampled upon. The Religious Freedom Amendment will reinforce Americans' First Amendment guarantee of religious liberty and will specifically protect voluntary, student-initiated prayer in public schools.

"Whether its expelling expressions of Christmas from public schools or public parks, outlawing benedictions or censoring student speeches at high school graduations, or punishing a fourth grade boy for praying over his lunch in a public school cafeteria, liberal judges and misguided school administrators have perverted Thomas Jefferson's meaning of the 'wall of separation between church and state.'

"The U.S. Supreme Court's 1962 prohibition of school prayer unfortunately set in motion an intense effort by the judiciary to eliminate all evidences of religious expression for public life. What we have seen over the last thirty years from the courts is not religious neutrality, but rather what Justice Potter Stewart called a 'religion of secularism.' It is time for the Congress to remedy this abuse of the people's constitutional liberties by passing the Religious Freedom Amendment.

"We urge the American people to call and write their congressmen and senators to assure this amendment's passage."

Founded in 1977 by James C. Dobson, Ph.D., Focus on the Family is a nonprofit Christian organization dedicated to the preservation of the home. Focus on the Family has a monthly mailing list of over 2 million and a daily radio broadcast heard by 3–5 million each week in the United States.

FELLOWSHIP OF CHRISTIAN ATHLETES,
May 21, 1998.

DEAR MEMBER OF CONGRESS: On behalf of the Fellowship of Christian Athletes, I want to voice our support for the Religious Freedom Amendment (HJR 78), and urge all Members of Congress to vote for this vital constitutional amendment.

The Fellowship of Christian Athletes (FCA) has almost 8,000 Huddles (chapters) in schools all across America. Not only do we seek to motivate young athletes to find a better way of playing the game of life, but FCA leads the outreach to students all across America to avoid the temptations of alcohol and illegal drugs. There is only "One Way 2 Play—Drug Free!"

Our outreach is based on a commitment grounded by faith in Jesus Christ. Unfortunately, we must overcome hurdles and barriers that are placed in our path, but which are not applied to some other student clubs and organizations in public schools. By protecting the right to pray at school, and to recognize religious traditions, heritage and beliefs, the Religious Freedom Amendment will remove the discrimination against faith-based student groups, and maintain the protections against unfounded fear that prayer or any other religious activity would be compulsory. This will also allow the students to attend the Huddle meetings at school and not have to miss, due to transportation problems to off campus sites at night.

The Fellowship of Christian Athletes urges all Members of Congress to support the Religious Freedom Amendment.

Sincerely,

DR. DAL SHEALY,
President/CEO.

TOWARD TRADITION,
March 18, 1997.

HON. ERNEST ISTOOK, Jr.,
Washington, DC

DEAR CONGRESSMAN ISTOOK: Firstly, let me congratulate you on the remarkable progress you have made on the Religious Liberties Amendment. I feel honored to have been able to support you in this milestone.

I heartily endorse the proposed language for the Religious Freedom Amendment. I want to stress as a Jew how proud and privileged I feel to live in a country whose leaders like yourself are eager for these hallowed words to become law. It is precisely the commitment to God and the devotion to prayer that have made the United States of America the most tranquil and gracious home that the Jewish people have enjoyed during that past 2,000 years. May God bless you and your work.

Do let me know if there is anything at all I can do to be of assistance to you in the crucial work of assuring the religious right of all Americans, regardless of faith.

Sincerely your friend,

RABBI DANIEL LAPIN,
President.

AMERICAN CONFERENCE OF JEWS AND BLACKS

DEAR CONGRESSMAN: After viewing the Religious Freedom Amendment and speaking with Congressman Istook I fully endorse the Amendment's passage. As you are well aware, teachers and bureaucrats in today's schools are so fearful and confused when it comes to general statements about religion that even the most cursory and innocuous remark by a school child regarding a routine religious activity is censored. This goes beyond separation of Church and State into separation of state from common sense.

The bedrock of the American public school system is local control. If a local district chooses to allow a minute toward acknowledging God and His blessings, I should think that would fall within the age-old classic Jewish tradition to "Acknowledge the Presence of God in our midst." This is not done to proselytize but simply acknowledge the Creator we all share.

My parents and all of their Jewish peers in the previous generation spent each morning during their public school years doing so; indeed benefiting from the classic wisdom and guidance offered, for example, by Psalms.

Those uncomfortable with the notion of God—Jew or non-Jew—will naturally be uncomfortable with such public acknowledgments. Should we, then, censor and ban everything in society that some person finds irritating? Instead of censorship, I would expect some elementary graciousness and generosity of spirit from those who seem bothered. Truly, they are not, in any way, jeopardized. Far more ennobling than stilling the heartfelt expression of others would be to exhibit respect and tolerance for others, as well as the ideal of live-and-let-live.

