# HOUSE OF REPRESENTATIVES—*Friday, October 6, 1989*

The House met at 10 a.m.

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

We pray, O God, that in the midst of weakness You give us strength; in the midst of despair, there is the gift of hope; with hurt, there is also healing; in doubt, there is faith; and in death, there is life. While we see so clearly, O God, the concerns that are before us, so keep us to see also Your eternal spirit that surrounds us and never lets us go. In Your name we pray. Amen.

## THE JOURNAL

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

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

## PLEDGE OF ALLEGIANCE

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

Mr. McEWEN 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.

## THE NEW FOOD CONTAMINATION PREVENTION ACT

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

Mr. SMITH of New Jersey. Mr. Speaker, back in June I stood in the well of the House and introduced legislation to end the disgusting and dangerous practice of backhauling garbage in trucks which also transport food. That legislation, H.R. 2681, received broad bipartisan support in the House. Today, after additional investigations and congressional hearings, I am pleased to join with my good friend MATT RINALDO, and over 30 other Members of Congress, to introduce a new and refined version of the Food Contamination Prevention Act.

Mr. Speaker, despite almost universal condemnation of this practice by food producers, processors, wholesalers, retailers, and transporters there is clear evidence that this practice continues. The pictures in front of me clearly show that: First tractor-trailers are continuing to haul a substantial volume of garbage to our Nation's landfills; second, that refrigerated trucks, which are specifically designed to haul fresh foods, are clearly hauling garbage; and third, that it will take more than a broom to remove the residues of garbage from these trucks.

It is time for Congress to put forward a comprehensive plan to regulate the transportation of garbage in vehicles used for other purposes.

Mr. Speaker, the legislation I am introducing amends the Solid Waste Disposal Act so that any vehicle which transports solid waste is prohibited from carrying food or related products. All refrigerated vehicles, which are specially designed to carry fresh meat and other foods, would be banned from ever transporting garbage regardless of the content of their previous or future loads.

Mr. Speaker, the new Food Contamination Prevention Act mandates that any vehicle which transports solid waste be labeled as such in order to let shippers know that the vehicle has previously carried garbage. In addition, new subclasses of solid waste are created to accommodate the differences between empty bottles being returned for reuse, bundled newspapers destined for recycling, and garbage going to landfills.

Mr. Speaker, I urge quick action on this bill.

## OUR AIRLINES AND OUR CREDIT SOCIETY ARE IN TROUBLE

The SPEAKER. Under a previous order of the House the gentleman from North Dakota [Mr. DORGAN] is recognized for 30 minutes.

Mr. DORGAN of North Dakota. Mr. Speaker, today I would like briefly to address two subjects. The first, ever so briefly, is in this morning's Washington Post. The headline says Trump makes $7 billion bid for American Airlines.

Mr. Speaker, Donald Trump bid $7 billion for American Airlines. What concerns me about Mr. Trump's bid for American Airlines is that it is the next bite in the complete consumption of the healthy airlines in this country by those who want to convert equity to debt and make some money through quick speculation.

This country has about six or seven healthy airline carriers. Of these healthy airlines, several are targets of leveraged buyouts. The leveraged acquisitions began with Northwest, followed by United, and now with American. It will likely embrace the other healthy carriers, too. Speculators will put in play the airline companies and load them with debt. This will require interest payments that, in some cases, are greater than the net incomes of those airline carriers. All for speculative purposes. Airlines are especially vulnerable to economic swings, so when the next recession comes around, we will see our major airlines in serious economic trouble.

Guess who is going to be asked to bail out the airline industry? Yes, the American taxpayer. Now, the Secretary of Transportation and I think the Bush administration is privately concerned, but, generally speaking, publicly silent about these potential problems. I wonder why? I wonder why, when the public interest clearly conflicts with private greed and private speculation that is unhealthy for this country, this administration will not decide that it's time to stand up and wonder whether this kind of speculation in the airline industry should not be halted.

Mr. Speaker, I have written today to President Bush and Secretary Skinner asking that they pay some attention to what is going on. What is going on is not healthy for this country. Airline takeovers might make short-term profits for some speculators and even some current stockholders, but they pose a serious threat to this country's airline industry, and I think it ought to be stopped.

Mr. Speaker, the second subject that I want to discuss today concerns the issue of savings. In the last month we have had a tremendous amount of controversy on the floor of this House about something called capital gains. Some people say that the reason we need a tax preference that gives most of its benefits to the wealthy is because we need incentives for savings in this country.

Well, that sounds good because savings equal investment; investment equals economic growth. I am reminded, however, that the desire to increase savings in this country conflicts with almost everything that everybody in this country is confronted with every single day.

I say to my colleagues, "You walk down the street a couple of blocks from this Capitol, or down the street on any main street in this country, and you'll see a picture window beckoning to you. It says, 'Come over here, customer. We want to talk to you. We want you to buy this product that's in the picture window. We don't care

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

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that you don't need it. It doesn't matter to us that you haven't saved up for it. It doesn't matter to us you can't afford it. You come and buy it, and take it home. You don't have to make the first payment for 6 months, and we'll send you a rebate 2 months from now.' "

Mr. Speaker, that is the whole mentality of this credit society. It pervades Main Street and Wall Street.

□ 1010

The credit mentality barrages consumers at every turn, and I, for the last 6 months, have been getting a great deal of mail as I bet every American gets.

About 6 months ago I thought to myself, "Well, I will just save some of it, and someday go down to the floor of the House and share with those who are interested in the kind of mail I get." I am sure it is the kind of mail everybody gets. It is a literal barrage of mail from people who want me to take their credit cards. It does not matter that I do not want it, or that I do not know these folks. I have never written to them. They are probably nice people, but they have become my pen pals. I want to describe to everyone, and I want all of us to think about, as I do this, the admonition of Members in the House who say that what we really need to do is increase savings. They want to increase savings by giving a tax preference to the rich, even when faced with this sort of behavior in our mails, the behavior of those companies who preapprove us, all of us, for massive amounts of credit that we do not want and we do not need. Then we say we want to increase savings.

Let me go through some of these if I might. Here is a letter I received from a major banking center. In fact, it is from the vice president, and it says:

DEAR MR. DORGAN: Your new Visa card with a $3,000 credit line puts more sunshine in your life. We have already preapproved it for you. It has been reserved in your name. In fact, our card now has a new look reflecting new benefits. Because you have an excellent credit record, your Visa Card is waiting with a reserve $3,000 credit. All you have to do is sign your name, and, again, you will like the look of our card.

Well, Bank X, thank you very much. I did not write to you, and I am not interested in your card; but it is nice to know that you have changed the look, and it will put sunshine in my life if I decide to take it.

Another major bank wrote to me. I do not know Bank Y, I have not written to it, but they wrote to me, and they said that they have available for me, preapproved, a Gold Visa Card. They preapproved a $6,000 credit line in my name, and it is at only half the price of the first year's membership fee. It says that this card is so special that it is being offered only to a select few individuals in America, "and with it you are going to enjoy immediate credit worldwide made available by the Bank Y, a name everyone knows." That sure made me feel good, despite the fact that I had not written to them, and did not want their credit card. Nevertheless, they have told me that up to $6,000 in credit has been preapproved.

I then got a letter from Visa again. This was from yet another company. It says:

Chances are, Mr. Dorgan, that you use your credit card as a means of managing your money, so we have a new Visa card designed just for you.

That is pretty comforting to know that this company, as big as it must be, has designed a card just for me. They say that if I will take their card, my annual interest rate is only going to be 15.9 percent. God bless them. I have no idea how this California company got my address. Again, we are not pen pals, but I sure appreciate their thinking of me.

That was followed on its heels by another letter I received just a couple of days later in my mailbox. This "consumer bank," said:

Mr. Dorgan, up to $10,000 in credit has been put aside for you, and there is no membership fee at all for the first 4 months.

They do say in their first line of their letter something that makes some sense. They say:

Why on earth do you need another credit card? You have probably been offered more cards than you will ever need.

Boy, they have that right.

Wouldn't you still be interested in one that actually gives you more for less money.

They ask, and that is precisely what this consumer bank has to offer.

This Gold MasterCard gives you a better deal, much lower annual fees, $5,000 and up to $10,000 approval. Later you can apply for $25,000. $25 annual membership fee.

A real deal, and then only 15.9 percent interest rate. Of course, considering the fact that inflation is only about 4 percent, that means one is only paying about 11.9 percent on their money. I can understand, that is quadruple the traditional or predictable rent on money, but it is only 15.9 percent rent, they say. The chairman of the board who wrote to me, and it is very unusual to get a letter directly from the chairman of the board addressed to me saying he has taken his time to give me a $10,000 credit line. I appreciated that, too, but did not decide to get that credit card.

Then several days later I received this in the mail, another preapproved credit card loan from a worldwide bank. This is a big company and widely known. They loan to Brazil and Mexico. Why on Earth would they think of just ordinary folks? But they do. The director of consumer credit wrote to me, and he said:

Dear Mr. Dorgan, we have already approved you. You are going to get our credit with no annual fee.

He says:

You have been approved for $5,000.

That is a heck of a deal when one gets a letter from a director, an executive of a worldwide company that loans to foreign governments, and they tell one that they think about you, that they care about you, and they have already made a corporate decision to preapprove you for $5,000. It makes one feel good if they do not get any other mail.

Then a couple of days later, I got an even fancier looking letter. This one is on that fancy cloth-type stationery, which costs a lot of money to buy stationery with rag content. It offers a special access credit line. I did not get much mail that day, and I felt kind of good, because I opened it and here is a letter from the president of yet another big bank. Who on Earth would expect to get letters from presidents of banks? Does anyone know what the president said to me? He said:

You know something, Mr. Dorgan, I am pleased to enclose your personal application for an extraordinary line of credit up to $25,000 requiring no collateral, and it is a highly competitive interest rate of only 16.5 percent.

God bless this company. Can they do any more for America?

A couple of days later, the worldwide bank wrote back to me, and this time by a different fellow. They apparently had forgotten that they wrote to me only a few days before. This letter said:

Because you have an excellent credit rating, we have reserved for you $3,000 in preapproved credits.

They had just sent me something that said they had already reserved $5,000, so it occurred to me to write to them and ask them, "Does this mean I get $8,000 from the worldwide bank?" But I decided not to bother, because this second letter came from the president, and when the president of the bank says, "You only have $3,000 set aside for you," and one of the directors of the consumer finance division says $5,000, my guess is that the president is going to prevail anyway.

In the middle of all of this in the past couple of months we had a new store move to town, and they just sent this puny little letter. It was a top-drawer merchandise store. They sent a little note that said, "By the way, you have been preapproved to get our credit card." This is nice. I do not know that I have ever shopped at this store. But it is nice of them to think of me, and I expect everybody else in the neighborhood.

I had not received any mail from one credit card company in this 6-month period, but sure enough, it showed up.

Again, the copresident wrote to me, and she said:

With your excellent credit history, you ought to be paying less for credit, yet most of the credit cards you have to choose from charge 18 to 21 percent, but not us. We only charge 13.8 percent. In fact, we have preapproved for you a line of credit of $4,000.

That was sure nice of them, because I had never chosen this card either, knew nothing about them, and here is the copresident deciding to write to me and tell me they personally have made a decision to preapprove me for a $4,000 line of credit.

I have very few cards, as a matter of fact, but one company wrote to me, and it said, "You are already approved to receive our card." This was a little bit unimaginative, because it was sort of a commercial-looking envelope, but inside the envelope was a letter from its president, as well, and it makes one feel awfully good. They probably could have afforded a better envelope for this, but it makes one feel good that the president is writing himself. He said, "You know, Mr. Dorgan, you are preapproved for a credit line of $2,500."

□ 1020

I maybe should have written back to him and said did you know that a Wall Street bank thought I was worth $8,000 in preapproval? Not that I need any of this, but he said $2,500 was available for preapproved credit.

He said, do you know what is different about us? We give you cash-back bonuses.

Heck, how can you refuse cash-back bonuses when you buy?

I thought all of that was nice. That is a lot of mail you get when you do not get any other mail.

But there actually is better mail. This is probably the fanciest I have gotten. This actually has gold lettering on the envelope. It says, "Carry an additional degree of financial flexibility."

This is what you call up-town stationery. This is good rag content. It looks real pretty.

This comes from the senior vice president. The senior vice president says:

Your continued financial responsibility has earned you the status of a gold card member and the ability to apply for our ultimate credit card.

Apparently there are different levels here. There is the ability to go gold, and then to the ultimate level. I did receive a request to apply for a platinum card as well, but I could not find the envelope this morning. My guess is had I been forced as a consumer to choose, that platinum would have been a close choice with the ultimate card, depending on what their annual rate was and depending on how much their presidents had personally decided to preapprove me for credit.

There are more, but it seems to me with that kind of deluge of mail from companies that want to give all of us credit, and my guess is anybody listening to this understands, that it is not just what I get in my mailbox, it is what everybody gets in their mailbox, unsolicited credit card applications, preapproved credit cards.

Two nights ago, I received a call at 8 o'clock in the evening, picked up the phone, and it was a credit card company saying we would like you to sign up for a credit card. We want to send you this credit card, by telephone solicitation.

Everybody is besieged and barraged by these unsolicited credit cards that are flooding this country. Then we have people stand up here in the U.S. Congress saying do you know what we really need to do? We need to stimulate more savings in America.

How on Earth do you stimulate more savings when the entire private sector is choking on credit?

In the old days my grandmother, who is 93 years old, will tell you that people would talk about saving enough to buy something. Has anybody heard anybody talking about saving up to buy something?

You do not have to save up to buy anything in America today, you just buy it. You get a rebate before you have to make the first payment.

You wonder a little bit about why does this not make sense? It does not make sense because in other countries there is a premium on savings. In our country there is a premium on consumption, even consumption you do not need and consumption you cannot afford.

In Japan, you simply cannot buy a house unless you have a significant downpayment. That is unfortunate, but that is a fact. In Japan you cannot go in and buy a car unless you have a significant downpayment. That is not very convenient, but it forces people to save up if they want to buy a car.

In this country we say it does not matter. Heck, you can go through bankruptcy and we will send you a card right after the bankruptcy because then you are a good risk, they say.

This country is awash in this sort of baloney. At some point it has to stop and we have to get back to basics.

This country's economy will be healthy once again and survive and succeed once again when two things happen: First, we decide that we are going to start saving, we are going to save up to buy things and buy what we can afford; and second, what we can afford is a product that has, a different subject, but it is just as important, the old notion of quality.

A friend of mine from Bismarck, ND, last Christmas in the parking lot as he was pulling out, having just put a Japanese television set in the trunk of his German car, waved and said, "Byron, when are you going to get things straightened out down there in Washington?"

As I drove away I kind of smiled a little bit, because it occurred to me if tomorrow we straightened everything out with just a snap of the finger, we would still have serious problems.

He is not stupid. He, as a consumer, bought a Japanese television set and a German car I assume because he thought they were the best products for the best price for him.

In the long run for us to succeed, not only do we have to save and get away from this wash in credit, but we also have to be able to purchase products that are quality products.

That commitment to quality means that in the long run across the world someplace that when someone buys something with a tag that says "made in the USA," they have to believe immediately, I know what that means. That means that is the finest I can buy.

Think of how much things have changed. Thirty years ago if your folks gave you something for Christmas that said "made in Japan," you thought it was junk, and much of it was.

Consumer products made in Japan and many areas these days represents quality. Some people do not like American products because they do not think they are well made. In the international competition and international marketplace we will succeed, it seems to me, if we have a basic commitment to quality. Part of having a basic commitment to quality is being able to produce with the latest technology available.

Part of that is to have the investment capital to buy it. A major part of this is to have the savings available for the investment capital to be available. Savings relates to this.

There is solicitation, the unwanted and unwarranted solicitation all over this country by people who possess credit cards and want to sell them to us at enormous interest rates at enormous fees. When they say to us on these applications that if we take their credit cards they will only charge us 17- or 18- or 19-percent interest rates, I wonder what on Earth are they thinking of. Do they think the customers are stupid?

Inflation is at 4 percent. Traditional rent for money would bring another 4 or 5 percent. Interest rates should be 9 percent tops.

They are saying we are going to give you a deal. We will send the credit card you do not want with interest rates you should not have to pay.

That is not the road for this country. The road is a more thoughtful road that requires us to begin saving,

to develop a commitment to saving, and turn away from this credit.

It is not just the private sector. It is the public sector especially. We have a nearly $3 trillion debt and a nearly $200 billion per year deficit. I know some people say the deficit this year is $100 billion or $120 billion. They surely are smarter than that. They surely know that the deficit is closer to $200 billion.

It is just that they, like everyone else for the last 10 years, have bought into this notion that we do not want to give anybody bad news because we do not want to force anybody to make choices they do not want to make. This country has to make a choice. We raise about 19 percent of our GNP in revenue and spend 24 percent in spending. We have got an annual deficit of about $200 billion, a $3 trillion debt, and a cancer in the Federal budget growing faster than any other program which is called interest on the debt.

Interest on the debt does not do anything for anybody. It does not provide prenatal care for babies, it does not provide child care, it does not provide education, it does not provide defense. It does not provide anything for anybody. Yet, it is a cancer that is the fastest growing item in the Federal budget.

At some point in the public sector and in the private sector this society, this country, had better sober up.

We face increasingly difficult international competition. It is competition we will not win unless we get our economic house in order and put an end to the public and private credit binges.