Perhaps on one occasion, somewhere in some district, a Jewish child may hear the name Jesus uttered. So what! Is Judaism so tenuous that it crumbles when simply hearing about other people's beliefs? How ironic that those who for their children espouse openness to all sorts of other ideas, become insecure in this matter. The remedy for such insecurity is not to stop believers from expressing thanks to God, nor to eradicate their freedoms. It is, rather, to overcome manufactured insecurities, strengthen the Jewish education of their own children and, once and for all, begin believing in the general innate fairness of the American people.

Sincerely,

RABBI ARYEH SPERO,
President.

RELIGIOUS FREEDOM AMENDMENT

The Religious Freedom Amendment, a proposed constitutional amendment to protect religious freedom, is supported by religious organizations and others across America, with over 150 House cosponsors, including the House leadership.

ENDORSING GROUPS AND ORGANIZATIONS

American Conference of Jews and Blacks, American Family Association, Americans for Voluntary School Prayer, American Muslim Council, Americas Prayer Network, Catholic Alliance, Christian Action Network, Christian Coalition, Christian Voice, Citizens for Excellence in Education, Coral Ridge Ministries (Presbyterian), Concerned Women for America, Ethics and Religious Liberties Commission, Family Research Council, Focus on the Family, Free Congress Foundation, and Full Gospel Baptist Church Fellowship.

General Council of the Assemblies of God, International Pentecostal Church of Christ, Jewish Union, National Clergy Council, National Baptist Convention USA, Religious Freedom Coalition (William Murray), Religious Roundtable, Salvation Army, Southern Baptist Convention, Toward Tradition (Jewish Rabbinical Group), Traditional Values Coalition, Trinity Global, U.S. Family Network, Wall Builders, Youth for Christ, and National Association of Evangelicals which represents the following groups:

Advent Christian General Conference, Assemblies of God, Baptist General Conference, Brethren Church, Brethren in Christ Church, Christian & Missionary Alliance, Christian Catholic Church, Christian Church of North America, Christian Reformed Church in North America, Christian Union, Church of God, Church of God, Mountain Assembly, Church of the Nazarene, Church of the United Brethren in Christ, Churches of Christ in Christian Union, Congregational Holiness Church, Evangelical Church of North America, Evangelical Congregational Church, Evangelical Church of America, Evangelical Friends International of North America, Evangelical Mennonite Church, Evangelical Presbyterian Church, Evangelical Missionary Fellowship; and Fellowship of Evangelical Bible Churches.

Fire Baptized Holiness Church of God of the Americas, Free Methodist Church of North America, General Association of General Baptists, International Church of the Foursquare Gospel, International Pentecostal Church of Christ, International Pentecostal Holiness Church, Mennonite Brethren Churches, Midwest Congregational Christian Fellowship, Missionary Church, Inc., Open Bible Standard Churches, Pentecostal Church of God, Pentecostal Free Will Baptist Church, Inc., Presbyterian Church in America, Primitive Methodist Church USA, Reformed Episcopal Church, Reformed Presbyterian Church of North America, Salvation Army, Synod of Mid America, Wesleyan Church and Worldwide Church of God.

COMMITTEE ON RESOURCES OVERSIGHT REPORT ON INTERIOR DEPARTMENT RULE-MAKING

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1998

Mr. YOUNG of Alaska. Mr. Speaker, today I am filing a report by the Committee on Resources entitled Abuse of Power: The Hardrock Bonding Rule which presents the results of the Committee's oversight investigation of an informal rule-making process at the Department of Interior. We are publishing the report in order to open the curtains and let full sunlight shine on Interior's rule-making process. The issue here is not about mining—it is about the right of a citizen to meaningful participation in the rule-making process.

The report concludes that Department documents obtained by the Committee clearly show that undue interference of political appointees at Interior in the rule-making was so great that the integrity of the rule-making process itself was discredited. In addition, the new rule was published despite warnings from Interior's own regulation writers and lawyers that they had significant concerns about compliance with the Administrative Procedures Act (APA).

After this regulation was implemented, political appointees at the Department of Interior attempted to prevent and obstruct the Committee on Resources from carrying out its Constitutional oversight responsibilities. A drawn-out string of dilatory tactics was initiated after all documents pertaining to this rule-making were requested. Some records were produced by Interior pursuant to this request, but many documents were withheld from the Committee under a prospective claim of "privilege." The Department also tried to impose rules and conditions under which this Committee could have access to documents. After these dilatory tactics continued for more than three months, the Committee subpoenaed the documents.

In their dissenting views filed with the report, the Minority argues that the documents obtained under the subpoena are confidential and part of the deliberative process. We disagree. A consensus has emerged under the APA that a rule-making record or file should be created in informal rule-making. In *Citizens to Preserve Overton Park* v. *Volpe,* the Supreme Court stated that, although agency action is entitled to a presumption of regularity, "that presumption is not to shield [the] action from a thorough, probing, in-depth review." 401 U.S. 402 (1971). These documents are part of the rule-making record.

An appendix to the report contains some of the subpoenaed documents which illustrate the serious problems with this rule-making. Perhaps this will encourage the political appointees at Interior to comply with the laws governing rule-makings and goad the Department into reforming their rule-making process to restore meaningful input from the American people. Certainly, a higher standard can be expected of the "most ethical Administration" in American history.

The Minority also says that "despite assurances to the contrary" during oversight hearings conducted by Subcommittee on Mineral and Energy Resources Chairman Barbara Cubin, the report concludes that actions by a special assistant to the Assistant Secretary for Land and Minerals constitutes a "serious conflict of interest." The Minority is construing more from these remarks than we implied. Indeed, immediately after this statement during the June 19th hearing, Chairman Cubin told Department officials that "the cure for this problem or perceived problem would be to allow public comment, because the appearance isn't very pretty. I mean it really looks bad. . . ." Interior was also withholding key documents from the Committee at the time of the oversight hearings. Interior produced these documents, but only after they were subpoenaed, nearly two months after these remarks were made.

In fact, Interior recently lost a lawsuit over this regulation. The Minority Views to the report try to minimize this stating that the court "did find that DOI [Interior] violated only the procedural requirement of the RFA [Regulatory Flexibility Act] by not consulting with the SBA [Small Business Administration] on the definition of a 'small entity.'"

The court decision concerned whether Interior obeyed the law in issuing the regulation. The court granted a summary judgment against Interior, which means that after construing all of the relevant facts in the most favorable light for Interior, the court found that Interior had no case, and ordered the Department to rescind the regulation and start over.

In her concluding statement, the judge said, "While recognizing the public interest in preserving the environment, the Court also recognizes the public interest in preserving the rights of parties which are affected by government regulation to be adequately informed when their interests are at stake and to participate in the regulatory process as directed by Congress [emphasis added]." I am attaching a copy of this Court decision to these remarks for inclusion in the RECORD.

The Resources Committee told Interior officials more than a year ago—long before the Department was sued—that the new rule was illegal because the department violated the rule-making process. We urged them to withdraw the rule and correct these violations. Instead, Interior wasted taxpayer money defending an untenable position in a lawsuit.

This whole sorry episode results from the refusal of a few imperious, high-level, politically motivated bureaucrats to obey laws that govern a rule-making. Accountability is the issue. Political bosses at Interior, who love to write regulations for others to obey or face severe penalties, refuse to heed laws that regulate their own actions. Shouldn't they be accountable too?

[United States District Court for the District of Columbia, Civil Action No. 97-1013 (JLG)]

NORTHWEST MINING ASSOCIATION, PLAINTIFF, *v.* BRUCE BABBITT, SECRETARY, U.S. DEPARTMENT OF INTERIOR; ET AL., DEFENDANTS

MEMORANDUM

This matter is before the Court on opposing motions for summary judgment. The Plaintiff, Northwest Mining Association ("NWMA", disputes a final rule enacted by Defendant United States Bureau of Land Management ("BLM") concerning reclamation of mining lands. The Small Business Administration ("SBA") submitted an amicus curiae brief in favor of NWMA's position. The Arizona Mining Association and the Nevada Mining Association jointly submitted an amici curie brief, also in favor of NWMA's position. The Court heard oral argument on March 10, 1998. For the reasons that follow, NWMA's motion is granted and the BLM's motion is denied.

I. Background

In 1976, Congress enacted the Federal Land Policy and Management Act ("FLPMA"), 43 U.S.C. 1701, (*et seq.* (1994). Congress declared in the FLPMA that it is the policy of the federal government, through the Secretary of the Interior, to manage public lands "in a manner which recognizes the Nation's need for domestic sources of minerals . . . from public lands[.]" 43 U.S.C. 1701(a)(12).[1] Congress, however, also recognized the need to manage the public lands "in a manner that will protect the quality of scientific, scenic, historical, ecological, environmental, air and atmospheric, water resource, and archaeological values[.]" 43 U.S.C. §1701(a)(8). Accordingly, while managing public lands under the Act, the Secretary and the BLM must "take any action necessary to prevent unnecessary or undue degradation of the lands" by "regulation or otherwise." 43 U.S.C. §1732(b).