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

## UPDATE ON ACTIVITIES OF THE COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

The SPEAKER pro tempore (Mr. KILDEE). Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, I would like to mention that our distinguished colleague, the gentleman from North Dakota [Mr. DORGAN] has touched upon some points that are of great interest. I would like to point out to the gentleman that the invitations he has had for these banks and bank presidents are something that I have not received, so he must be very carefully selected for credit availability.

Perhaps it has to do with the fact that he may be feared because he is the author of the anti-junk-bond amendment to the S&L legislation that we considered here a few months ago. Maybe they just have respect for Mr. DORGAN and want to keep him on the right side of things by making these very gorgeous offerings.

On a more serious vein, this is a very similar reflection on some of the things that are out of joint and have for voting implications for our country.

□ 1030

Mr. Speaker, I yield to the gentleman from North Dakota [Mr. DORGAN].

Mr. DORGAN of North Dakota. Mr. Speaker, I do not want anybody to think that I am getting solicitations that the gentleman is not getting. My guess is that the gentleman just throws them away. I throw a lot of them away without opening them because they are just junk solicitation.

I just happened to decide to open all these financial solicitations. The gentleman probably throws them all away. But I know he is getting the same solicitations.

Mr. GONZALEZ. Actually there has been no change whatsoever since I assumed the chairmanship of the Committee on Banking, Finance and Urban Affairs. Actually I do not recall receiving that kind of an invitation. I have had some Visa card invitations, no particular line of credit other than what they traditionally offer, I guess. But those two, I think, one fundamental thing the gentleman touched upon in comparing the savings history and practices in Japan, the actual purchase of a home, we are talking about a very different societal structure. Also I would like to point out that Japan has pretty strict controls of interest rates. They have no upward permissibility beyond 9 percent, at the most. The average is about 7 percent. We have not had any. As a matter of fact, I have pointed that out ad finitum or ad nauseam, whichever the point of view is, over the course of 28 years of being in this House, that it was the 1865 National Currency Act which was debated and approved just about the time President Lincoln was shot. That actually set the predicate for what has turned out to be a national banking system. But it also eliminated the interest control legislation that had been on the books since the founding of the Nation.

As a matter of fact, as I point out again as a point of history, the very beginning of our nationhood, we must remember that the first 10 years we had the First and the Second Continental Congress and nobody bothered to think of such a thing as an office of a president or the phrase used in the Constitutional Convention, "Chief Magistrate," because that was a feared office.

But as everybody knows, at the bottom of everything is banking, finance. Behind everything throughout history as far as we can find any recording of human history is this question of financing or banking. The question of interest, for instance, in the Code of Hammurabi, 7,000 years before Christ, there are strict prohibitions, on what we call usury.

The ancient Hebrew rulers and kingdoms had absolute prohibition of usury. In fact, they had the 50-year jubilee in which all debts were forgiven after 50 years. That was the first meaning of that word "jubilee," which we jubilantly use sometimes.

So that all through history at the time that our Lord Jesus Christ was preaching, it was a fearful punishment for anybody accused of usurious behavior. And also throughout history.

But our country has had absolutely no interest controls since 1865.

I dug out the history of interest in out country, the interest legislation some 25 years ago, and did quite a bit of research. At the time that the 1865 act was approved, there was no such thing as reporters of debates, no such thing as a CONGRESSIONAL RECORD.

You had journals that were prepared by private entrepreneurs and reporters.

Researching some of those was most interesting.

Now my distinguished colleague, the gentleman from North Dakota [Mr. DORGAN], touched on some points that I had intended to discuss here. First, this is a continuation of what I committed myself to my colleagues to do the very first week that the 101st Congress convened in January. In fact, I think it was the second day, on January 4, that I first addressed the House and reported on the activities, as chairman of the Banking, Finance and Urban Affairs Committee, as it is now called.

Incidentally, the beginning of a banking committee in the U.S. House of Representatives also goes back to the 1865 National Currency Act. At that time there was no such thing as a banking committee in the House. It was the Ways and Means Committee. It was an overall committee.

Subtracted from that as a result of the 1865 National Currency Act was the beginning of what we call the Banking Committee which is now one of the historical full or standing committees of the House. But it actually sprung from, as many other committees did subsequent to 1865 in recognizing the country's changing and growing nature and characteristic, from the overall committee.

But behind everything is financing.

Thomas Jefferson, even Alexander Hamilton, who was considered a centralist, both were very preoccupied in the First Continental and the Second Continental Congresses with the question of what to do. Everybody has to have a banker. Nations, States, other entities, kings all had to have their bankers or their sources of credit.

So when the First Continental Congress met, they were trying to figure

out a solution. So the bankers in Philadelphia then said, "Well, we will provide, but you are going to have to pay this much interest."

Well, that set forth Mr. Thomas, Jefferson, who history will reveal, if you study his words, was the most critical public man in the history of the Nation, of the bankers as a class.

So they said, "Absolutely not. We will charter," what turned out to be the first bank of North America, "but you are going to have to limit yourself to no more than 6 percent interest." And by golly, the bankers who had said "We can't do it" came in and did it.

The same thing happened with the subsequent, Second Continental Congress.

Now the question that I pose and that I pose to the gentleman from North Dakota, and if he does not have a chance to listen to me I hope he will read the RECORD, to the gentleman from North Dakota [Mr. DORGAN] is: Even what the gentleman mentioned as being reasonable, 9 percent, is not. It is not reasonable. You do not have a viable society based upon that kind of interest rate level.

So that what today is taken for granted as 12 percent being average is absolutely still a punishing and an exaction that is unconscionable, that has ended up in wrecking and turning around the whole nature of the American economy and actually opening the breach for what is now considered to be a very serious dilemma confronting us all.

Interest rates by definition are the mechanism by virtue of which wealth is transferred within a given society. This is what has happened in our country, particularly since the absolutely abusive and conscriptive interest rate instabilities.

□ 1040

The idea that a so-called prime interest will have reached the level of 20 or 21 percent in 1979 and 1980 is absolutely impossible to believe, even in my own mind. Some of my predecessor chairmen and great Americans, I am sure, must have turned over in their grave a hundred times. However, it has managed to transfer wealth. What has happened now is what I think a forecast of an eventual social crisis, because constantly and inexorably for almost 10 years we have had an extraction of wealth from the lowest and least affluent sectors of our society to the top 3 to 5 percent of our society. That, I think, is not only unconscionable, the full impact and the detrimental effect of that has yet to be established.

My predecessor speaker also mentioned Japan and the fact that it has, for instance, made inroads. He referred to the Japanese-made automobile and television set. However, all that has begun with financing, mostly by American interests a couple of decades ago, a decade and a half ago. In Europe, which is something, incidentally, which I have discussed since the middle 1960's, we now have the full development of what seems to be by 1992 the single market or the one European development. In the financial and international financial world, that is pretty much in place. I first mentioned this after the economic summit meeting on May 1, 1979, in Bonn, Germany, at which time President Carter attended. The communique that came out of that summit meeting, it was a great communique, relatively speaking, but the least line of that communique said, "We agree in principle to the European monetary system and the European currency unit."

At that time, no American newspaper reported it other than those papers like the New York Times, I believe, that had the text of the communique. However, nobody even referred to that last line. I did. All that summer the RECORD will show I discussed the implications of it. By the time that President Reagan went to the same Economic Summit meeting at the same place in Bonn, Germany, in 1985, again the first week in May, the reports in the American papers would lead Members to believe that the President went there for one purpose, and that was to lay a wreath of flowers at Bitburg Cemetery, which aroused such controversy because that was a Nazi soldier cemetery.

However, the real truth is that what came out of that conference was the fact that EMS and ECU had been fully fleshed out. That was done the month prior to May in Palermo by the finance officers of the European countries or at least by the big 7 or 10, whichever point of view a person has, and today it is fully in place. Almost all of the financial transactions today reported in the financial papers, in other papers in Europe, whether they be French, British, German or in terms of ECS's European currency units, the ECU, right now is worth better than a dollar and a quarter. It has a stability that the dollar does not have.

The big fear, as I have repeated, and again as what I said in 1979, seems to arouse very little interest on the part of anybody, is that the threat of the dollar being replaced as the international reserve unit is very, very present and clear to my mind.

Now, some of the big and influential bankers that I have mentioned this to seem to think that well, at some distant future that may be a possibility. However, they do admit there is that possibility. What I think they are dead wrong in, is to not see that all the conditions are there for it happening any time soon. It depends on unforeseen activities now, but which are predictable. Now when that happens, given what my predecessor colleague mentioned or referred to, and that is the debt structure that we have piled on ourselves within the last 6 years, particularly, it can be calamitous.

The liberties, and above all, the economic freedom of our country is gone because all of this huge debt, and we must remember the gentleman is quite correct when he said our public debt is almost $3 trillion, well, it is more than that, if we add a so-called contingency debt. This is what the Europeans call our off-budget obligations. Those are now approximating $2 trillion. In the meanwhile, the Japanese, sure, they have invested and they continue to invest in incremental increase amounts in assets in our country, but the British have done so twice as much, and nobody seems to say much about that. Maybe, perhaps, there is little element of racism there. I do not know.

All I know is that the big question is, in what sectors, and to what extent has this intervention and penetration changed from indirect to direct as set acquisition. For that reason, I wanted to report to my colleagues that the committee I chair is intensely concerned, and I have begun on a staff level to lay the predicate for what will be a very intense looking into this by the committee. However, we are so burdened now with so many of the issues that have joined and conjoined that we had foreseen, but which, unfortunately, have been allowed to compound and join at a critical juncture in our developmental history so that it is a question of to what extent.

Now Canada, for example, years ago, created controls, and they have a screening commission on foreign investments of acquisition through direct asset acquisition. In the case of banking, of course, Canada has much less banking activities or institutions than the United States, but the fundamental principle is the same. Now, we have nothing. There is no oversight. This is a reason that we are also contemporaneously going into the question of the Federal Reserve Board, and what do we need to do to bring to a new modern world a structure of the Federal Reserve Board that goes back to 1913 where the country was an entirely different country. As a matter of fact, it was not until just last year that the San Francisco Federal Reserve Regional Bank was even allowed to participate. Maybe not as a voting member, because the structure, as I say and repeat, goes back to 1913, but at least be present at the open market committee deliberations. The open market not being open, but closed, and which has the faith and the power to determine the rise or fall of any administration through their control, directly and indirectly, of such things as

interest rates, through the purchase and the price fixing of Treasury bills and yields.

□ 1050

Mr. Speaker, the British used to have a similar system until they reformed it after the war. The old Chancellor of the Exchequer used to have that power, and in many instances he could determine the rise and fall of a given British administration.

We are still doing business in a rather outmoded way, so we intend to have, and the staff has been laying the groundwork for that, the Federal Reserve Board, 75 years later, because 75 years ago we had—so, anyway, time is awasting. We have so much to do and so very few resources to do it with, but these, I think I ought to report to my colleagues, are on the top billing. They have everything to do with the fate of our country.

At the bottom of everything is financing and banking. I have raised that issue since 1964.

I had been asking the chairman and the subcommittee chairmen on Appropriations what part of the defense bill represented a percentage cost for the so-called defense of Europe. All through the years the chairmen would say, "Well, we can't tell you that because these items are scattered all through the budget and the defense budget," and I would say, "Well, I have extrapolated a figure based on an analysis of what I would say was directly and indirectly attached to the cost," and I figure in 1967, I figured even with Vietnam having gone up to almost $45 billion, that the net cost in that budget was about 50 percent. By the time it reached $315 billion, about the second or third year of the Reagan administration, I figured that from 60 to 63 percent, as it is today, represents what would be reflective of our costs for the so-called defense of Europe.

Mr. Speaker, I was also pointing out since 1964 that this was unrealistic, that our leadership in and out of the country and the Presidency was still of the mindset of a Europe of 1947 and that that was gone forever and a day.

And I have implored three Presidents, including just 2 months ago in my last special order a plea to President Bush, and this was before we had this phenomenon of the East Germans telling West Germany, saying that actually World War II had not ended, there is no peace treaty and that the American leadership should be exerted, convoke a meeting, and with the change and the dropping of the tremendous fears the Russians have had about a revanchist Germany, that the time was right for American leadership to say, "Hey, we've got to review this. The whole predicate of our defense for Europe is gone."

Mr. Speaker, the whole thing had built up in a cold war atmosphere because of the so-called fundamental German question which was the beginning of the argument that led to the cold war nervousness for all of these decades. Now the Germans and the others fear us more than they do the Russians. Why? Because even though we have changed the designation of our troops from occupation to defense, we are still occupation to that average German.

Mr. Speaker, we have over 300,000 of our military in Germany alone, not counting the families. How many has Great Britian had? How many have the French had all along? Nobody wants to ask those questions.

What was the big premise, Oh, that we would be protecting them from an inland, through Middle Europe, Russian invasion. But what was the fear? That Russia would want to come through Germany, and what? Take France? Well, that was preposterous from the beginning. Anybody even distantly aware of the thinking and of some of the internal history of Russia would have said, "Hey, look. You're picturing a Russian that is really stupid, and they're not."

Mr. Speaker, why would the Russians that cannot even handle Poland or Czechoslovakia want to think in terms of coming to France?

And then France itself left NATO. Their basic premise under deGaulle was that, "We don't need the American umbrella. We can take care of ourselves. We will develop a force de frappe that's superior."

So, in light of that changing world there is no recognition on our level of that, and I think it is a fatal error.

At the same time domestically we have piled up the most tremendous internal debt among just us, the citizens, the greatest domestic, private debt in history. The corporate debt is astronomical so that we have this kind of continuation of instability as we see now in the value of the dollar. So, it rises.

In fact, Mr. Speaker, the newspapers this morning, the New York Times, talked about intervention, which I think has been absolutely a foolish, contradictory thing. The Federal Reserve Board, which everybody considers our central banker, which really in a way is more than and in another way it is less than the central banks of Europe, has been spending millions and billions of dollars. The Japanese are supposed to have intervened to shore up the value of the dollar.

Then just a few years ago economists came before our committee and said, "No, we've got to let the dollar drop so that we can compete with the competitors in trade."

When I asked these outstanding economists, "Well, how far do you think the dollar should be allowed to drop?" nobody had thought of that.

So, I said, "What makes you think that you have the control today to fine tune a drop of a dollar?"

Mr. Speaker, that is gone from us. We have lost control. There are now forces in the external world, and have been for about 8 years, over which we no longer have control. The Reagan so-called well-being or prosperity, which is usury, has been fed by borrowed money. Foreign capital; that is fickle, but has come here attracted by high interest yields.

So, I would ask these economists, "Well wait. Given the gridlock you have now where the Federal Reserve Board itself has lost the power to control, you don't have the world you had 10 years ago."

Mr. Speaker, we do not even have the world we had 5 years ago in that respect in the international financial world. Wars are lost or won at the finance tables. I say to my colleagues, "Even if you win in the field, it could be lost at the finance tables."

All during the Vietnam era, in fact in 1972, to illustrate the point, when President Nixon finally had that big breakthrough in going to China, the Chinese would not let the Presidential plane get there until we had guaranteed in advance payment of costs, $10 million in gold equivalent.

At this moment gold reserves: for instance, France has never demonetized. We did. I will never forget how unsuccessfully I battled in 1975 and beginning with January 1, 1976.

Secretary Bill Simon, Secretary of the Treasury, then on the first day of January announced that the Treasury was going to auction gold. In talking with him I said, "But, Mr. Secretary, you know where the gold is going to go.

□ 1100

"You are going to take it out of Fort Knox, and it is going to end up in the Central Bank of France." He said, "No, we have prohibition in the auction that no central bank can bid." I said, "But, my God, don't you know that you have agents that will come in as individual persons and bid?" He had two auctions, and then they stopped. Why did they stop? He laughed at me and said, "Well, this is just to prove that as far as we are concerned gold is out as a monetary factor. It is demonetized." I said, "You can't do it unilaterally."

Proof: Lately with all of the Third World debt transactions that our private banks, which I warned about in August of 1979, 10 years and 2 months ago, I was in this well, pointing out that in less than 1 year's time from $3 billion, the overhang on these debts to countries that could not pay back, and those are the words I used, had grown from $3 billion to over $45 billion by

the key, private banks of the United States.

What would you think if your local banker or your board were to go out and make loans in excess of your capitalization with no collateral and to clients that had no ostensible means of paying back? When I raised those issues, and I will say that there is one man who did pay attention, and that was then Chairman of the Federal Reserve Board, Arthur Burns, who the day after my speech appeared in the RECORD, called me and asked me to have breakfast with him. After I had breakfast with him, I was more troubled than ever. He said, "You know, you are right. When I raised this issue to the bankers at the convention in Honolulu, HI, they almost threw me out." I said, "But, Mr. Chairman, you are the Chairman of the Federal Reserve Board. Do something." He said, "I do not know what I can do. It's private." I said, "You have section 14(b) and another section in the Federal Reserve Board Act in which you can say, 'Look, fellows, you want to do that, we are going to demand additional reserves." "I don't know that I can do it.' " At that point I said, "Mr. Chairman, when I came in, I was flattered and hopeful. Now I don't know what to think. All I know is I am very pessimistic, because unless action is taken now, this will reach a point in which the safety and soundness of our banking system could be affected." That, I think, he did not accept.

What is happening today? By all accounts, that is one factor and, as a matter of fact, I recognized it, because we had not even organized the Committee on Banking, Finance and Urban Affairs on January 5 when we had hearings on the Third World debt situation. These are sovereign debts, that is, these are private American bankers, to sovereign countries. The whole history of sovereign debt is most pessimistic, going back to the Spanish kings and the French kings and even the British kings who wanted to wage war, borrow money, and then not pay back. The whole history is very dreary, and I do not think it is going to be any different in our case today except that, of course, now the banks want the Government or the taxpayer to come in and say, "No matter what, we will rescue you from this folly."

In 1979 when I raised the issue, "But how can you go on this overhang," I was chairman of the Subcommittee on International Finance, and I was well aware of the financial structure of these particular countries that had been loaned this money. I said, "Look, here is their inability." They said, "Oh, but this is recycled Arab oil money," meaning that this was money that had been deposited in these banks by the Arab oil-exporting countries. I said, "But that is still money on your books that you are lending. You still have to account for it. You are still going to have to try to get some payment."

So where are we now? They have to write down, they have added reserves. What does that mean? As the chairman of Citicorp said, after the Mexico deal which incidentally does not leave Mexico any more viable, it just continues the same old thing, where money is loaned to the country to pay over interest, but not 1 penny on principal, so that the amount of the debt keeps growing and the inability to pay gets worse. Of course, the taxpayer will be looked to in the name of saving, what, the safety and soundness of our banking system. So much for that.

But let us go to the other. All wars have to be financed. The method of financing has been the same. In the case of sovereign debt, the history is that those sovereign debts were never paid back. Unlike the Latin American countries where almost 100 percent of that borrowing has been government or sovereign from private bankers, the African countries are the other way around. There we have less sovereign debt and mostly with the international structure such as the World Bank and the International Monetary Fund.

All of these are creatures of a world that emerged from World War II, and that world financial structure collapsed by the late 1960's. I remember in 1968 the first forewarnings, that the dollar was going to have to be devalued with the so-called Roosa dollar, and this was a so-called two-tier based on the gold exchange that existed.

How many of my colleagues realize that it was President Nixon who devalued the dollar 10 percent when we took the country off the gold exchange system on August 15, 1971? Why no, that is supposed to be done by liberal Democrats. It was the conservatives who did it all. It was Mr. Nixon who devalued.

Then we had an additional devaluation a year or two later. Fortunately, and with a great sense of humility, but a sense of responsibility, I put all of that thinking in the RECORD by the use of this forum, this great hallowed forum.

Today the question is: What are we willing to do at this time? It is almost impossible to think of reform, control of interest rates.

My goodness, I introduced a cap bill several years ago, and I could not get one single sponsor and did get a lot of criticism in the financial world.

As I said, behind every war there has to be a banker for financing. We learn nothing. The democracies in people's wars have learned very little, unfortunately, from the day of king-made wars. The only thing is we go at them differently and more awesomely, and the destruction has been exponentially increased to the point now where we can extinguish each other.

As I have said time and time again, I guess it is a rat race between the world learning that we are all created equal or be cremated equally.

The bottom of it all is financing. This is the reason that through the 28 years and from the beginning when I was assigned, when I first came onto the Committee on Banking, Finance and Urban Affairs, I have stayed on the Committee on Banking, Finance and Urban Affairs. It is really my line of interest.

The so-called war against or war on drugs, which I think is a misnomer, behind it all is banking.

Around 1975, I had reports in my hometown of San Antonio of some very questionable international, that is Mexico-United States transactions. To my surprise, we had no laws controlling. So after much imposing on the then chairman, finally getting the subcommittee chairman, later chairman of the full committee, finally to come to San Antonio, we had hearings, and we brought up some very, very disagreeable facts about some questionable financial transactions, cross-border, and how some unfortunate American investors had been taken to the cleaners, and how the safety and viability of some of the financial institutions, S&L's and banks had been actually reduced to nothing, in fact, led to the downfall of those institutions.

□ 1110

I would invite my colleagues to get the printed hearings of the proceedings of our committee from San Antonio and read them, because you will see that that was the forerunner of the legislation that took 4, 5, maybe even 6 years before we had a little bit of legislation on what we call money laundering.

Unfortunately, the legislation we enacted but had at least some impact, by the time the administration became interested and the Justice Department established the task force and we began to pinpoint points in Florida, Texas, and California, it was obvious and there was no question from the volume of cash transactions that this was drug money being laundered. There was no question of that. The FBI, Treasury officials and other intelligence agency officials all came before our committee and reported the same thing. We realized we had to improve the legislation. In the meanwhile when Mr. Reagan took office, he delegated to the Vice President, now President Bush, the task of being head of the war against drugs. Unfortunately the Vice President did not understand the finance of it.

My colleagues, you can throw the entire Treasury into the war against drugs and you will get nowhere until you have control.

The ancient book of wisdom, the Talmud of the Hebrews or Jews, has a story about how this rabbi commented on these thieves, the equivalent of our car prowlers and whatnot who would steal these goods.

The question was, what do you do to stop it? This rabbi said, well, where do they dispose of the goods? He said the hole where the fox takes his food and whatnot. You first have to close that hole.

In other words, you have to stop the fence, the outlet, the market. Unless we stop the profitable aspects of the banks in laundering these now billions of dollars of drug money, we will get nowhere, my colleagues, nowhere.

When this legislation comes up, I intend to have some input from that standpoint.

In the meanwhile, my predecessor chairman did not follow through on perfecting the law on money laundering.

I have nothing but very deep and abiding respect and affection for our President. He served in the House from the Houston district in Texas. I have known him as a very caring and warm and most respected individual. But it kind of hurt me to see the reports that appeared in the paper a few days after he made his speech on national television and produced a plastic bag of drugs and said it had been procured just a block away. Then the story was brought out that this was a concocted transaction, that the drug enforcement officials had to give some prop to the speech.

I think more awesome is that the biggest banks that the task force, which Mr. Bush when he became head of drug enforcement abolished and could not be interested in banking, the laundering aspect, and unfortunately killed that momentum, the biggest culprit bank in Florida was left untouched after the so-called Vice Presidential Task Force, and now has a branch less than two blocks from the White House, right here in the District of Columbia.

Have they stopped money laundering? The statistics coming from the Federal Reserve Board still show a lot of activity. So we will go into this, and I hope by the time everybody starts getting into the parasitism of legislating on the drug war that we will try to offer something in the way of money laundering.

To sum up, the forecast is gloomy. We have built up this tremendous feverish speculative force. The stock market, for instance, is no longer a true reflection of actual transactions in the industrial world, output, manufacturing. It is a reflection of feverish paper transactions.

One of the most troubling things which I reported last year is that 10-year Treasury bonds are being held less than 30 days.

Yesterday's story was that the stock market had reached the highest levels ever in history. That is exactly the gyrations which existed before the big busts both in 1929 and 1987. So we are all on tender hooks here, and I believe that people should know it.

My primary concern above all is the safety and soundness of the American financial system. It is under great threat. I think that, God willing, and with our colleagues being informed, the main thing is to get the information to our colleagues, and we will find a resolution of even these most difficult and knotty of problems.

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

## NEWSPAPER RECYCLING

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

Mr. GEJDENSON. Mr. Speaker, I want to take a few moments to talk about a story that was on NBC News last night concerning the buildup of newspaper in recycling centers that no longer have a market for their product.

This is at a point in time when the major cities of the United States, cities like Washington, are just beginning to do newspaper recycling. Recycling has been the key solution in the eighties, and as we head toward the nineties, for much of our garbage problem.

However, the crisis that is developing is that there is no market. What a year ago was selling for $25 and $30 a ton, recycled newspaper, now has a negative value. If the cities and towns that we represent bring a truckload of newspaper to the local recycling center, they now have to pay $25 a ton to have that paper taken from them. It is not a bad deal in the sense that oftentimes it costs $60 to $100 a ton to landfill or incinerate this paper. But there is a much better solution.

NBC News last night focused on the dilemma that this massive influx of recycled paper has created in the recycled paper market.

As I said a moment ago, from $25 to $30 a ton in value, you now have to pay $25 or $30 a ton to have the recyclers take it from you. The Boy Scouts used to pick up paper. If they did that today they would not only not make money, they would lose money.

I have introduced H.R. 1691. It is a piece of legislation that makes an agreement with the paper industry on the percentage of recycled products that the Federal Government would buy in various types of paper.

One of the problems here is that you cannot recycle each paper in the same percentage, but there are certainly uses for virtually every kind of paper.

What we say is if that percentage of paper is not met nationally as it is sold by the manufacturers, then there would be a tax on the portion that was supposed to be recycled paper and was not. That tax would be an incentive to shift from virgin material to recycled paper.

A few days ago the House passed the capital gains break, something I voted against. It is going to be another incentive to use virgin product over recycled product. Our agricultural and forest policies have incentives; our tax policies have incentives. There are direct grants from the Federal Government to turn trees into pulp.

□ 1120

When the Boy Scouts tried to collect old newspapers, there are no incentives. Frankly, the newspapers of this country that have done a great job in writing editorials in favor of the environment, suddenly when they get a chance to participate and support recycling of newsprint they are awfully silent.

As a matter of fact, one of them came to me and said they were concerned about the cost. Well, there is a cost in inactivity. And it is tremendous to the communities around this country.

Here we have an opportunity to help the free market work, provide an incentive to the major paper manufacturers of the world to use recycled products. The bill is 1691.

Cities and towns around this Nation know the cost. I would hope they would write to their Senators and Congressmen and ask them to give us some help with 1691 to create a more stable and strong market for recycled paper.

## CONFERENCE REPORT ON H.R. 2990

Mr. NATCHER submitted the following conference report and statement on the bill (H.R. 2990) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1990, and for other purposes:

CONFERENCE REPORT (H. REPT. 101-274)

The Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2990) "making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1990, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7, 9, 17, 22, 23, 32, 40, 55, 60, 61, 70, 72, 74, 85, 86, 95, 96, 97, 98, 99, 100, 107, 120, 125, 130, 146, 149, 151, 161, 163, 164, 165, 166, 173, 174, 175, and 177.

That the House recede from its disagreement to the amendments of the Senate numbered 6, 18, 19, 21, 24, 25, 30, 45, 65, 66, 68, 69, 80, 83, 89, 105, 115, 124, 126, 127, 138, 140, 142, 152, 155, 160, and 171, and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$64,693,000*; and the Senate agree to the same.

Amendment numbered 2:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$3,907,746,000*; and the Senate agree to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$70,000,000*; and the Senate agree to the same.

Amendment numbered 4:

That the House recede from it disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$4,100,000*; and the Senate agree to the same.

Amendment numbered 5:

That the House recede from it disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$5,150,000*; and the Senate agree to the same.

Amendment numbered 10:

That the House recede from it disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$282,360,000*; and the Senate agree to the same.

Amendment numbered 11:

That the House recede from it disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$79,640,000*; and the Senate agree to the same.

Amendment numbered 20:

That the House recede from it disagreement to the amendment of the Senate Numbered 20, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$270,748,000*; and the Senate agree to the same.

Amendment numbered 31:

That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$4,400,000*; and the Senate agree to the same.

Amendment numbered 35:

That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$1,101,559,000*; and the Senate agree to the same.

Amendment numbered 38:

That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$1,664,000,000*; and the Senate agree to the same.

Amendment numbered 39:

That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$1,091,264,000*; and the Senate agree to the same.

Amendment numbered 41:

That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$591,887,000*; and the Senate agree to the same.

Amendment numbered 42:

That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$497,096,000*; and the Senate agree to the same.

Amendment numbered 43:

That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$846,318,000*; and the Senate agree to the same.

Amendment numbered 46:

That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$241,205,000*; and the Senate agree to the same.

Amendment numbered 47:

That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$233,264,000*; and the Senate agree to the same.

Amendment numbered 48:

That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$243,509,000*; and the Senate agree to the same.

Amendment numbered 49:

That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$171,681,000*; and the Senate agree to the same.

Amendment numbered 50:

That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$119,000,000*; and the Senate agree to the same.

Amendment numbered 52:

That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$33,969,000*; and the Senate agree to the same.

Amendment numbered 53:

That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment amended as follows:

In lieu of the sum named insert *$60,000,000*; and the Senate agree to the same.

Amendment numbered 54:

That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$15,556,000*; and the Senate agree to the same.

Amendment numbered 56:

That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$108,987,000*; and the Senate agree to the same.

Amendment numbered 58:

That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$61,600,000*; and the Senate agree to the same.

Amendment numbered 67:

That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$27,000,000*; and the Senate agree to the same.

Amendment numbered 73:

That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$3,837,389,000*; and the Senate agree to the same.

Amendment numbered 81:

That the House recede from its disagreement to the amendment of the Senate numbered 81, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$86,806,000*; and the Senate agree to the same.

Amendment numbered 88:

That the House recede from its disagreement to the amendment of the Senate numbered 88, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$80,577,000*; and the Senate agree to the same.

Amendment numbered 102:

That the House recede from its disagreement to the amendment of the Senate numbered 102, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$5,434,777,000*; and the Senate agree to the same.

Amendment numbered 103:

That the House recede from its disagreement to the amendment of the Senate num-

bered 103, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$5,408,581,000*; and the Senate agree to the same.

Amendment numbered 106:

That the House recede from its disagreement to the amendment of the Senate numbered 106, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$33,197,000*; and the Senate agree to the same.

Amendment numbered 110:

That the House recede from its disagreement to the amendment of the Senate numbered 110, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment amended to read as follows:

*From the amounts appropriated for part A of chapter 1, an amount not to exceed $125,000,000 may be obligated to carry out a new Merit Schools program and an amount not to exceed $50,000,000 may be obligated to carry out a new Magnet Schools of Excellence program only if such programs are specifically authorized in law prior to March 1, 1990.*

And the Senate agree to the same.

Amendment numbered 112:

That the House recede from its disagreement to the amendment of the Senate numbered 112, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$578,500,000*; and the Senate agree to the same.

Amendment numbered 113:

That the House recede from its disagreement to the amendment of the Senate numbered 113, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$123,500,000*; and the Senate agree to the same.

Amendment numbered 116:

That the House recede from its disagreement to the amendment of the Senate numbered 116, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert *section 6115 and chapter 5 of subtitle A of title VI*; and the Senate agree to the same.

Amendment numbered 117:

That the House recede from its disagreement to the amendment of the Senate Numbered 117, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$1,232,895,000*; and the Senate agree to the same.

Amendment numbered 118:

That the House recede from its disagreement to the amendment of the Senate numbered 118, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$899,494,000*; and the Senate agree to the same.

Amendment numbered 121:

That the House recede from its disagreement to the amendment of the Senate numbered 121 and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$188,674,000*; and the Senate agree to the same.

Amendment numbered 122:

That the House recede from its disagreement to the amendment of the Senate numbered 122 and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$31,913,000*; and the Senate agree to the same.

Amendment numbered 131:

That the House recede from its disagreement to the amendment of the Senate numbered 131 and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$5,740,000*; and the Senate agree to the same.

Amendment numbered 133:

That the House recede from its disagreement to the amendment of the Senate numbered 133, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$68,600,000*; and the Senate agree to the same.

Amendment numbered 134:

That the House recede from its disagreement to the amendment of the Senate numbered 134, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$1,138,040,000*; and the Senate agree to the same.

Amendment numbered 135:

That the House recede from its disagreement to the amendment of the Senate numbered 135, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$23,333,000*; and the Senate agree to the same.

Amendment numbered 136:

That the House recede from its disagreement to the amendment of the Senate numbered 136, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$7,083,000*; and the Senate agree to the same.

Amendment numbered 137:

That the House recede from its disagreement to the amendment of the Senate numbered 137, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$22,250,000*; and the Senate agree to the same.

Amendment numbered 143:

That the House recede from its disagreement to the amendment of the Senate numbered 143, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$632,736,000*; and the Senate agree to the same.

Amendment numbered 144:

That the House recede from its disagreement to the amendment of the Senate numbered 144, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$18,128,000*; and the Senate agree to the same.

Amendment numbered 145:

That the House recede from its disagreement to the amendment of the Senate numbered 145, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$8,740,000*; and the Senate agree to the same.

Amendment numbered 147:

That the House recede from its disagreement to the amendment of the Senate numbered 147, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$182,446,000*; and the Senate agree to the same.

Amendment numbered 148:

That the House recede from its disagreement to the amendment of the Senate numbered 148, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$1,500,000*; and the Senate agree to the same.

Amendment numbered 150:

That the House recede from its disagreement to the amendment of the Senate numbered 150, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$96,375,000*; and the Senate agree to the same.

Amendment numbered 153:

That the House recede from its disagreement to the amendment of the Senate numbered 153, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert the following: *$136,646,000 of which $18,900,000 shall be used to carry out the provisions of title II of the Library Services and Construction Act which shall remain available until expended*; and the Senate agree to the same.

Amendment numbered 154:

That the House recede from its disagreement to the amendment of the Senate numbered 154, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$274,946,000*; and the Senate agree to the same.

Amendment numbered 157:

That the House recede from its disagreement to the amendment of the Senate numbered 157, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$327,280,000*; and the Senate agree to the same.

Amendment numbered 158:

That the House recede from its disagreement to the amendment of the Senate numbered 158, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$76,250,000*; and the Senate agree to the same.

Amendment numbered 159:

That the House recede from its disagreement to the amendment of the Senate numbered 159, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$26,785,000*; and the Senate agree to the same.

Amendment numbered 162:

That the House recede from its disagreement to the amendment of the Senate numbered 162, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$1,557,000*; and the Senate agree to the same.