The BLM's obligatory duty to prevent unnecessary or undue degradation of public lands has significant application in the mining industry. The extraction of hardrock minerals, such as gold and copper, often involves the excavation of large open pits, the use of toxic chemicals, disruption of underground water, and various other negative environmental effects. Historically, some miners abandoned their claims after the minerals ran out and left the land disturbed. In many cases, the use of millions of dollars of public funds has been required to reclaim such old, abandoned mining operations and return them to an environmentally sound state. (Def. Mem. at 2–3.)

In 1981, the BLM responded to this problem by promulgating regulations, set forth in 43 C.F.R. §3809, which allowed it to require bonds from miners in certain situations. Bonding ensures a miner's compliance with environmental standards by proactively funding the reclamation before the operation begins. In the event of a miner's default of its reclamation obligation, the bond, or other surety, will fund the environmental restoration, not the public. (Def. Mem. at 2–3.)

The original regulations defined three levels of mining activities: "casual" level use, where only negligible disturbance of the land results (43 C.F.R. § 3809.0–5(b)); "notice" level use, where mining operations are greater than casual use but still disturb less than five acres per calender year and where the operator need only submit a general notification of operations to the BLM before commencement (43 C.F.R. §3809.1–3(a)–(c)); and "plan" level use, where more than five acres per calendar year are disturbed and where the operator must submit a detailed plan of all operations and reclamation to be undertaken to the BLM for approval (43 C.F.R. §3809.2–9(b)). The original regulations allowed the BLM to require plan level operators to post a bond to ensure the reclamation of disturbed areas, but such bonds were not mandatory to all plan level operations (43 C.F.R. 3809.1–9(b)).

On July 11, 1991, the BLM issued a notice of proposed rulemaking to amend its bonding requirement rules. The proposed rule would require bonds for all mining operations larger than casual level use. 56 Fed. Reg. 31,602 (1991). Notice level operators would be required to post a $5,000 bond for each claim, *Id.* at 31,604, while plan level operators would be required to post a bond in an amount specified by the BLM, but in no case to exceed $1,000 per acre for explorational operations and $2,000 per acre for mining operations. *Id.* at 31,605. Additionally, the proposed rule would allow alternative financial instruments to be substituted for bonds, *Id.* at 31,602, and would require operators with a history of noncompliance with BLM regulations to file plans on subsequent operations which would normally be conducted on a notice level. *Id.* at 31,602.

The BLM stated that it would accept comments on the proposed rule amendments until September 9, 1991, *Id.* at 31,602, but later extended the comment period to October 9, 1991 (56 Fed. Reg. 41,315 (1991)).

On February 28, 1997, almost six years after the original proposal, the BLM issued the final rule. 62 Fed. Reg. 9093 (1997). The final rule contained several substantive differences from the proposed rule which are pertinent to this case. Most notably, notice level and plan level operators are each required by the final rule to post bonds for 100 percent of the estimated reclamation costs. *Id.* at 9100, 9101.

Additionally, the final rule requires notice and plan level operators to employ an outside engineer to calculate and certify the cost of reclamation of the disturbed areas, *Id.* at 9100–01, provide bonds for all its existing mining disturbances within ninety days (if not in compliance with the rules), *Id.* at 9103, and meet water quality standards for one year at the reclaimed site before the bond would be released. *Id.* at 9102. The final rule imposed criminal sanctions on persons who knowingly violate the regulations. *Id.* at 9103.

The BLM stated that the rule, as enacted, would not have a significant impact on a substantial number of small entities. *Id.* at 9099. The BLM defined "small entity" as "an individual, small firm, or partnership at arm's length from control of any parent companies." *Id.* at 9099.

The NWMA seeks summary judgment under the Administrative Procedure Act, 5 U.S.C. §§551, *et seq.* (1994) ("APA") on the basis that there was no notice in the proposed rule of the 100 percent bond requirement, the professional third party engineer requirement, the water quality requirement, or of the potential criminal sanctions.

Alternatively, the NWMA seeks summary judgment under the Regulatory Flexibility Act ("RFA"), 5 U.S.C. §601, *et seq.* (1994) (*as amended by* Pub. L. 104–121, Title II, 110 Stat. 864–67 (1996)) on the grounds that, when certifying that the final rule would not have a significant economic impact on a substantial number of small entities, the BLM did not use the Small Business Administration's definition of "small miner" and did not follow the appropriate procedure for adopting an alternate definition as required by the RFA.