Amendment numbered 167:

That the House recede from its disagreement to the amendment of the Senate numbered 167, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$3,950,000*; and the Senate agree to the same.

Amendment numbered 168:

That the House recede from its disagreement to the amendment of the Senate numbered 168, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$39,287,000*; and the Senate agree to the same.

Amendment numbered 169:

That the House recede from its disagreement to the amendment of the Senate numbered 169, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$9,375,000*; and the Senate agree to the same.

Amendment numbered 170:

That the House recede from its disagreement to the amendment of the Senate numbered 170, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$7,650,000*; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 8, 12, 13, 14, 15, 16, 26, 27, 28, 29, 33, 34, 36, 37, 44, 51, 57, 59, 62, 63, 64, 71, 75, 76, 77, 78, 79, 82, 84, 87, 90, 91, 92, 93, 94, 101, 104, 108, 109, 111, 114, 119, 123, 128, 129, 132, 139, 141, 156, 172, and 176.

WILLIAM H. NATCHER,
NEAL SMITH,
DAVID OBEY,
EDWARD R. ROYBAL,
LOUIS STOKES,
JOSEPH D. EARLY,
BERNARD J. DWYER,
STENY H. HOYER,
JAMIE L. WHITTEN,
SILVIO O. CONTE,
CARL D. PURSELL,
JOHN EDWARD PORTER,
BILL YOUNG,
VIN WEBER,
*Managers on the Part of the House.*

TOM HARKIN,
ROBERT C. BYRD,
FRITZ HOLLINGS,
QUENTIN N. BURDICK,
DANIEL K. INOUYE,
DALE BUMPERS,
HARRY REID,
BROCK ADAMS,
ARLEN SPECTER,
MARK O. HATFIELD,
TED STEVENS,
WARREN RUDMAN,
JAMES A. MCCLURE,
THAD COCHRAN,
PHIL GRAMM,
*Managers on the Part of the Senate.*

## JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2990) making appropriations for the Departments of Labor, Health and Human Services, and Education, and Related Agencies for the fiscal year ending September 30, 1990, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

## TITLE I—DEPARTMENT OF LABOR

### EMPLOYMENT AND TRAINING ADMINISTRATION

#### PROGRAM ADMINISTRATION

Amendment No. 1: Appropriates $64,693,000 instead of $63,193,000 as proposed by the House and $66,193,000 as proposed by the Senate.

The conference agreement includes $2,000,000 for the Bureau of Apprenticeship and Training to begin a series of pilot and demonstration projects testing the feasibility of applying the apprenticeship concept of training to a disadvantaged and discouraged youth population. This includes an additional two FTE, for a total of 1,755 full-time equivalent staff for program administration.

#### TRAINING AND EMPLOYMENT SERVICES

Amendment No. 2: Appropriates $3,907,756,000 instead of $3,903,562,000 as proposed by the House and $3,924,252,000 as proposed by the Senate.

The conference agreement includes $5,692,000 for training and technical assistance, $4,434,000 for labor market information and $3,000,000 to continue the Samoan employment and training initiative, including services to other Pacific Islander and Asian immigrants in the State of Hawaii. Of the total, $2,000,000 is for the State of Hawaii, $750,000 is for California and $250,000 if for Washington, as the vast majority of the target populations reside in these States.

Amendment No. 3: Earmarks $70,000,000 for migrants and seasonal farmworkers instead of $68,540,000 as proposed by the House and $71,282,000 as proposed by the Senate.

Amendment No. 4: Earmarks $4,100,000 for activities conducted by and through the National Occupational Information Coordinating Committee instead of $3,000,000 as proposed by the House and $5,000,000 as proposed by the Senate.

Amendment No. 5: Earmarks $5,150,000 for rural concentrated employment programs instead of $5,500,000 as proposed by the House and $3,000,000 as proposed by the Senate.

Amendment No. 6: Appropriates $50,432,000 for Job Corps capital costs as proposed by the Senate instead of $49,432,000 as proposed by the House.

Amendment No. 7: Deletes language proposed by the Senate that would have earmarked $1,000,000 for expansion and renovation of a particular Job Corps center.

The conferees agree that $1,000,000 is included for expansion and renovation of the El Paso Job Corps center.

Amendment No. 8: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment amended to read as follows:

In lieu of the sum proposed by said amendment, insert the following: *$13,000,000, of which $1,500,000 shall be available for obligation for the period October 1, 1990 through September 30, 1991,*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The agreement appropriates $13,000,000 for homeless job training as proposed by the Senate instead of $10,000,000 as proposed by the House and provides that $1,500,000 shall become available on October 1, 1990.

Amendment No. 9: Appropriates $13,492,000 for prior year Job Corps operating costs as proposed by the House instead of $13,000,000 as proposed by the Senate.

The conferees are agreed that the nonresidential Job Corps II demonstration projects are to be continued in program year 1990.

The conferees are also agreed that funding is included to provide materials to be used for Job Corps project involvement in the 1990 Goodwill Games.

#### COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

Amendment No. 10: Appropriates $282,360,000 for national grants or contracts instead of $276,120,000 as proposed by the House and $288,600,000 as proposed by the Senate.

Amendment No. 11: Appropriates $79,640,000 for grants to States instead of $77,880,000 as proposed by the House and $81,400,000 as proposed by the Senate.

#### STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

Amendment No. 12: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment which inserts a legal citation.

Amendment No. 13: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment amended as follows:

In lieu of the sum proposed by said amendment, insert the following: *$2,575,200,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement includes $25,000,000 to administer the Targeted Jobs Tax Credit and $12,500,000 for Employment Service automation grants.

Amendment No. 14: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment amended to read as follows:

In lieu of the matter inserted by said amendment, insert the following: *, and of which $19,148,000 of the amount which may be expended from said trust fund shall be available for obligation for the period April 1, 1990, through December 31, 1990, for automation of the State activities under title III of the Social Security Act, as amended (42 U.S.C. 502-504 and 5 U.S.C. 8501-8523)*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement makes funds for unemployment insurance automation grants available for obligation for the period April 1, 1990 to December 31, 1990.

Amendment No. 15: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment amended to read as follows:

In lieu of the matter inserted by said amendment, insert the following: *, and of which $12,500,000 of the amount which may be expended from said trust fund shall be available for obligation for the period October 1, 1990, through June 30, 1991, for automation of the State activities under section 6 of the Act of June 6, 1933, as amended,*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 16: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment amended to read as follows:

In lieu of the matter inserted by said amendment, insert the following:

On page 64 of the House engrossed bill, insert after line 5 the following:

*SEC. 515. For purposes of section 202 of the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987, transfers, if any, in the following accounts are a necessary (but secondary) result of significant policy changes: Training and Employment Services; State Unemployment Insurance and Employment Service Operations; Health Resources and Services Program Operations; Alcohol, Drug Abuse, and Mental Health; Low Income Home Energy Assistance; Interim Assistance to States for Legal-*

*ization; and Community Services Block Grant.*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

LABOR-MANAGEMENT SERVICES

SALARIES AND EXPENSES

Amendment No. 17: Extends the availability for obligation of $1,500,000 previously appropriated as proposed by the House instead of $5,850,000 as proposed by the Senate.

EMPLOYMENT STANDARDS ADMINISTRATION

BLACK LUNG DISABILITY TRUST FUND

Amendment No. 18: Makes available $640,985,000 from the Black Lung Disability Trust Fund as proposed by the Senate instead of $640,326,000 as proposed by the House.

Amendment No. 19: Earmarks $21,350,000 for transfer to Departmental Management, Salaries and Expenses as proposed by the Senate instead of $20,691,000 as proposed by the House. The conference agreement is an increase of $659,000 over the House bill and 16 full-time equivalent staff for the Benefits Review Board.

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

Amendment No. 20: Appropriates $270,748,000 instead of $270,248,000 as proposed by the House and $271,248,000 as proposed by the Senate.

MINE SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

Amendment No. 21: Appropriates $170,593,000 as proposed by the Senate instead of $170,093,000 as proposed by the House.

BUREAU OF LABOR STATISTICS

SALARIES AND EXPENSES

Amendment No. 22: Appropriates $193,771,000 as proposed by the House instead of $193,171,000 as proposed by the Senate.

Amendment No. 23: Makes available $49,518,000 from the Unemployment Trust Fund as proposed by the House instead of $49,118,000 as proposed by the Senate.

DEPARTMENT MANAGEMENT

SALARIES AND EXPENSES

Amendment No. 24: Earmarks $2,880,000 for the President's Committee on Employment of People With Disabilities as proposed by the Senate instead of $2,540,000 as proposed by the House.

Amendment No. 25: Appropriates $115,072,000 as proposed by the Senate instead of $114,732,000 as proposed by the House.

GENERAL PROVISIONS

Amendment No. 26: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment amended to read as follows:

In lieu of the matter inserted by said amendment, insert the following:

*SEC. 105. (a) Within sixty days after the enactment of this Act, the United States, acting through the Secretary of Labor (or an official of the Department of Labor duly authorized by the Secretary of Labor) shall convey to the State of Oregon without consideration, all rights, title, and interest of the United States, in real property described in subsection (b) (and any improvements thereon).*

*(b) The real property referred to in subsection (a) is that property commonly known as the "Emerald Heights Housing Complex" located in the city of Astoria, Clatsop County, Oregon.*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 27: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment amended as follows:

In lieu of the matter inserted by said amendment, insert the following:

On page 41 of the House engrossed bill, insert after line 19 the following:

*SEC. 220. Notwithstanding any other provision of this Act, AIDS education programs that receive assistance from the Centers for Disease Control and other education curricula dealing with sexual activity that receive assistance under this Act—*

*(1) shall not be designed to promote or encourage, directly, intravenous drug abuse or sexual activity, homosexual or heterosexual; and*

*(2) with regard to AIDS education programs and curricula—*

*(A) shall be designed to reduce exposure to and transmission of the etiologic agent for acquired immune deficiency syndrome by providing accurate information; and*

*(B) shall provide information on the health risks of promiscuous sexual activity and intravenous drug abuse.*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

TITLE II—DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH RESOURCES AND SERVICES PROGRAM OPERATIONS

Amendment No. 28: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: *X, XXIV,*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 29: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the sum proposed by said amendment, insert the following: *$1,782,271,000, of which $11,885,000 for health care for the homeless shall be available for obligation for the period October 1, 1990 through September 30, 1991*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees agree with the concern expressed by the Senate regarding the current discrepancy between the allocation of community health center funds between urban and rural centers relative to the numbers of patients served by urban and rural centers. Funds provided to community health centers should reflect accurately the location of patients served by centers unless there are compelling reasons not to allocate funds equitably between urban and rural centers. The conferees request that the Department prepare a report on the funding allocations between urban and rural community health centers, and suggest methods, if appropriate, to eliminate the current differential within two years.

The conferees have included $2,000,000 to continue the various Pacific Basin initiatives, of which $1,660,000 shall be for the Pacific Basis Medical Officers project.

The conferees have included $1,300,000 for the Native Hawaiian health care initiatives. Of the amount provided, the conferees intend $700,000 to be used for a comprehensive health care master plan, $500,000 for health professions scholarships, and $100,000 for administrative support of the Papa Ola Lokahi.

The conferees are agreed that funding for the hemophilia treatment centers program within the Special Programs of Regional and National Significance (SPRANS) in the Maternal and Child Health Block Grant shall, at a minimum, be maintained at the current level. The conferees recognize that, due to maternal income, minority status, age and educational attainment levels, the infants of public housing residents are at a greater risk of mortality and morbidity than the general population. The conferees encourage the agency to use SPRANS funds to test the effectiveness of a coordinated, "one-stop shopping" approach to the provision of pre- and post-natal care services to this population, such as that provided in the Omaha project described in the Senate report.

The conference agreement includes $4,000,000 for organ transplant activities. It is the intention of the conferees that such amount be divided as follows: $1,400,000 for support of the activities of the Organ Procurement and Transplantation Network; $1,200,000 for continued development of the scientific registry; $700,000 for the Organ Procurement Organization grant program authorized by section 371 of the Public Health Service Act; and $700,000 for the Division of Organ Transplantation.

This amount for the Division of Organ Transplantation includes funds for the study of tissue retrieval and distribution; for the Division to work with the Health Care Financing Administration to evaluate how best to enforce the routine referral program mandated by section 1138(A)(iii) of the Social Security Act; and for the development of a new program within the Division to provide needy families with information about transplantation and the resources available in each state to assist such families with the catastrophic expenses associated with transplant surgery.

The conference agreement provides $15,000000 for pediatric AIDS demonstration projects. The conferees are aware of private sector interest in the development of model pediatric consortia to provide health and social services, research and training focused on HIV infected individuals and their families and women of childbearing years. The conferees urge the agency to fund up to three such pediatric demonstrations. These demonstrations shall, to the extent possible, provide care for children and their families in the same setting. Such model consortia shall work in collaboration with the National Institute of Child Health and Human Development, the National Institute of Allergy and Infectious Diseases, and the Office of Minority Health. Further, the conferees urge the agency to allocate fiscal year 1990 funds as expeditiously as possible.

The conferees have provided $17,438,000 for adult health care AIDS demonstrations. The conferees intend that projects funded in fiscal year 1989 be entitled to compete for additional funds in fiscal year 1990.

The conferees have provided $30,000,000 for the AIDS drug reimbursement program. The conferees direct the Secretary to permit the States to make available to eligible individuals therapeutics determined to prolong life or prevent the serious deterioration of health arising from AIDS or HIV infection. The conferees understand that the funding needs for the program may be greater than anticipated in this bill. Therefore, the conferees are agreed that this program will be carefully monitored with the recognition that a supplemental appropriation may be necessary to adequately fund it.

The conferees remain concerned about the price of AZT. Even with the recent price reduction by the manufacturer of the drug, AZT remains prohibitively expensive for most AIDS patients. While the conferees are providing additional funds for the AIDS drug reimbursement program, the conferees strongly urge the manufacturer of AZT to take further steps to make the drug more affordable and more widely accessible to low-income patients.

Amendment No. 30: Deletes language proposed by the House which would have placed a limitation on funding for health education and training centers.

The conferees have provided $4,000,000 for the new border health education centers program. The program, as authorized in P.L. 100-607, will fund contracts with schools of medicine and osteopathy to create health education and training centers that will improve the supply and quality of personnel providing health services along the border between the United States and Mexico and in other areas with demonstrated serious unmet health care needs. Funds are to be divided equally between border and non-border areas. It is the intent of the conferees that the funds made available for the border area initiative are to include those areas of the border states which are most severely affected by Hispanic immigration but not necessarily in close proximity to the border.

Amendment No. 31: Earmarks $4,400,000 for AIDS facilities renovations instead of $4,300,000 as proposed by the House and $4,500,000 as proposed by the Senate.

Amendment No. 32: Deletes language proposed by the Senate regarding eligibility for excellence in minority health education grants.

Amendment No. 33: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following: *Provided further, That of this amount, $30,000,000 is available until expended for grants to States for Human Immunodeficiency Virus drug reimbursement, pursuant to section 319 of the Public Health Service Act: Provided further, That user fees authorized by 31 U.S.C. 9701 may be credited to appropriations under this heading, notwithstanding 31 U.S.C. 3302*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees have deleted bill language overriding an across-the-board cut totalling $1,360,000 for grants to four rural hospitals. The conferees have agreed that this will be the final year of funding such grants.

VACCINE INJURY COMPENSATION

Amendment No. 34: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which permits the Department to use trust fund monies for administrative costs.

CENTERS FOR DISEASE CONTROL

DISEASE CONTROL, RESEARCH AND TRAINING

Amendment No. 35: Appropriates $1,101,559,000 instead of $1,080,180,000 as proposed by the House and $1,114,338,000 as proposed by the Senate.

Within the amount provided for immunization grants, the conference agreement includes $10,000,000 for measles outbreak control and $8,000,000 for hepatitis B screening. Within the amount provided for immunization direct operations, the conference agreement includes $8,000,000 for an infant immunization initiative, $500,000 for measles outbreak control and $2,500,000 for hepatitis B screening.

Within the amount provided for chronic and environmental disease prevention, the conference agreement includes $5,000,000 and 15 FTE's for a breast and cervical cancer control program and $4,5000,000 for the disabilities prevention program.

An additional 16 FTE's are provided for the injury control program.

Within the amount provided for the National Institute for Occupational Safety and Health (NIOSH), the following increases over fiscal year 1989 are included:

| | |
|---|---|
| Cost-of-living increase | $1,020,000 |
| Construction safety | 1,000,000 and 10 FTE's |
| Farm safety and health | 11,500,000 and 25 FTE's |
| Surgeon General's Conference | 125,000 |
| Worker notification | 500,000 |
| Musculoskeletal disorders | 1,000,000 |
| Industrial medical center | 250,000 |

Of the amounts provided for occupational safety and health research, $11,250,000 has been included for farm safety and health. Of that amount, under surveillance, $2,000,000 is for the farm family survey and $2,000,000 is for rural hospitals; under research, $2,000,000 if provided for Agricultural Centers, which may also provide training, and $1,000,000 is provided for lung disease; and finally, under intervention, $2,150,000 is provided for agriculture health promotion, and $2,100,000 for cancer screening. An additional amount of $250,000 is provided for the Educational Resource Centers for farm safety and health.

Within the amount provided for AIDS activities, the conference agreement includes $11,154,000 for activities for the hemophilia project, $119,402,000 for confidential counseling and testing and $14,515,000 for direct grants to minority community-based organizations.