The BLM generally denies the NWMA's allegations and itself moves the Court for summary judgment, arguing that the NWMA

[1]The Secretary is charged "to promulgate rules and regulations to carry out the purposes of [the] Act." 43 U.S.C. §1740. The administrator of these rules and regulations is the Director of the BLM, through the authority and at the direction of the Secretary. 43 U.S.C. §1731(a).

lacks standing to object. The BLM alleges that, since the NWMA failed to participate in the rulemaking process by filing any comments during the appropriate period, the NWMA lacks standing to challenge the new rule under the APA.[2] The BLM also alleges that, because the NWMA is not itself a small entity, it lacks standing to challenge the new rule under the RFA.

II. Discussion

The Court shall grant summary judgment "if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(c); *Celotex Corp. v. Catrett*, 477 U.S. 317 (1986).

A. STANDING OF THE NWMA

The BLM claims that the NWMA does not have standing to object to its final rule under either the APA or the RFA because it did not submit comments during the notice and comment period. The NWMA asserts that it need not have submitted comments because the BLM's original rule proposal did not properly inform it that its interests were at stake. The NWMA further asserts that, in any event, it has associational standing as a representative of its members.

The Plaintiff is correct. The nature of the NWMA's claims under the APA is that there was insufficient notice of the altered and additional aspects of the final rule given by the BLM in its initial proposal. There is no way the NWMA could have submitted comments regarding interests it was not informed were at stake.

The BLM also challenges the NWMA's assertion of associational standing, contending that it does not apply to rulemaking procedures. The BLM does not provide an explanation of why this is so. In *Warth v. Seldin*, 422 U.S. 490 (1974), and *Hunt v. Washington State Apple Advertising Comm'n*, 432 U.S. 333 (1977), the Supreme Court refined its associational standing doctrine into a three-prong test.

"[A]n association has standing to bring suit on behalf of its members when: (a) its members would otherwise have standing to sue in their own right; (b) the interests it seeks to protect are germane to the organization's purpose; and (c) neither the claim asserted nor the relief requested requires the participation of individual members in the lawsuit."—*Hunt*, 432 U.S. at 343.

The Plaintiff here meets these elements and the Court finds no basis to conclude that rulemaking should be regarded as exempt from this test. Accordingly, the Court finds that the NWMA has standing under the APA to object to the final rule at issue here.

The BLM also claims that the NWMA lacks standing under the Regulatory Flexibility Act because the language of the RFA extends standing to seek judicial review only to a "small entity." The RFA provides that "a small entity that is adversely affected or aggrieved by final agency action is entitled to judicial review. . . ." 5 U.S.C. §611(a)(1). Section 601(6) of the RFA states, in relevant part, that the term "small entity" shall have the same meaning as the term "small organization." Section 601(4) states, in relevant part, that the term "small organization" means "any not-for-profit enterprise which is independently owned and operated and is not dominant in its field. . . ." Here, the BLM does not contest the NWMA's assertion that it is an independently owned and operated, not-for-profit enterprise which is not dominant in its field. (Pl. Mem. at 34–37.) Therefore, the NWMA is a "small entity" as defined by the RFA and has standing to object.[3]

B. PLAINTIFF'S CLAIMS UNDER THE APA

The standard for judicial review of the BLM's actions here is set forth in Section 706 of the APA. The court shall "hold unlawful and set aside agency action, findings, and conclusions found to be . . . arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law." 5 U.S.C. §706(2)(A). The Court must show "great deference" to the agency's interpretation of its own powers and responsibilities. *EPA v. National Crushed Stone Ass'n*, 449 U.S. 64, 83 (1980) (citation omitted).

The gist of the NWMA's numerous counts under the APA is that the final rule enacted by the BLM is significantly different from that originally proposed. The NWMA alleges that the differences are great enough to constitute abuses of the notice and comment requirement, 5 U.S.C. §553(b), and the basis and purpose requirement, 5 U.S.C. §553(c) of the APA. The final rule, however, "need not match the rule proposed [and] indeed must not if the record demands a change." *Kooritzky v. Reich*, 17 F. 3d 1509, 1513 (D.C. Cir. 1994) (citations omitted). To do otherwise "would lead to the absurdity that . . . the agency can learn from the comments on its proposals only at the peril of starting a new round of commentary." *International Harvester Co. v. Ruckelshaus*, 478 F. 2d 615, 632 n. 51 (D.C. Cir. 1973). The test is whether the agency gave notice to interested parties that a different rule might be enacted. *Kooritzky*, 17 F. 3d at 1513. Adequate notice is given if the final rule is a "logical outgrowth" of the proposed rule. *Fertilizer Inst. v. EPA*, 935 F. 2d 1303, 1311 (D.C. Cir. 1991). Therefore, the pertinent question to be asked in this case is whether the BLM's final rule is a logical outgrowth of the proposed rule.

The determination of what rule is a logical outgrowth of another can be a difficult task and require detailed examination of the administrative record. For instance, the NWMA alleges that the minimum bond amounts required by the final rule cannot be a logical outgrowth of the maximum amounts contemplated by the proposed rule. At first blush, this might seem to be one of the NWMA's strongest arguments. An examination of the administrative record reveals that the rule proposal does, indeed, state that bond amounts for plan level operations "would be capped at $1,000 per acre for exploration activities and $2,000 for mining activities." 56 Fed. Reg. 31,603. The proposal goes on, however, to state that "[c]omments are specifically requested on the adequacy of these definitions."*Id.*

The request for commentary on the definitions *reasonably* could be construed to include commentary on the adequacy of the dollar amount, which, in turn, *reasonably* could be found to constitute adequate notice that the rule might be changed. It is uncertain whether additional examination of comments received would be indicative of the adequacy of the notice. It is also uncertain whether testimony at trial might prove dispositive of the issue. In other words, the claim is not readily applied to the summary judgment standard, *i.e.*, that no reasonable factfinder could find for the BLM in this matter.

The Court does not need to conduct such as exhaustive examination of the administrative record to reach the merits of the NWMA's claims under the APA because of the disposition of their claim under the RFA.

C. PLAINTIFF'S CLAIM UNDER THE REGULATORY FLEXIBILITY ACT

The NWMA's claim under the RFA is that the BLM did not follow the legal procedure required by the RFA when it issued the final rule.

The RFA requires administrative agencies to consider the effect of their actions on small entities, including small businesses, small non-profit enterprises, and small local governments. *See* 5 U.S.C. §§601, *et. seq.*; *Southwestern Pa. Growth Alliance v. Browner*, 121 F.3d 106, 118 (3d Cir. 1997). *See also* S. Rep. No. 96–878, at 1–6 (1980). When an agency issues a rulemaking proposal, the RFA requires the agency to "prepare and make available for public comment an initial regulatory flexibility analysis" which will "describe the impact of the proposed rule on small entities." 5 U.S.C. §604(a).

Rather than prepare initial and final regulatory flexibility analyses, the BLM chose to use the exception allowed by Section 605 of the RFA. Section 605 provides:

Sections 603 and 604 of this title shall not apply to any proposed or final rule if the head of the agency certifies that the rule will not, if promulgated, have a significant economic impact on a substantial number of small entities. If the head of the agency makes a certification under the preceding sentence, the agency shall publish such certification in the Federal Register at the time of publication of general notice of proposed rulemaking for the rule or at the time of publication of the final rule, along with a statement providing the factual basis for such certification. The Agency shall provide such certification and statement to the Chief Counsel for Advocacy of the Small Business Administration.—5 U.S.C. §605(b).

In a section of the final rule publication entitled "Compliance With Regulatory Flexibility Act," the BLM stated that the final rule "will not have a significant economic impact on a substantial number of small entities." 62 Fed. Reg. 9099. The BLM stated that, for the purposes of this certification under the RFA, the term "small entity" is defined as "an individual, small firm, or partnership at arm's length from the control of any parent companies.". *Id.* The BLM set forth a short factual basis for the certification. *Id.*

The nature of NWMA's challenge is that the BLM did not use the correct definition of "small entity" (specifically, a small miner) when it made the "no significant impact" certification.

The RFA requires agencies to use the Small Business Administration's definition of small entity. Section 601 of the RFA sets forth, in relevant part, "[f]or the purposes of this chapter . . . the term 'small entity' shall have the same meaning as the term 'small business' . . . . " 5 U.S.C. §601(6). The term "small business" has the same meaning as the term "small business concern" under section 3 of the Small Business Act, 15 U.S.C. §632 (1994). 5 U.S.C. §601(3).

An examination of the Small Business Act reveals that the SBA may "specify detailed definitions or standards by which a business concern may be determined to be a small business concern for the purposes of [the Act] or any other Act." 15 U.S.C.

[2]The NWMA asserts that, in fact, it did submit comments, but that its records of such have been lost in the intervening five years. (Pl. Mem. At 12–13, Pl. Reply at 3–7.)

[3]It is probable that the NWMA would also have standing to object under the RFA based on associational standing, discussed *supra*.

§632(a)(2)(A). The SBA publishes these small business definitions in 13 C.F.R. §121.201. Division B of section 121.201 provides, in pertinent part, that mining concerns must have 500 or fewer employees to be considered "small." *Id.* Therefore, the standard for "small miner" which the BLM must use when performing an Initial or Final Regulatory Flexibility Analysis or when certifying "no significant impact" is a 500 or fewer employee standard. By using a definition other than the SBA's, the BLM violated the procedures of law mandated by the statute.