The conferees are agreed that separate funding must be provided to any local health department which serves the largest political jurisdiction in a MSA, when such MSA reported more than 2,000 AIDS cases as of June 30, 1989, and such cases represent at least 75 percent of the AIDS cases reported in that State.

The conference agreement includes funds for the development of AIDS education programs and exhibits to be located in science museums.

Amendment No. 36: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment amended to read as follows:

In lieu of the matter inserted by said amendment, insert the following: *: Provided further, That employees of the Public Health Service, both civilian and Commissioned Officer, detailed to States or municipalities as assignees under authority of section 214 of the Public Health Service Act in the instance where in excess of 50 percent of salaries and benefits of the assignee is paid directly or indirectly by the State or municipality, and employees of the National Center for Health Statistics, who are assisting other Federal organizations on data collection and anlaysis and whose salaries are fully reimbursed by the organizations requesting the services, shall be treated as non-Federal employees for reporting purposes only;*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 37: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment amended to read as follows:

In lieu of the matter inserted by said amendment, insert the following: *And, in addition, for high priority construction project of the Centers for Disease Control, $5,000,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees have provided an additional $5,000,000 in the buildings and facilities account of the Centers for Disease Control for high priority construction projects.

NATIONAL INSTITUTES OF HEALTH

NATIONAL CANCER INSTITUTE

Amendment No. 38: Appropriates $1,664,000,000 instead of $1,652,666,000 as proposed by the House and $1,668,473,000 as proposed by the Senate.

NATIONAL HEART, LUNG, AND BLOOD INSTITUTE

Amendment No. 39: Appropriates $1,091,264,000 instead of $1,090,930,000 as proposed by the House and $1,091,597,000 as proposed by the Senate.

NATIONAL INSTITUTE OF DENTAL RESEARCH

Amendment No. 40: Appropriates $138,053,000 as proposed by the House instead of $137,096,000 as proposed by the Senate.

NATIONAL INSTITUTE OF DIABETES AND DIGESTIVE AND KIDNEY DISEASES

Amendment No. 41: Appropriates $591,887,000 instead of $590,276,000 as proposed by the House and $593,497,000 as proposed by the Senate.

The conferees have agreed that within the amount appropriated to NIDDK, up to $5 million is available for research on diabetic kidney disease.

NATIONAL INSTITUTE OF NEUROLOGICAL DISORDERS AND STROKE

Amendment No. 42: Appropriates $497,096,000 instead of $495,203,000 as proposed by the House and $498,988,000 as proposed by the Senate.

The managers of the conference are agreed that the NINDS is urged to give all due consideration to devoting additional funds to neurogenetics research.

NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

Amendment No. 43: Appropriates $846,318,000 instead of $845,523,000 as proposed by the House and $847,112,000 as proposed by the Senate.

NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES

Amendment No. 44: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment. In lieu of the amount stricken and inserted by said amendment, insert: *$691,866,000.* The conference agreement appropriates $691,866,000 instead of $692,639,000 as proposed by the House and $752,939,000 as proposed by the Senate. The Senate bill included $61,847,000 for the newly established National Center for Human Genome Research. The House bill included these funds in a separate appropriation account. The conference agreement follows the House format (see amendment no. 53). The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

Amendment No. 45: Appropriates $450,593,000 as proposed by the Senate instead of $448,493,000 as proposed by the House.

The conferees encourage the National Institute of Child Health and Human Development to consider the establishment of a center grant program for child health research as described in the Senate report.

The conference committee continues to recognize the importance of a controlled study of the use of infant apnea monitoring and is concerned that the NICHD has been slow to achieve this objective. To that end the conference agreement includes funding for the implementation of the first year of the 5 year plan for sudden infant death syndrome research, applauds the other important and meritorious SIDS research initiatives outlined in the plan, and recommends implementation in an expeditious manner.

The conference agreement also includes funds sufficient for NICHD to consider additional Mental Retardation Research Centers, dependent on the results of the upcoming peer review competition.

NATIONAL EYE INSTITUTE

Amendment No. 46: Appropriates $241,205,000 instead of $240,636,000 as proposed by the House and $241,774,000 as proposed by the Senate.

NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES

Amendment No. 47: Appropriates $233,264,000 instead of $232,479,000 as proposed by the House and $234,048,000 as proposed by the Senate.

The conferees concur in the need to establish a comprehensive research program to address all aspects of toxicity of agricultural chemicals.

NATIONAL INSTITUTE ON AGING

Amendment No. 48: Appropriates $234,509,000 instead of $241,528,000 as proposed by the House and $245,490,000 as proposed by the Senate. The conference agreement includes sufficient funds to restore this institute's staffing to the level of 370 full time equivalent positions.

NATIONAL INSTITUTE OF ARTHRITIS AND MUSCULOSKELETAL AND SKIN DISEASE

Amendment No. 49: Appropriates $171,681,000 instead of $171,673,000 as proposed by the House and $171,688,000 as proposed by the Senate.

NATIONAL INSTITUTE ON DEAFNESS AND OTHER COMMUNICATION DISORDERS

Amendment No. 50: Appropriate $119,000,000 instead of $99,952,000 as proposed by the House and $121,116,000 as proposed by the Senate.

RESEARCH RESOURCES

Amendment No. 51: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the amount stricken and inserted by said amendment, insert *$354,191,000.*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees are agreed that the Biological Models and Materials Resources section of the Laboratory Animal Sciences and Primate Research Program, should receive sufficient funds to significantly expand research in this area.

The conferees are concerned about the proposal to increase the current eligibility threshold from $200,000 to $500,000 and to limit institutional flexibility in the Biomedical Research Support program. Raising the threshold would result in the elimination of 40 percent of the schools of nursing, 57 percent of the optometry schools, 50 percent of the allied health schools, 18 percent of the dental schools, 17 percent of the veterinary medical schools, and 11.5 percent of the pharmacy schools from the BRSG program. The conferees direct that the impact of such proposals be evaluated and reported to the House and Senate Appropriations Committees prior to proposed implementation.

NATIONAL CENTER FOR NURSING RESEARCH

Amendment No. 52: Appropriates $33,969,000 instead of $32,696,000 as proposed by the House and $34,969,000 as proposed by the Senate. The Conferees commend the efforts of the Secretary's Commission on Nursing, as established under Public Law 92-463, to address the nursing shortage in this country. Funds have been provided to fund a Commission for a period of one year, ending September 30, 1990. The conferees also encourage the Secretary to appoint a nurse as an Assistant to the Secretary to assist in the implementation of the Commission's recommendations, and to serve as an advisor to the Secretary on health care policy matters which affect nursing.

NATIONAL CENTER FOR HUMAN GENOME RESEARCH

Amendment No. 53: Restores language included by the House but stricken by the Senate amended to appropriate $60,000,000 under a separate appropriation account for the newly established National Center from Human Genome Research instead of $62,000,000 as proposed by the House. The Senate bill did not include a separate account for this center but had included $61,847,000 for this purpose under the National Institute of General Medical Sciences.

JOHN E. FOGARTY INTERNATIONAL CENTER

Amendement No. 54: Appropriates $15,556,000 instead of $15,579,000 as proposed by the House and $15,532,000 as proposed by the Senate.

NATIONAL LIBRARY OF MEDICINE

Amendment No. 55: Appropriates $83,311,000 as proposed by the House instead of $80,729,000 as proposed by the Senate.

OFFICE OF THE DIRECTOR

Amendment No. 56: Appropriates $108,987,000 instead of $106,987,000 as proposed by the House and $127,570,000 as proposed by the Senate.

The conferees are agreed that sufficient funds up to $2,000,000 is available within the Office of the Director to establish an intramural research program on diagnostic radiology.

Amendment No. 57: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following: *: Provided further, That in addition, the Secretary shall transfer $15,000,000 from appropriations available to each of the Institutes which shall be available for extramural facilities construction grants if authorized in law and if awarded competitively including such amount as he may deem appropriate for research animal production facilities.*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement requires the Secretary to transfer $15,000,000 from the individual institutes for the purpose of funding extramural facilities construction projects, if such projects are identified by the Director of NIH as of urgent national importance, are authorized in law and are awarded competitively. The conferees have deleted the earmarks for seven extramural construction projects as proposed by the Senate without prejudice. The conferees believe that these are meritorious projects which should be well received in the normal competitive process.

BUILDING AND FACILITIES

Amendment No. 58: Appropriates $61,600,000 instead of $81,600,000 as proposed by the House and $41,600,000 as proposed by the Senate. The conferees have provided sufficient funds for the next phase of the Child Health/Neuroscience Building.

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH

Amendment No. 59: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the sum proposed by said amendment, insert the following: *$1,934,177,000, of which $7,359,000 for homeless activities shall be available for obligation for the period October 1, 1990 through September 30, 1991, and*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

While the conferees encourage the National Institute of Mental Health to fund clinical training activities that include a payback requirement, the conferees do not intend that funding be limited only to activities with payback. The conferees intend, however, that the funds for clinical training be distributed on an equitable basis across the five core mental health professions. The conferees urge the Institute to give priority in awarding clinical training funds to trainees who provide service in public facilities and mental health underserved areas.

The conferees intend that up to $4,000,000 of the funds provided above the budget request for Community Support Demonstra-

tions be used for prevention services demonstration projects, as authorized in section 520A(b) of the Public Health Service Act, and demonstration projects for the prevention of youth suicide, as authorized by section 520A(a) of the Act.

The conferees continue to be very supportive of prevention activities, noting in particular that the suicide rate for those between the ages of 15 and 24 has almost tripled during the past thirty years. Accordingly, the conferees intend that the National Institute of Mental Health significantly increase its financial commitment to prevention projects during fiscal year 1990. The Institute should submit a detailed report on this directive prior to the 1991 budget hearings.

Amendment No. 60: Deletes language proposed by the Senate that would have earmarked mental health research funds for specific populations.

The conferees have deleted without prejudice bill language earmarking funding of mental health research. The conferees direct the National Institute of Mental Health to fund not less than $7,000,000 in rural mental health research and not less than $3,000,000 in Native American mental health research in fiscal year 1990. The conferees urge the Institute to work closely with researchers in these two areas.

The conferees are aware that the University of Denver, the University of Utah, and the University of California at Berkeley have developed American Indian social work programs and would be willing to work with local tribal and urban Indian communities to determine the effectiveness of family-centered mental health services.

The conferees further encourage the Institute to establish an Office of Rural and Native American Mental Health to coordinate the research, and expect the Institute to report to the Appropriations Committees on the progress of the rural and Native American mental health research initiatives prior to the fiscal year 1991 budget hearings.

Amendment No. 61: Deletes language proposed by the Senate that would have earmarked funds for a Presidential addiction research award.

The conferees nevertheless encourage the National Institute on Drug Abuse to establish such an award within existing funds if sufficient legislative authority exists.

FEDERAL SUBSIDY FOR SAINT ELIZABETHS HOSPITAL

Amendment No. 62: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which maintains the availability of funds previously appropriated for maintenance and administrative activities.

ASSISTANT SECRETARY FOR HEALTH

OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH

Amendment No. 63: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment which inserts a legal citation.

Amendment No. 64: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment amended as follows:

In lieu of the sum proposed by said amendment, insert the following: *$77,352,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees intend that $1,000,000 be provided to the 1989 International Winter Special Olympics Games Committee, for the purpose of supporting the 1989 International Winter Special Olympics Games.

The conference agreement includes $6,000,000 for the National Vaccine Program established under Public Law 99-660. The conferees intend these funds to support the National Vaccine Program Office ($1,500,000 and 13 FTE's) and basic and applied research and clinical trials of pertussis vaccines ($4,500,000 and 7 FTE's). Development, testing and approval of new acellular pertussis vaccines are the highest priority of the vaccine program. Neither limited fiscal resources nor limited opportunities for appropriate field testing sites should be wasted in a diffuse approach. Therefore, the conferees expect that the National Vaccine Program Interagency Group will coordinate all pertussis trials funded through the National Vaccine Program or other funding sources in the Department. In addition, by funding another trial, the conferees do not wish to impede possible approval of any acellular pertussis vaccines currently under review by the Food and Drug Administration.

In conjunction with the Decade of the Brain, commencing on January 1, 1990, the conferees direct the Assistant Secretary for Health to work with the National Academy of Sciences/Institute of Medicine to sponsor a symposium event to bring together leading scientists from all relevant disciplines to discuss the state of the art and discourse upon short- and long-term goals. Funding shall be provided from available funds, including the one-percent evaluation set-aside.

No funds are provided or to be used for the reorganization of the Public Health Service regional offices, prior to approval of a reprogramming request.

The conferees are agreed that the amounts provided for AIDS activities within the Public Health Service include funds for the Indian Health Service, not to exceed the total for these costs estimated in the President's Budget.

Amendment No. 65: Changes legal citation as proposed by the Senate.

Amendment No. 66: Deletes language proposed by the House and stricken by the Senate to earmark $1,500,000 for the National Commission on Acquired Immune Deficiency Syndrome and $4,000,000 for the Abandoned Infants Assistance Act. These activities are funded elsewhere in the bill.

MEDICAL TREATMENT EFFECTIVENESS

Amendment No. 67: Appropriates $27,000,000 instead of $30,000,000 as proposed by the Senate and $5,000,000 as proposed by the House.

Amendment No. 68: Authorizes the transfer of $5,000,000 from the Medicare trust funds as proposed by the Senate instead of $15,000,000 as proposed by the House.

The conferees are agreed that both Federal and trust fund amounts are available for the full range of Medical Effectiveness Research activities.

The conferees agree that medical effectiveness studies of new and emerging technology are appropriate. The conferees are aware that such studies involving positron emission tomography can be conducted under this account.

HEALTH CARE FINANCING ADMINISTRATION

GRANTS TO STATES FOR MEDICAID

Amendment No. 69: Appropriates $30,136,654,000 as proposed by the Senate instead of $29,616,497,000 as proposed by the House.

PROGRAM MANAGEMENT

Amendment No. 70: Appropriates $101,908,000 as proposed by the House instead of $102,908,000 as proposed by the Senate.

Amendment No. 71: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert the following: *$1,917,172,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees are agreed that Medicare contractor operations shall be continued at current services levels, adjusted to reflect new responsibilities and higher workload volume in fiscal year 1990. The rate of operations should maintain payment safeguard activities commensurate with the fiscal year 1989 audit activity effort level, including claims review, and recoveries of third party liabilities.

The conferees intend that any funds included in the budget request for the implementation of the catastrophic health insurance program which may not be required for such purpose shall be made available for ongoing operations, including as a first priority Medicare payment safeguard operations.

SOCIAL SECURITY ADMINISTRATION

SUPPLEMENTAL SECURITY INCOME PROGRAM

Amendment No. 72: Appropriates $9,098,758,000 as proposed by the House instead of $9,095,758,000 as proposed by the Senate. The conferees are agreed that not less than $3,500,000 shall be used for new outreach activities for potential Supplemental Security Income recipients particularly the elderly. The conferees encourage this initiative to include a combination of direct services and contract service with organizations such as the existing newtork of area agencies on aging and the Administration on Aging.

LIMITATION ON ADMINISTRATIVE EXPENSES

Amendment No. 73: Provides for a limitation on trust funds of $3,837,389,000 instead of $3,833,389,000 as proposed by the House and $3,847,389,000 as proposed by the Senate.

Amendment No. 74: Deletes language added by the Senate which would have established a statutory requirement that the number of employees at the Social Security Administration at the end of fiscal year 1990 should not be reduced below the level in effect on September 30, 1989. The conferees are agreed, however, that the amounts in the bill should be used to at least maintain current Social Security Administration staffing levels, and to the extent possible, partially restore past reductions, particularly in field offices. The Department of Health and Human Services is therefore directed to take no action in the fiscal year 1990 which would lower end of year employment levels below the level in effect on September 30, 1989.

FAMILY SUPPORT ADMINISTRATION

LOW INCOME HOME ENERGY ASSISTANCE

Amendment No. 75: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the sum proposed by said amendment, insert the following: *$1,393,000,000, of which $60,000,000 shall become available for making payments on September 30, 1990*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees intend that the $60,000,000 available for payment on September 30, 1990 be accomplished in the following manner: Any State or Territory with a carryover balance on October 1, 1989 will not be provided before September 30, 1990 with that portion of its allotment for fiscal year 1990 as bears the same ratio to $60,000,000 as its carryover balance bears to the total of all the carryover balances on October 1, 1989. States which historically spend their funds earlier in the fiscal year, as evidenced by lack of fiscal year 1989 carryover, are expected to receive their full allotment at the regular time. The purpose of this is to assure that those States that do not have any carryover funds in fiscal year 1990 have their full allocation of fiscal year 1990 funds available for the winter heating season. States that have carryover or transfer funds to other programs can adjust more earily to the delayed availability of funds. Nothing in this agreement shall change the amount of funds allocated to each State and Territory under the statutory formula.

REFUGEE AND ENTRANT ASSISTANCE

Amendment No. 76: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment insert the following:

*REFUGEE AND ENTRANT ASSISTANCE*

*For making payments for refugee and entrant assistance activities authorized by title IV of the Immigration and Nationality Act and section 501 of the Refugee Education Assistance Act of 1980 (Public Law 96-422), $368,822,000, of which $210,000,000 shall be available for State cash and medical assistance.*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees recognize that the President's budget request for Refugee and Entrant Assistance falls well below the amount required to maintain current services. As a result, while the conference agreement provides $126,504,000 above the budget request overall, it remains $13,534,000 below the 1989 level. The conferees intend that the period of reimbursement for cash and medical assistance not fall below 12 months. Coupled with the enhanced resources provided for social services, the $210,000,000 provided for cash and medical assistance should allow sufficient time for States and voluntary agencies to provide the adjustment services necessary for refugees to achieve self-sufficiency.