The BLM, for its part, argues that it used a subsequent Congressional definition of "small miner" used in recent legislation.[4] This argument is unconvincing in light of the clearly mandated procedure of the RFA. The definitions section of the RFA uses phrases such as "'small entity' shall have the same meaning . . . " and '"small business' has the same meaning . . . ". 5 U.S.C. §601 (emphasis added). Words such as these doe not leave room for alternate interpretations by the agency. The ultimate expression of legislative intent is, of course, and unambiguously worded statute.

Insofar as the BLM's certification (*i.e.*, that the final rule would have no significant impact on a substantial number of small entities) was without observance of procedure required by law, the NWMA, as complaining party, is entitled to relief, and this Court, therefore, grants NWMA's motion for summary judgment on these grounds.

D. RELIEF TO BE GRANTED UNDER THE RFA

Section 611 of the RFA, entitled Judicial Review, provides, in pertinent part:

In granting any relief in an action under this section, the court shall order the agency to take corrective action consistent with this chapter . . . including, but not limited to, remanding the rule to the agency, and deferring the enforcement of the rule against small entities unless the court finds that continued enforcement of the rule is in the public interest.

5 U.S.C. §611(4)(A)–(B). Consequently, the issue is what the public interest is here.

The BLM, arguing for continued enforcement, warns of potential publicly funded restoration efforts and cites a ten-year old report showing an estimated restoration cost of $284 million for a parcel of federal land that had been left unreclaimed. *See generally* GAO/RCED–88–123BR (April 1998).

The Court, however, is unconvinced by such anecdotal evidence. In fact, the Court does not find that much would change should enforcement be discontinued. Large, open-pit mines are already subject to discretionary bond requirements by the BLM as plan level operations. 43 C.F.R. §3909.1–9(b). Moreover, the BLM admits that it already has in place a policy which requires 100 percent bonding for all mining operations which use cyanide or other dangerous leachates (Def. Mem. at 6,8; Def. Reply at 8.) In other words, to protect the environment against the most potentially dangerous mining operations, the BLM need only exercise its existing powers between a remand and its next final rule promulgation.

Moreover, the new rule's requirements concerning the amount of regulation on the smaller notice level mining operations, the dollar amounts the BLM can require for all bonds, and the additional procedural expenses incurred by miners when obtaining the bonds, appear to have a large impact on the small miner. Effects on small businesses and industry-wide changes in regulatory expenses, however, are precisely what the procedural safeguards of the RFA and the APA are set in place to address. A claim that the public interest requires an exception to the RFA and APA because of the very interests they protect requires a better showing of threatened societal harm than the BLM has produced here.

Finally, the BLM states that, upon remand, any new rule promulgation will be delayed because Congress has prohibited the BLM from publishing new hardrock mining rule proposals until November 15, 1998.[5] *See* Department of the Interior and Related Agencies Appropriations Act for Fiscal Year 1998, Pub. L. No. 105–83 §339 (1997). While true, the BLM itself delayed enacting a new rule for roughly nine years after the issuance of the GAO report and five and one-half years after its own rule proposal. The BLM has not explained this delay in light of its alleged urgency. The absence of alacrity by the BLM in this matter convinces the Court that another brief delay will not be contrary to the public interest.

III. Conclusion

While recognizing the public interest in preserving the environment, the Court also recognizes the public interest in preserving the rights of parties which are affected by government regulation to be adequately informed when their interests are at stake and to participate in the regulatory process as directed by Congress. For this reason and for the reasons stated in this memorandum, the Court remands the final rule to the BLM for procedures consistent with this opinion. Accordingly, the Plaintiff's motion for summary judgment is denied. An appropriate Order accompanies this Memorandum.

JUNE L. GREEN,
United States District Court Judge.

Date: May 13, 1998.

[4]Specifically, the Department of the Interior and Related Agencies Appropriations Act for Fiscal Year 1993, 106 Stat. 1374, 1378–79 (1992). (Def. mem. at 15–26; Def. Reply at 14–15).

[5]The BLM did not address this argument in its briefs, nor did it file a post-hearing brief. It mentioned this argument briefly during oral argument only.

SENATE—*Tuesday, June 9, 1998*

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

PRAYER

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

Gracious God, it is awesome to realize that we have been called to be Your servants, elected to be Your friends, chosen to be Your leaders of this Nation. Grant the women and men of this Senate three liberating assurances today: that You are present in this Chamber, that they are accountable to You for the progress of this day, and that each one is called to be an enterprising instigator of cooperation and creative compromise. Father, You know all the issues of the complicated legislation before the Senate at this time. Resolve differences, create a greater spirit of unity, and motivate oneness in seeking what is really best for our Nation. Before we turn to the challenges of the day, we return to You to be reminded of why we are here and to be renewed by Your strength. In the Name of our Lord and Saviour. Amen

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator LOTT of Mississippi, is recognized.

Mr. LOTT. Mr. President, thank you.

SCHEDULE

Mr. LOTT. Mr. President, the Senate will resume consideration of the Coverdell drug amendment pending to the tobacco legislation. As a reminder to all Members, under a previous order, a cloture vote on the tobacco committee substitute will occur at 2:15 p.m. today. Members have until 12:30 p.m. in order to file second-degree amendments. And with respect to the second cloture motion which was filed, all Members have until 12:30 in order to file first-degree amendments.

It is hoped that a vote could occur on the Coverdell drug amendment prior to the cloture vote today. Therefore, rollcall votes can be expected this morning prior to the recess for the party caucuses to meet. If the first cloture motion is not invoked—and I expect it will not be—I will be consulting with the minority leader for the timing with regard to the second cloture vote, which would occur some time on Wednesday. It could occur on Wednesday morning, but it will depend on other developments in the interim. Also during today's session, the Senate may consider any legislative or executive items cleared for action.

I ask unanimous consent that the Senate stand in recess from 12:30 p.m. until 2:15 to allow for the weekly party caucuses to meet.

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

MEASURE PLACED ON THE CALENDAR—H.R. 3433

Mr. LOTT. I understand there is a bill at the desk due for its second reading, Mr. President.

The PRESIDING OFFICER (Mr. HUTCHINSON). The clerk will report the bill for the second time.

The assistant legislative clerk read as follows:

A bill (H.R. 3433) to amend the Social Security Act to establish a Ticket to Work and Self-Sufficiency Program in the Social Security Administration to provide beneficiaries with disabilities meaningful opportunities to work, to extend Medicare coverage for such beneficiaries, and to make additional miscellaneous amendments relating to Social Security.

Mr. LOTT. I object to further proceedings on this matter at this time.

The PRESIDING OFFICER. The bill will be placed on the calendar under rule XIV.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

If the Senator would permit us to execute the order.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

NATIONAL TOBACCO POLICY AND YOUTH SMOKING REDUCTION ACT

The PRESIDING OFFICER. The clerk will report S. 1415.

The assistant legislative clerk read as follows:

A bill (S. 1415) to reform and restructure the processes by which tobacco products are manufactured, marketed, and distributed, to prevent the use of tobacco products by minors, to redress the adverse health effects of tobacco use, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Gregg/Leahy amendment No. 2433 (to amendment No. 2420), to modify the provisions relating to civil liability for tobacco manufacturers.

Gregg/Leahy amendment No. 2434 (to amendment No. 2433), in the nature of a substitute.

Gramm motion to recommit the bill to the Committee on Finance with instructions to report back forthwith, with amendment No. 2436, to modify the provisions relating to civil liability for tobacco manufacturers, and to eliminate the marriage penalty reflected in the standard deduction and to ensure the earned income credit takes into account the elimination of such penalty.

Daschle (for Durbin) amendment No. 2437 (to amendment No. 2436), relating to reductions in underage tobacco usage.

Lott (for Coverdell) modified amendment No. 2451 (to amendment No. 2437), to stop illegal drugs from entering the United States, to provide additional resources to combat illegal drugs, and to establish disincentives for teenagers to use illegal drugs.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I understand that the order of business is the amendment that I and Senator CRAIG and Senator ABRAHAM have made to the tobacco legislation; is that correct?

The PRESIDING OFFICER. The Senator is correct.

AMENDMENT NO. 2451

Mr. COVERDELL. Mr. President, in the closing hours of debate last week, I was somewhat——

Mr. KENNEDY. Parliamentary inquiry. I thought I was recognized and was asked to yield so that the clerk could report. Do I understand that I lost the floor and the Chair recognized another Senator?

The PRESIDING OFFICER. The regular order was the reporting of the bill, at which point recognition was then available. It was at that point I recognized the Senator from Georgia.

Mr. KENNEDY. Further parliamentary inquiry. Since I was recognized by the Chair, could I retain my right to continue to address the Senate?

The PRESIDING OFFICER. The regular order was to report the bill, and at that time recognition was sought by the Senator from Georgia, and he was recognized.

The Senator from Georgia.

Mr. COVERDELL. Mr. President, as I was saying, when the debate was closing, several Senators acknowledged the importance of drug abuse, teenage drug addiction, but thought that, we are suggesting, this was not necessarily the appropriate time to do it, which I take great exception to.

I think this is exactly the time to do it. I think that it sends the wrong message for us to be talking about teenage addiction and wrap our arms around it like it is only involved in tobacco.

About 14,000 teenagers die from drug addiction every year. And, as I will

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