The conferees intend that the funds provided in this bill for voluntary agencies should be available for fiscal year 1989, as well as 1990, costs, should that become necessary.

The conference agreement for targeted assistance includes $14,000,000 to increase the current program of support for communities which continue to be affected as a result of the massive influx of Cuban and Haitian entrants during the Mariel boatlift. This program received $10,500,000 in fiscal year 1989 and in the Senate bill.

The conferees intend that 10 percent of the total appropriated for targeted assistance be used for grants to localities most heavily impacted by the influx of refugees such as Laotian Hmong and Cambodians, including secondary migrants who entered the United States after October 1, 1989. The conferees expect these grants to be awarded to communities not presently receiving targeted assistance because of previous concentration requirements and other factors in the grant formulas, as well as those who do currently receive targeted assistance grants. These grants shall be available to assist local schools, hospitals, employment services, and other institutions.

INTERIM ASSISTANCE TO STATES FOR LEGALIZATION

Amendment No. 77: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

*INTERIM ASSISTANCE TO STATES FOR LEGALIZATION*

*Funds appropriated for fiscal year 1990 under section 204(a)(1) of the Immigration Reform and Control Act of 1986 shall be reduced by $555,244,000: Provided, That for fiscal year 1992 $555,244,000 shall be available to States for obligation for the period October 1, 1991 through September 30, 1994 for purposes of section 204 of the Immigration Reform and Control Act of 1986 for unreimbursed costs incurred after September 30, 1989 if these costs would have been eligible for reimbursement under the original appropriation prior to the enactment of this Act.*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees have agreed to shift appropriations from fiscal year 1990 to 1992 in order to more closely reflect projected outlay patterns. The conferees believe that the remaining appropriation for fiscal year 1990, when combined with the unspent appropriations from fiscal years 1988 and 1989, will be sufficient to meet the needs of State and local governments and legalized aliens in fiscal year 1990. The funds appropriated for fiscal year 1992 are made available under the same terms and conditions as they would have been in 1990.

COMMUNITY SERVICES BLOCK GRANT

Amendment No. 78: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert the following: *$396,680,000, of which $8,041,000 for homeless activities shall be available for obligation for the period October 1, 1990 through September 30, 1991.*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 79: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate which provides $3,512,000 for Demonstration Partnerships.

PROGRAM ADMINISTRATION

Amendment No. 80: Inserts a legal citation proposed by the Senate.

Amendment No. 81: Appropriates $86,806,000 instead of $82,431,000 as proposed by the House and $91,181,000 as proposed by the Senate.

The conferees intend that the $7,625,000 provided above the budget request for research and evaluation be used to initiate new projects authorized in the Family Support Act of 1988, including child access demonstrations, jobs creation demonstrations, and the national minimum benefit study.

ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT SERVICES

HUMAN DEVELOPMENT SERVICES

Amendment No. 82: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment which inserts a legal citation.

Amendment No. 83: Inserts legal citation as proposed by the Senate.

Amendment No. 84: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment amended as follows:

In lieu of the sum proposed by said amendment, insert the following: *$2,784,090,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees expect the Secretary of Health and Human Services to devote $50,000,000 of the fiscal year 1990 Head Start appropriation to increasing Head Start teachers' salaries.

The conferees direct the Administration for Native Americans to allocate $1,000,000 this year to continue funding for the Native Hawaiian demonstration revolving loan program. This will complete the level of funding authorized by P.L. 100-175.

Amendment No. 85: Deletes language proposed by the Senate that would have earmarked funds for the aging outreach program, notwithstanding current law.

Amendment No. 86: Deletes appropriation of $1,200,000,000 for child care proposed by the Senate. The conferees are deferring without prejudice consideration of this program until authorizing legislation is enacted into law. Funds have been reserved for this purpose in the section 302(b) allocations.

PAYMENTS TO STATES FOR FOSTER CARE AND ADOPTION ASSISTANCE

Amendment No. 87: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment amended as follows:

In lieu of the sum proposed by said amendment, insert the following: *$1,380,048,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

It is the intention of the conferees that the Office of Human Development Services proceed to develop regulations on the collection of data on administrative costs under the foster care program. Because of the need for administrative cost data, it is expected that proposed regulations will be published for public comment no later than January 1, 1990, and issued in final form by March 1, 1990.

DEPARTMENTAL MANAGEMENT

GENERAL DEPARTMENTAL MANAGEMENT

Amendment No. 88: Appropriates $80,577,000 instead of $80,327,000 as proposed by the House and $90,577,000 as proposed by the Senate. The additional funds over the House bill are for rural transportation technical assistance and coordination.

OFFICE OF THE INSPECTOR GENERAL

Amendment No. 89: Appropriates $50,600,000 as proposed by the Senate instead of $49,498,000 as proposed by the House. An additional 22 FTE's are provided over the House bill.

GENERAL PROVISIONS

Amendment No. 90: Reported in disagreement.

Amendment No. 91: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following: *except that this section shall not apply to funds made available for fiscal year 1990*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate. The agreement of the conferees deletes authority for the Secretary to make transfers between appropriation accounts during fiscal year 1990.

Amendment No. 92: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment which limits the use of funds appropriated for the National Institutes of Health and the Alcohol, Drug Abuse and Mental Health Administration to pay the salary of an individual through a grant or other extramural mechanism at a rate in excess of $120,000 per year. This language was requested by the President but had not been included by the House. This limitation does not restrict the salary of any researcher which is a matter between that individual and his employer. This provision merely limits the portion of that salary which may be paid with federal funds.

Amendment No. 93: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the words "Conference Center" inserted by said amendment, insert: *International House*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 94: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

*SEC. 219. Of the funds appropriated in this Act for the National Institutes of Health, a reduction of $4,000,000 is to be applied to all appropriations as a result of improved procurement practices and a reduction of $10,000,000 is to be applied to all appropriations as a result of savings achieved under section 217 of this title.*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate. This language results in savings of $14 million as a result of improved procurement practices and extramural grant salary limitations at the National Institutes of Health.

Amendment No. 95: Deletes languages proposed by the Senate related to a change in the alcohol, drug abuse, and mental health block grant formula.

The conferees have deleted without prejudice a revision to section 1912A(b) of subpart I of part B of title XIX of the Public Health Service Act. The conferees are concerned about the impact of the current formula on States whose allocations have been adversely affected by the size of the formula's minimum State grant. The conferees understand that the necessary formula change is contained in the anti-drug abuse legislation passed by the Senate.

Amendment No. 96: Deletes language proposed by the Senate allowing funds from the sale of recycled solid wastes to be credited to the appropriation accounts of various agencies of the Department of Health and Human Services.

Amendment No. 97: Deletes language proposed by the Senate related to rural referral center regulations.

The conferees have deleted this provision without prejudice. The conferees understand a similar provision is pending in reconciliation legislation, which could be retroactive to the end of fiscal year 1989, thus avoiding reduction of Medicare reimbursement levels to hospitals designated as rural referral centers. In the interim, the conferees expect that no portion of the sums provided in this bill will be used to implement regulations relating to the classification of rural referral centers, until action has been completed on the fiscal year 1990 budget reconciliation legislation.

Amendment No. 98: Deletes language proposed by the Senate regarding a study of children whose mothers abused drugs during their pregnancy.

While the conferees have deleted this bill language, they nevertheless expect the Secretary of Health and Human Services to conduct the study described.

Amendment No. 99: Deletes language proposed by the Senate that would have required the Secretary of Health and Human Services by law to submit a report to Congress providing certain information, including budgetary information, and on the 20 illnesses that are the leading causes of death in the United States. The conferees believe however that such a report is necessary and direct the Secretary to provide it prior to next year's appropriations hearings.

Amendment No. 100: Deletes language proposed by the Senate related to a Presidential award for addiction research.

Amendment No. 101: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment amended to read as follows:

In lieu of the matter inserted by said amendment, insert the following:

*SEC. 221. During the 12-month period beginning October 1, 1989, none of the funds made available under this Act may be used to impose any reductions in payment, or to seek repayment from or to withhold any payment to any State pursuant to section 427 or 471 of the Social Security Act, as a result of a disallowance determination made in connection with a compliance review for any Federal fiscal year preceding Federal fiscal year 1990, until all judicial proceedings, including appeals, relating to such disallowance determination have been finally concluded, nor may such funds be used to conduct further compliance reviews with respect to any State which is a party to such judicial proceeding until such proceeding has been finally concluded.*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment inserts language which establishes a one-year moratorium on the assessment of penalties under Federal foster care programs.

TITLE III—DEPARTMENT OF EDUCATION

COMPENSATORY EDUCATION FOR THE DISADVANTAGED

Amendment No. 102: Appropriates $5,434,777,000 instead of $5,580,069,000 as proposed by the House and instead of $5,080,762,000 as proposed by the Senate.

Amendment No. 103: Provides that $5,408,581,000 of funds appropriated to this account will become available on July 1, 1990 and remain available until September 30, 1991 instead of $5,559,177,000 as proposed by the House and instead of $5,052,262,000 as proposed by the Senate.

Amendment No. 104: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment insert the following: *Provided, That $4,427,250,000 shall be available for basic grants under section 1005, $400,000,000 shall be available for concentration grants under section 1006, $285,938,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate. This language earmarks specific amounts for basic grants, concentration grants and migrant education.

Amendment No. 105: Deletes language proposed by the House related to migrant education. This issue has been dealt with under amendment No. 104.

Amendment No. 106: Earmarks $33,197,000 for neglected and delinquent programs instead of $34,778,000 as proposed by the House and instead of $31,616,000 as proposed by the Senate.

Amendment No. 107: Deletes language proposed by the Senate which would have earmarked specific amounts for state administration and program improvement programs. The conference agreement allows these funds to be allocated in conformance with the basic law.

Amendment No. 108: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate amended as follows:

In lieu of the matter inserted by said amendment, insert the following: *Provided further, That no State shall receive less than $340,000 from the amounts made available under this appropriation for concentration grants under section 1006: Provided further, That no State shall receive less than $375,000 from the amounts made available under this appropriation for State administration grants under section 1404*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate. The conference agreement inserts language proposed by the Senate which provides for a minimum State grant under the concentration grant program of $340,000. Identical language was included in the fiscal year 1989 appropriation for this program. The agreement also inserts a new provision setting a minimum grant for State administration grants of $375,000.

Amendment No. 109: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment which inserts legislative language permitting evaluation and technical assistance funds to be spent whether or not final regulations have been issued for those parts of the chapter 1 program which are currently funded. The conferees are agreed that this is the last year for such an exception. The House bill included no similar provision.

Amendment No. 110: Modifies language proposed by the House but stricken by the Senate by permitting the transfer of not to exceed $125,000,000 for a new Merit Schools program and not to exceed $50,000,000 for a new Magnet Schools of Excellence program only if such programs are specifically authorized in law prior to March 1, 1990. The House bill would have allowed $350,000,000 to be transferred for these purposes. This action is not intended as a statement of support for these new programs. The decision regarding authorization of these initiatives should be made through the normal legislative process.

IMPACT AID

Amendment No. 111: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate with an amendment which appropriates $717,354,000 instead of $713,670,000 as proposed by the House and instead of $705,854,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 112: Earmarks $578,500,000 for payments under section 3(a) instead of $573,316,000 as proposed by the House and instead of $580,000,000 as proposed by the Senate.

Amendment No. 113: Earmarks $123,500,000 for payments under section 3(b) instead of $125,000,000 as proposed by the House and instead of $110,500,000 as proposed by the Senate.

Amendment No. 114: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate with an amendment which appropriates $14,998,000 for impact aid construction instead of $25,590,000 as proposed by the House and instead of $26,000,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

SCHOOL IMPROVEMENT PROGRAMS

Amendment No. 115: Modifies legal citations as proposed by the Senate to include authority for secondary schools basic skills demonstrations.

Amendment No. 116: Restores a legal citation included by the House but stricken by the Senate and inserts a new citation as proposed by the Senate. The conference agreement includes reference both to technology education programs as proposed by the House and to business education partnerships as proposed by the Senate.

Amendment No. 117: Appropriates $1,232,895,000 instead of $1,170,527,000 as proposed by the House and instead of $1,290,585,000 as proposed by the Senate.

Amendment No. 118: Provides that $899,494,000 of funds appropriated to this account will become available on July 1, 1990 and remain available until September 30, 1991 instead of $869,382,000 as proposed by the House and instead of $938,063,000 as proposed by the Senate.

Amendment No. 119: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following: *; $8,892,000 shall be for national program activities under section 2012 and $128,440,000 shall be for State grants under part A of title II of the Elementary and Secondary Education Act; $3,964,000 shall be for grants for schools and teachers under subpart 1 and $4,500,000 shall be for family school partnerships under subpart 2 of part B of title III of Public Law 100-297; and $31,084,000 shall be for national programs under part A of chapter 2 of title I of the Elementary and Secondary Education Act*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference modifies four earmarks of funds inserted by the Senate. These amounts relate to the Dwight D. Eisenhower Math and Science program and to the Fund for Improvement of Education and Reform of Schools and Teachers. The conference agreement also includes a new earmark of $31,084,000 for national programs under chapter 2. The House bill included no similar provisions.

The conference agreement includes $15,000,000 for new star schools grants in fiscal year 1990. The conferees expect the Secretary, in awarding new awards under the Star Schools Act, to adhere to the provisions of section 905(c)(3) of that Act and give a priority to telecommunication partnerships that serve schools with a significant number of students eligible for chapter 1 services.

The conferees direct that funds provided for the Fund for Innovation in Education be allocated as follows:

| | |
|---|---|
| Discretionary Activities (sec. 4601) | $6,928,000 |
| Technology Education (sec. 4603 and sec. 6115) | 2,250,000 |
| Computer-based Education (sec. 4604) | 5,000,000 |
| Comprehensive School Health (sec. 4605) | 4,000,000 |
| Total | 18,178,000 |

The conferees expect that not less than $3,000,000 of the funds available for discretionary activities (sec. 4601) be used for the initiative to improve the educational performance and employment opportunities of "underachieving" students cited in the House report accompanying the bill. The conferees further expect that within the amount made available for federal activities under the Drug Free Schools national programs activity, $500,000 should be used for innovative alcohol abuse education programs and administered as if appropriated under sec. 4607.

The conferees wish to make clear that the training and advisory services authorized by title IV of the Civil Rights Act will provide grants to 10 regional desegregation assistance centers and to civil rights units in State education agencies to enable them to assist school districts to address the problems associated with desegregation on the basis of race, sex, and national origin.

The conferees expect that the $6,500,000 appropriated for the Native Hawaiian Education Act be allocated as follows:

| | |
|---|---|
| Model Curriculum Implementation Project | $500,000 |
| Family-based Education Centers | 2,800,000 |
| Higher Education Program | 1,700,000 |
| Gifted and Talented Education | 750,000 |
| Special Education Program | 750,000 |

Amendment No. 120: Deletes language proposed by the Senate related to the Star Schools program.

BILINGUAL, IMMIGRANT, AND REFUGEE EDUCATION

Amendment No. 121: Appropriates $188,674,000 instead of $194,761,000 as proposed by the House and instead of $182,586,000 as proposed by the Senate. The conferees are agreed that the increase provided over 1989 for national programs should be used for programs in development bilingual education.

Amendment No. 122: Earmarks $31,913,000 for bilingual education training activities instead of $32,413,000 as proposed by the House and instead of $31,413,000 as proposed by the Senate.

Amendment No. 123: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment insert the following: *including not more than $2,000,000 for the support of not to exceed 200 fellowships under section 7043*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement modifies Senate language to earmark $2,000,000 for fellowships under the bilingual education program instead of $1,500,000. The conference agreement also specifies that this will support approximately 200 trainees. The House bill included no similar provision.

EDUCATION FOR THE HANDICAPPED

Amendment No. 124: Appropriates $2,083,776,000 as proposed by the Senate instead of $2,063,827,000 as proposed by the House. The conference agreement reallocates handicapped funds in compliance with authorization ceilings in the basic law.

The conferees are agreed that the Secretary may use up to $1 million to support the development of descriptive video services for the blind if his study of this technology, which has been requested in H. Rept. 101-172, determines that the technology is commercially viable and that there is no significant opposition from the Federal Communications Commission. Should these conditions not be met, the conferences are agreed that these funds should be redirected towards other media and captioning activities unless a separate authorization for such a program is enacted into law.

The conferees intend that of the total amount provided for postsecondary programs, $2.5 million be allocated to the four postsecondary education programs serving the deaf.

Amendment No. 125: Earmarks, $1,564,017,000 for State grants as proposed by the House instead of $1,554,000,000 as proposed by the Senate.

Amendment No. 126: Earmarks $255,000,000 for preschool grants as proposed by the Senate instead of $252,000,000 as proposed by the House.

Amendment No. 127: Earmarks $80,624,000 for grants for infants and families as proposed by the Senate instead of $77,205,000 as proposed by the House.

REHABILITATION SERVICES AND HANDICAPPED RESEARCH

Amendment No. 128: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment which appropriates $1,804,870,000 for rehabilitation programs instead of $1,743,973,000 as proposed by the House and instead of $1,789,870,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees have provided an increase in funding for the National Institute on Disability and Rehabilitation Research. It is the intention of the conferees that NIDRR establish a new research and training center dealing with the needs of low-functioning deaf individuals.

The conferees are also agreed that a portion of the increase provided to the National Institute on Disability and Rehabilitation Research should be used to develop improved prosthetic and orthotic devices using new technologies.

Amendment No. 129: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment which earmarks $32,674,000 for special demonstration programs instead of $31,994,000 as proposed by the House and instead of $17,674,000 as proposed by the Senate. The managers on the part of the Senate will offer a motion to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 130: Restores language included by the House but stricken by Senate earmarking $15,000,000 for comprehensive head injury centers.

The conferees note that more than 100,000 people die each year as a result of head injury, while another 70,000 to 90,000 people are permanently disabled. The Iowa Brain Injury Registry indicates over 10,000 head injuries occur in Iowa each year. Similar data are available for the State of Alabama. The conferees encourage the Department to consider those areas of high incidence of head injuries when making its awards for head-injury centers.

SPECIAL INSTITUTIONS FOR THE HANDICAPPED

AMERICAN PRINTING HOUSE FOR THE BLIND

Amendment No. 131: Appropriates $5,740,000 instead of $5,537,000 as proposed by the House and $5,492,000 as proposed by the Senate.

NATIONAL TECHNICAL INSTITUTE FOR THE DEAF

Amendment No. 132: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendent, insert the following:

*For the National Technical Institute for the Deaf under titles II and IV of the Education of the Deaf Act of 1986 (20 U.S.C. 4301 et seq.) and for activities under sec. 311 of the Rehabilitation Act of 1973, $36,553,000 of which $250,000 shall be for the endowment program as authorized under section 408 and shall be available until expended, $482,000 shall be for construction and renovation, to remain available until expended, and $900,000 shall be retained by the Secretary for the purpose of supporting a consortium of institutions to provide education and vocational rehabilitation services for low functioning adults who are deaf.*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement appropriates $36,553,000 instead of $35,553,000 as proposed by the House and instead of $37,553,000 as proposed by the Senate.

The conference agreement modifies language inserted by the Senate to make clear that funds are available for a new program of consortia to provide educational and vocational rehabilitation services for low functioning deaf adults. The conference agreement deletes Senate language which would have earmarked these funds for certain institutions. It is the intention of the conferees, however, that funds be allocated for one or more awards for demonstration projects across the country. The conferees note that California State University at Northridge, Gallaudet University, National Technical Institute for the Deaf, Postsecondary Education Consortium at the University of Tennessee, Seattle Central Community College, Southwest Center for the Hearing Impaired, and St. Paul Technical Institute have expertise in these areas.

The conferees direct the Secretary to grant the approval for the National Technical Institute for the Deaf to admit foreign students and that such students should pay a 50-percent tuition surcharge. The conferees intend this foreign student tuition surcharge be the same 50-percent rate for Gallaudet University and Howard University. Finally, the conferees also agree that NTID, Gallaudet University, and Howard University should have the opportunity to phase in the surcharge over a 3-year period.

GALLAUDET UNIVERSITY

Amendment No. 133: Appropriates $68,600,000 instead of $68,350,000 as proposed by the House and $68,850,000 as proposed by the Senate.

VOCATIONAL AND ADULT EDUCATION

Amendment No. 134: Earmarks $1,138,040,000 instead of $1,151,035,000 as proposed by the House and instead of $1,126,239,000 as proposed by the Senate.

Amendment No. 135: Earmarks $23,333,000 for national programs instead of $26,639,000 as proposed by the House and instead of $19,465,000 as proposed by the Senate.

Amendment No. 136: Earmarks $7,083,000 for research instead of $7,200,000 as proposed by the House and instead of $6,965,000 as proposed by the Senate.

Amendment No. 137: Earmarks $11,250,000 for demonstrations instead of $15,000,000 as proposed by the House and instead of $7,500,000 as proposed by the Senate.

Amendment No. 138: Earmarks $5,000,000 as proposed by the Senate for data collection instead of $4,439,000 as proposed by the House.

STUDENT FINANCIAL ASSISTANCE

Amendment No. 139: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment insert the following: *$6,044,097,000 together with an additional $131,000,000 which shall be available only for unfinanced costs in the 1989-90 award year Pell Grant program: Provided, That $286,000,000 shall only be available if such funds are necessary to pay a maximum grant of $2,300 during the 1990-1991 program year: Provided further, That notwithstanding section 479A of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), student financial aid administrators shall be authorized, on the basis of adequate documentation, to make necessary adjustments to the cost of attendance and expected student or parent contribution (or both) and to use supplementary information about the financial status or personal circumstances of eligible applicants only for purposes of selecting recipients and determining the amount of awards under subpart 2 of part A, and parts B, C, and E of title IV of the Act: Provided further, That notwithstanding section 411(b)(6)(B) of the Higher Education Act of 1965 as amended, no basic grant under subpart 1 of part A of title IV of that Act shall be awarded to any student who is attending on a less than half-time basis for a period of enrollment beginning on or after January 1, 1990, except that any such student who received a basic grant for a period of enrollment beginning before January 1, 1990, shall be eligible to receive a basic grant for a period of enrollment beginning on or after such date from funds appropriated for fiscal year 1989: Provided further, That notwithstanding section 411(b)(6)(B) of the Higher Education Act of 1965 as amended, no basic grant under subpart 1 of part A of title IV of that Act shall be awarded from funds appropriated for fiscal year 1990 to any student who is attending on a less than half-time basis: Provided further, That any institution participating in any loan program authorized under part B of title IV of the Higher Education Act of 1965 as amended, with a default rate, as determined by the Secretary, that exceeds 30 percent shall implement a pro rata refund policy that complies with minimum standards established by the Secretary in regulations, for any title IV aid recipient who withdraws before the earlier of six months from the beginning of the course of study for which the loan was received, or the date on which the student completes one-half of that course and these provisos, except as specifically indicated, shall apply to all fiscal year 1990 funds*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement departs from the structure of the House and Senate bill by providing a combination of additional appropriations and legislative modifications in response to radically revised cost estimates generated by the Administration for the Pell Grant program. The President submitted a revised budget request for this program on July 25, 1989 adjusting his estimate of program costs upward by an additional $696 million. This new estimate included $331 million for a perceived shortfall in fiscal year 1989 and $365 million as a reestimate for 1990 program costs. Because of the extreme fluctuations in these estimates, the Senate Committee asked the Comptroller General to review the Administration's estimating procedures as well as the accuracy of its budget requests. The conferees look forward to reviewing this report in January of 1990.

On September 29, 1989, however, after a series of messages on this matter, some of which were confusing and contradictory, the Office of Management and Budget informed the Congress that if additional funds were not explicitly provided for fiscal year 1989 in the regular 1990 appropriations bill, the Administration would immediately seek to recover all or part of Pell Grants already awarded to 1.4 million students for

the 1989/1990 academic year. Cost estimates calculated by the Congressional Budget Office, on the other hand, indicate a 1989 funding shortfall of not more than $131 million and that program costs for 1990 are likely to be up to $300 million less than the revised budget estimate submitted by the Administration.

Based on this information, the conferees have provided an immediate appropriation of $131 million to cover the funding shortfall for the 1989/1990 academic year. Although the conferees have provided explicit legislative authority for the use of funds for the 1989 shortfall, the conferees do not necessarily concur in OMB's view that this language is necessary in order for funds to be used for this purpose. The conferees note that OMB's policy differs substantially from previous Administration practice in handling the financing of current year shortfalls. As a result of this 1989 appropriation and some 1989 savings achieved through the provisions cited below, the conferees consider any attempt to impose a linear reduction of Pell Grant awards in the current academic year to be both unacceptable and unnecessary.

The conference agreement also includes the following legislative actions intended to deal with the Pell Grant funding problem:

Legislative language identical to current law limiting the discretion of student aid administrators in adjusting Pell Grant awards at the campus level;

Legislative language implementing the Administration's proposal for the implementation of pro-rata refund policies at postsecondary institutions with loan default rates in excess of 30 percent;

Legislative language delaying the eligibility of students attending on a less than half time basis for Pell Grant awards. An exception will be made for the 1989/1990 award year for less than half time students that have been awarded a Pell Grant for a period of enrollment beginning prior to January 1, 1990.

The conferees have agreed to these legislative changes reluctantly because of jurisdictional concerns but consider these provisions to be reasonable ones which are directed at recognized problems which contribute to the funding difficulties with the Pell Grant program.

GUARANTEED STUDENT LOANS

Amendment No. 140: Appropriates $3,826,314,000 as proposed by the Senate instead of $3,651,000,000 as proposed by the House.

HIGHER EDUCATION

Amendment No. 141: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following: *for titles I, III, IV, section 501, 523, and subpart 1 of part D of title V, and titles XII,*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 142: Inserts the legal citation for the Margaret Chase Smith Library Center grant.

Amendment No. 143: Appropriates $632,736,000 instead of $634,976,000 as proposed by the House and instead of $620,711,000 as proposed by the Senate. The conference agreement includes $245,000,000 for special programs for the disadvantaged, TRIO. In allocating these funds, the conferees direct the Secretary to implement the language in the House report relating to Upward Bound, by using $7,000,000 of the increase provided in this account to fund an additional 25 applications from those already approved, but unfunded, in the recently-held competition.

The conferees also expect that within the amount made available for School, College, University Partnerships program, not less than $400,000 shall be used for a competition based on the initiative described in the Senate report accompanying the bill.

Within the amount made available for international education domestic programs, the conferees expect that not less than $5,000,000 shall be available for the international business education centers initiative authorized under section 6261 of the Omnibus Trade Act of 1988. The conferees note that a much smaller sum was competed under this program in fiscal year 1989 and that the authorizing statute does not prohibit the 1989 grantees from competing for an expanded level of support in 1990. The conferees expect continuing projects to be considered on an equal basis with new applications in the competition for 1990 funds and do not intend that any continuation grant would be automatically reduced in its second year.

Amendment No. 144: Earmarks $18,128,000 for endowment activities instead of $23,128,000 as proposed by the House and instead of $13,128,000 as proposed by the Senate.

Amendment No. 145: Earmarks $8,740,000 for Robert C. Byrd Honors Scholarships instead of $8,479,000 as proposed by the House and instead of $9,000,000 as proposed by the Senate.

Amendment No. 146: Deletes language proposed by the Senate.

HOWARD UNIVERSITY

Amendment No. 147: Appropriates $182,446,000 for Howard University instead of $184,904,000 as proposed by the House and instead of $178,928,000 as proposed by the Senate. Funds available to the various activities at Howard University may be reprogrammed if approved by the House and Senate Appropriations Committees using the normal reprogramming procedures.

The conference agreement provides for a 50 percent tuition surcharge for foreign students which is to be phased in over a three year period. The conferees expect the Secretary of Education, in concert with the appropriate University authorities, to submit a plan to the House and Senate Appropriations Committees no later than January 1, 1990 describing the procedures for implementation of this surcharge.

Amendment No. 148: Earmarks $1,500,000 for the endowment program instead of $7,458,000 as proposed by the House and instead of $1,482,000 as proposed by the Senate.

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS

Amendment No. 149: Restores language included by the House but stricken by the Senate to provide $30,000,000 of new loans during fiscal year 1990.

EDUCATION RESEARCH AND STATISTICS

Amendment No. 150: Appropriates $96,375,000 instead of $100,330,000 as proposed by the House and instead of $95,420,000 as proposed by the Senate. The conference agreement includes $5,000,000 for the National Board for Professional Teaching Standards. These funds are provided contingent on the enactment of legislation authorizing this appropriation to the Board. These funds are to remain available for this purpose through the entire fiscal year and may not be used for any other purpose unless a transfer of these funds is approved in writing by the House and Senate Appropriations Committees through the normal reprogramming process.

Amendment No. 151: Deletes language proposed by the Senate which would have earmarked funds in statute for the National Board for Professional Teaching Standards. The conference agreement provides $5 million subject to authorization.

LIBRARIES

Amendment No. 152: Inserts citation proposed by the Senate.

Amendment No. 153: Appropriates $136,646,000 instead of $114,876,000 as proposed by the House and instead of $143,612,000 as proposed by the Senate. The conference agreement also earmarks $18,900,000 of this amount for library construction activities under title II. The Senate bill earmarked $23,000,000 for this purpose. The House bill did not provide funds for this activity.

DEPARTMENTAL MANAGEMENT

PROGRAM ADMINISTRATION

Amendment No. 154: Appropriates $274,946,000 instead of $269,946,000 as proposed by the House and instead of $280,646,000 as proposed by the Senate. The conference agreement includes $150,000 to conduct an evaluation conference of the law school clinical experience program as described on page 167 of House Report 101-172.

OFFICE OF THE INSPECTOR GENERAL

Amendment No. 155: Appropriates $23,381,000 as proposed by the Senate instead of $22,000,000 as proposed by the House.

## TITLE IV—RELATED AGENCIES

### ACTION

OPERATING EXPENSES

Amendment No. 156: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

*ACTION*

*OPERATING EXPENSES*

*For expenses necessary for Action to carry out the provisions of the Domestic Volunteer Service Act of 1973, as amended, $176,642,000: Provided, That $30,750,000 shall be available for title I of the Act, of which $25,415,000 shall be available for purposes authorized under section 501(d)(1) of the Act.*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

CORPORATION FOR PUBLIC BROADCASTING

Amendment No. 157: Appropriates $327,280,000 instead of $314,060,000 as proposed by the House and $340,500,000 as proposed by the Senate.

Amendment No. 158: Appropriates $76,250,000 instead of $72,000,000 as proposed by the House and $80,500,000 as proposed by the Senate.

FEDERAL MEDIATION AND CONCILIATION SERVICE

SALARIES AND EXPENSES

Amendment No. 159: Appropriates $26,785,000 instead of $26,380,000 as proposed by the House and $27,190,000 as proposed by the Senate.

NATIONAL COMMISSION ON ACQUIRED IMMUNE DEFICIENCY SYNDROME

Amendment No. 160: Appropriates $1,000,000 for the National Commission on Acquired Immune Deficiency Syndrome as proposed by the Senate. The House bill provided funding for this Commission within another account.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

SALARIES AND EXPENSES

Amendment No. 161: Appropriates $750,000 as proposed by the House instead of $770,000 as proposed by the Senate.

NATIONAL COUNCIL ON DISABILITY

SALARIES AND EXPENSES

Amendment No. 162: Appropriates $1,557,000 instead of $1,157,000 as proposed by the House and $2,160,000 as proposed by the Senate.

The conferees intend that the amount provided above the House level is to be used to conduct a study of the education of students with disabilities. Such a study will be conducted by contract under the auspices of the Council, rather than a new National Commission.

PHYSICIAN PAYMENT REVIEW COMMISSION

SALARIES AND EXPENSES

Amendment No. 163: Provides for a limitation on trust funds of $3,874,000 as proposed by the House instead of $3,722,000 as proposed by the Senate.

PROSPECTIVE PAYMENT ASSESSMENT COMMISSION

SALARIES AND EXPENSES

Amendment No. 164: Provides for a limitation on trust funds of $3,919,000 as proposed by the House instead of $3,794,000 as proposed by the Senate.

RAILROAD RETIREMENT BOARD

LIMITATION ON ADMINISTRATION

Amendment No. 165: Makes available $63,900,000 from the railroad retirement accounts as proposed by the House instead of $67,451,000 as proposed by the Senate.

The conferees intend that the funds provided will support 1,625 full-time equivalent staff.

LIMITATION ON RAILROAD UNEMPLOYMENT INSURANCE ADMINISTRATION FUND

Amendment No. 166: Provides that not less than $14,100,000 shall be appropriated for fiscal year 1990 as proposed by the House instead of $14,964,000 as proposed by the Senate.

LIMITATION ON REVIEW ACTIVITY

Amendment No. 167: Makes available $3,950,000 from the railroad retirement and unemployment insurance accounts instead of $3,545,000 as proposed by the House and $4,150,000 as proposed by the Senate.

The amount provided is intended to support not more than 74 full-time equivalent staff.

SOLDIERS' AND AIRMEN'S HOME

OPERATION AND MAINTENANCE

Amendment No. 168: Appropriates $39,287,000 from the Soldiers' and Airmen's Home permanent fund instead of $39,000,000 as proposed by the House and $39,573,000 as proposed by the Senate.

CAPITAL OUTLAY

Amendment No. 169: Appropriates $9,375,000 from the Soldiers' and Airmen's Home permanent fund instead of $8,500,000 as proposed by the House and $10,250,000 as proposed by the Senate.

UNITED STATES INSTITUTE OF PEACE

OPERATING EXPENSES

Amendment No. 170: Appropriates $7,650,000 instead of $6,916,000 as proposed by the House and $8,000,000 as proposed by the Senate.

The amount provided is intended to support not more than 42 full-time equivalent staff.

WHITE HOUSE CONFERENCE ON LIBRARY AND INFORMATION SERVICES

Amendment No. 171: Appropriates $3,250,000 as proposed by the Senate. The House bill contained no appropriation for the Conference.

TITLE V—GENERAL PROVISIONS

Amendment No. 172: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment amended as follows:

In lieu of the "$28,643,000" named in said amendment, insert the following: *"$26,643,000"*

In lieu of the $91,037,000" named in said amendment, insert the following: *"$85,637,000"*

In lieu of the "$45,415,000" named in said amendment, insert the following: *"$41,565,000"*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement places a ceiling on the amounts available to the three Cabinet Departments for advisory or assistance services. It also establishes reporting requirements and provides for Comptroller General review of the reports.

Amendment No. 173: Deletes language proposed by the Senate relating to "good faith" efforts of spousal notification. This provision is unnecessary inasmuch as the Centers for Disease Control currently requires that a "good faith" effort be made to notify the spouse of an AIDS-infected patient.

However, the conferees direct further that none of the funds provided to the Centers for Disease Control for prevention and surveillance projects regarding AIDS, shall be provided in any State unless the chief executive officer of such State provides prior written assurances to the Secretary of Health and Human Services that, with respect to such programs, such State has established standards and procedures for "a good faith" effort for confidential notification of spouses of persons with HIV infection.

Amendment No. 174: Deletes language proposed by the Senate related to restrictions on health education materials issued by agencies or grantees funded in the bill.

Amendment No. 175: Deletes language proposed by the Senate related to Medicare contractors.

Amendment No. 176: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment amended to read as follows:

In lieu of the matter inserted by said amendment, insert the following:

*SEC. 516. Notwithstanding any other provision of this Act, no funds appropriated by this Act may be used to execute or carry out any contract with a non-governmental entity to administer or manage a Civilian Conservation Center of the Job Corps.*

*SEC. 517. Notwithstanding any other provision of this Act, funds appropriated for Labor-Management Services, Salaries and Expenses are hereby reduced by $1,000,000 and funds appropriated for Employment Standards Administration, Salaries and Expenses are hereby reduced by $2,000,000.*

*SEC. 518. Notwithstanding any other provision of this Act, funds appropriated for salaries and expenses of the Department of Health and Human Services are hereby reduced by $15,000,000: Provided, That no trust fund limitation shall be reduced.*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 177: Deletes language inserted by the Senate.

DEFINITION OF PROGRAM, PROJECT AND ACTIVITY

During fiscal year 1990, for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177), as amended, the following information provides the definition of the term "program, project, and activity" for departments and agencies under the jurisdiction of the Labor, Health and Human Services, and Education, and Related Agencies Subcommittee. The term "program, project, and activity" shall include the most specific level of budget items identified in the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1990, the accompanying House and Senate Committee reports, the conference report and accompanying joint explanatory statement of the managers of the committee of conference.

CONFERENCE AGREEMENT

The following table displays the amounts agreed to for each program, project or activity with appropriate comparisons.

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| SUMMARY | | | | | | | | |
| Title I - Department of Labor: | | | | | | | | |
| Federal Funds | 6,557,888,000 | 6,575,107,000 | 6,713,077,000 | 6,758,228,000 | 6,727,814,000 | +14,737,000 | -30,414,000 | |
| Current year | (6,557,888,000) | (6,575,107,000) | (6,713,077,000) | (6,758,228,000) | (6,726,314,000) | (+13,237,000) | (-31,914,000) | |
| 1991 advance | --- | --- | --- | --- | (1,500,000) | (+1,500,000) | (+1,500,000) | |
| Trust Funds | (2,777,832,000) | (2,782,510,000) | (2,880,510,000) | (2,930,110,000) | (2,918,010,000) | (+37,500,000) | (-12,100,000) | |
| Title II - Department of Health and Human Services: | | | | | | | | |
| Federal Funds (all years) (authorized) | 111,658,645,000 | 121,774,178,000 | 123,780,188,000 | 124,255,885,000 | 124,225,520,000 | +445,332,000 | -30,365,000 | |
| Current year | (96,811,645,000) | (105,402,178,000) | (107,008,188,000) | (106,928,641,000) | (106,870,991,000) | (-137,197,000) | (-57,650,000) | |
| 1991 advance | (14,847,000,000) | (16,372,000,000) | (16,772,000,000) | (17,327,244,000) | (16,799,285,000) | (+27,285,000) | (-527,959,000) | |
| 1992 advance | --- | --- | --- | --- | (555,244,000) | (+555,244,000) | (+555,244,000) | |
| (Unauthorized, deferred by House) | 583,551,000 | 470,211,000 | DEFER | 1,907,761,000 | 577,863,000 | +577,863,000 | -1,329,898,000 | |
| Total, authorized and unauthorized | 112,242,196,000 | 122,244,389,000 | 123,780,188,000 | 126,163,646,000 | 124,803,383,000 | +1,023,195,000 | -1,360,263,000 | |
| Trust Funds | (5,612,155,000) | (5,842,099,000) | (5,921,086,000) | (5,854,099,000) | (5,840,099,000) | (-80,987,000) | (-14,000,000) | |
| Title III - Department of Education: | | | | | | | | |
| Federal Funds | 22,706,836,000 | 23,824,562,000 | 23,833,191,000 | 23,718,536,000 | 24,153,175,000 | +319,984,000 | +434,639,000 | |
| Current year | (22,706,836,000) | (23,824,562,000) | (23,833,191,000) | (23,718,536,000) | (24,150,425,000) | (+317,234,000) | (+431,889,000) | |
| 1991 advance | --- | --- | --- | --- | (2,750,000) | (+2,750,000) | (+2,750,000) | |
| (Unauthorized, deferred by House) | 15,808,000 | 16,345,000 | DEFER | --- | --- | --- | --- | |
| Total, authorized and unauthorized | (22,722,644,000) | (23,840,907,000) | (23,833,191,000) | (23,718,536,000) | (24,153,175,000) | (+319,984,000) | (+434,639,000) | |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| Title IV - Related Agencies: | | | | | | | | |
| Federal Funds (all years) (authorized)..... | 870,559,000 | 781,636,000 | 865,065,000 | 900,995,000 | 885,236,000 | +20,171,000 | -15,759,000 | |
| Current year..... | (571,689,000) | (539,576,000) | (551,005,000) | (560,495,000) | (557,956,000) | (+6,951,000) | (-2,539,000) | |
| 1992 advance..... | (298,870,000) | (242,060,000) | (314,060,000) | (340,500,000) | (327,280,000) | (+13,220,000) | (-13,220,000) | |
| (Unauthorized, deferred by House)..... | 170,420,000 | 170,417,000 | DEFER | 182,667,000 | 176,642,000 | +176,642,000 | -6,025,000 | |
| Total, authorized and unauthorized..... | 1,040,979,000 | 952,053,000 | 865,065,000 | 1,083,662,000 | 1,061,878,000 | +196,813,000 | -21,784,000 | |
| Trust Funds..... | (69,231,000) | (74,152,000) | (76,711,000) | (80,617,000) | (77,116,000) | (+405,000) | (-3,501,000) | |
| Total, all titles: | | | | | | | | |
| Federal Funds (all years) (authorized)..... | 141,793,928,000 | 152,955,483,000 | 155,191,521,000 | 155,633,644,000 | 155,991,745,000 | +800,224,000 | +358,101,000 | |
| Current year..... | (126,648,058,000) | (136,341,423,000) | (138,105,461,000) | (137,965,900,000) | (138,305,686,000) | (+200,225,000) | (+339,786,000) | |
| 1991 advance..... | (14,847,000,000) | (16,372,000,000) | (16,772,000,000) | (17,327,244,000) | (16,803,535,000) | (+31,535,000) | (-523,709,000) | |
| 1992 advance..... | (298,870,000) | (242,060,000) | (314,060,000) | (340,500,000) | (882,524,000) | (+568,464,000) | (+542,024,000) | |
| (Unauthorized, deferred by House)..... | 769,779,000 | 656,973,000 | DEFER | 2,090,428,000 | 754,505,000 | +754,505,000 | -1,335,923,000 | |
| Total, authorized and unauthorized..... | 142,563,707,000 | 153,612,456,000 | 155,191,521,000 | 157,724,072,000 | 156,746,250,000 | +1,554,729,000 | -977,822,000 | |
| Trust Funds..... | (8,459,218,000) | (8,698,761,000) | (8,878,307,000) | (8,864,826,000) | (8,835,225,000) | (-43,082,000) | (-29,601,000) | |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| SECTION 302B RECAP | | | | | | | | |
| Federal Funds (all years) | 141,793,928,000 | 152,955,483,000 | 155,191,521,000 | 155,633,644,000 | 155,991,745,000 | +800,224,000 | +358,101,000 | |
| (Unauthorized, deferred by House) | 769,779,000 | 656,973,000 | DEFER | 2,090,428,000 | 754,505,000 | +754,505,000 | -1,335,923,000 | |
| Scorekeeping adjustments: | | | | | | | | |
| Mandatory | -5,828,000 | --- | --- | --- | --- | --- | --- | |
| Discretionary | 5,828,000 | --- | --- | --- | --- | --- | --- | |
| Rural referral centers | --- | --- | --- | 15,000,000 | --- | --- | -15,000,000 | |
| Bill total | 142,563,707,000 | 153,612,456,000 | 155,191,521,000 | 157,724,072,000 | 156,746,250,000 | +1,554,729,000 | -977,822,000 | |
| Mandatory, total in bill | 101,376,355,000 | 111,880,925,000 | 112,052,784,000 | 112,533,334,000 | 112,594,935,000 | +542,151,000 | +61,601,000 | |
| Less advances for subsequent years | -14,847,000,000 | -16,772,000,000 | -16,772,000,000 | -16,772,000,000 | -16,772,000,000 | --- | --- | |
| Plus advances provided in prior years | 13,750,000,000 | 14,847,000,000 | 14,847,000,000 | 14,847,000,000 | 14,847,000,000 | --- | --- | |
| Total, mandatory (authorized) | 100,279,355,000 | 109,955,925,000 | 110,127,784,000 | 110,608,334,000 | 110,669,935,000 | +542,151,000 | +61,601,000 | |
| (Unauthorized, deferred by House) | (45,000,000) | --- | --- | (50,000,000) | (50,000,000) | (+50,000,000) | --- | |
| Total, mandatory | 100,324,355,000 | 109,955,925,000 | 110,127,784,000 | 110,658,334,000 | 110,719,935,000 | +592,151,000 | +61,601,000 | |
| Discretionary, total in bill | 40,417,573,000 | 41,074,558,000 | 43,138,737,000 | 43,115,310,000 | 43,396,810,000 | +258,073,000 | +281,500,000 | |
| Less advances for subsequent years | -298,870,000 | 157,940,000 | -314,060,000 | -895,744,000 | -914,059,000 | -599,999,000 | -18,315,000 | |
| Plus advances provided in prior years | 228,000,000 | 232,648,000 | 232,648,000 | 232,648,000 | 232,648,000 | --- | --- | |
| Total, discretionary (authorized) | 40,346,703,000 | 41,465,146,000 | 43,057,325,000 | 42,452,214,000 | 42,715,399,000 | -341,926,000 | +263,185,000 | |
| (Unauthorized, deferred by House) | 724,779,000 | 656,973,000 | DEFER | 2,040,428,000 | 704,505,000 | +704,505,000 | -1,335,923,000 | |
| Total, discretionary | 41,071,482,000 | 42,122,119,000 | 43,057,325,000 | 44,492,642,000 | 43,419,904,000 | +362,579,000 | -1,072,738,000 | |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| Grand total, current year (authorized)..... | 140,626,058,000 | 151,421,071,000 | 153,185,109,000 | 153,060,548,000 | 153,385,334,000 | +200,225,000 | +324,786,000 | |
| (Unauthorized, deferred by House)..... | (769,779,000) | (656,973,000) | DEFER | (2,090,428,000) | (754,505,000) | (+754,505,000) | (-1,335,923,000) | |
| Grand total, current year (auth & unauth)..... | 141,395,837,000 | 152,078,044,000 | 153,185,109,000 | 155,150,976,000 | 154,139,839,000 | +954,730,000 | -1,011,137,000 | |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| TITLE I -- DEPARTMENT OF LABOR | | | | | | | | |
| EMPLOYMENT AND TRAINING ADMINISTRATION | | | | | | | | |
| PROGRAM ADMINISTRATION | | | | | | | | |
| Job training programs | 17,439,000 | 18,540,000 | 18,540,000 | 18,540,000 | 18,540,000 | --- | --- | D |
| Employment security | 3,495,000 | 442,000 | 442,000 | 442,000 | 442,000 | --- | --- | D |
| Trust funds | (14,722,000) | (15,289,000) | (15,289,000) | (15,289,000) | (15,289,000) | --- | --- | TF |
| Financial and administrative management | 16,902,000 | 14,243,000 | 14,243,000 | 14,243,000 | 14,243,000 | --- | --- | D |
| Trust funds | (9,298,000) | (10,807,000) | (10,807,000) | (10,807,000) | (10,807,000) | --- | --- | TF |
| Executive direction and administration | 3,456,000 | 3,683,000 | 3,683,000 | 3,683,000 | 3,683,000 | --- | --- | D |
| Trust funds | (2,777,000) | (3,014,000) | (3,014,000) | (3,014,000) | (3,014,000) | --- | --- | TF |
| Regional operations | 16,047,000 | 12,268,000 | 12,268,000 | 12,268,000 | 12,268,000 | --- | --- | D |
| Trust funds | (21,523,000) | (24,707,000) | (24,707,000) | (24,707,000) | (24,707,000) | --- | --- | TF |
| Apprenticeship services | 13,613,000 | 14,017,000 | 14,017,000 | 17,017,000 | 15,517,000 | +1,500,000 | -1,500,000 | D |
| Total, Program Administration | 119,272,000 | 117,010,000 | 117,010,000 | 120,010,000 | 118,510,000 | +1,500,000 | -1,500,000 | |
| Federal funds | 70,952,000 | 63,193,000 | 63,193,000 | 66,193,000 | 64,693,000 | +1,500,000 | -1,500,000 | |
| Trust funds | (48,320,000) | (53,817,000) | (53,817,000) | (53,817,000) | (53,817,000) | --- | --- | |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| TRAINING AND EMPLOYMENT SERVICES | | | | | | | | |
| Grants to States: | | | | | | | | |
| Block grant | 1,787,772,000 | 1,787,772,000 | 1,787,772,000 | 1,750,000,000 | 1,768,886,000 | -18,886,000 | +18,886,000 | D |
| Summer youth employment and training program | 709,433,000 | 709,433,000 | 709,433,000 | 709,433,000 | 709,433,000 | --- | --- | D |
| Dislocated worker assistance | 283,773,000 | 400,000,000 | 450,000,000 | 500,000,000 | 470,000,000 | +20,000,000 | -30,000,000 | D |
| Federally administered programs: | | | | | | | | |
| Native Americans | 58,996,000 | 58,996,000 | 58,996,000 | 58,996,000 | 58,996,000 | --- | --- | D |
| Migrants and seasonal farmworkers | 68,540,000 | 57,209,000 | 68,540,000 | 71,282,000 | 70,000,000 | +1,460,000 | -1,282,000 | D |
| Job Corps: | | | | | | | | |
| Operations | 678,676,000 | 727,192,000 | 761,031,000 | 764,992,000 | 763,257,000 | +2,226,000 | -1,735,000 | D |
| Capital, construction and renovation | 63,149,000 | 34,432,000 | 49,432,000 | 50,432,000 | 50,432,000 | +1,000,000 | --- | D |
| Subtotal, Job Corps | 741,825,000 | 761,624,000 | 810,463,000 | 815,424,000 | 813,689,000 | +3,226,000 | -1,735,000 | |
| Veterans' employment | 9,517,000 | 9,474,000 | 9,474,000 | 9,474,000 | 9,474,000 | --- | --- | D |
| National activities: | | | | | | | | |
| Pilots and demonstrations | 30,253,000 | 30,253,000 | 30,253,000 | 31,520,000 | 30,887,000 | +634,000 | -633,000 | D |
| Research, demonstration and evaluation | 13,429,000 | 18,429,000 | 18,429,000 | 15,929,000 | 15,929,000 | -2,500,000 | --- | D |
| Other | 24,893,000 | 15,126,000 | 23,126,000 | 25,626,000 | 24,376,000 | +1,250,000 | -1,250,000 | D |
| Subtotal, National activities | 68,575,000 | 63,808,000 | 71,808,000 | 73,075,000 | 71,192,000 | -616,000 | -1,883,000 | |
| Subtotal, Federal activities | 947,453,000 | 951,111,000 | 1,019,281,000 | 1,028,251,000 | 1,023,351,000 | +4,070,000 | -4,900,000 | |
| Total, Job Training Partnership Act | 3,728,431,000 | 3,848,316,000 | 3,966,486,000 | 3,987,684,000 | 3,971,670,000 | +5,184,000 | -16,014,000 | |
| Job training for the homeless | 9,386,000 | 13,000,000 | 10,000,000 | 13,000,000 | 11,500,000 | +1,500,000 | -1,500,000 | D |
| Advance funding for FY 1991 | --- | --- | --- | --- | 1,500,000 | +1,500,000 | +1,500,000 | D |
| Total, Training and Employment Services | 3,737,817,000 | 3,861,316,000 | 3,976,486,000 | 4,000,684,000 | 3,984,670,000 | +8,184,000 | -16,014,000 | |
| Current year, FY 1990 | (3,737,817,000) | (3,861,316,000) | (3,976,486,000) | (4,000,684,000) | (3,983,170,000) | (+6,684,000) | (-17,514,000) | |
| Advance funding for FY 1991 | --- | --- | --- | --- | (1,500,000) | (+1,500,000) | (+1,500,000) | |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS | | | | | | | | |
| National contracts | 268,183,000 | 262,080,000 | 276,120,000 | 288,600,000 | 282,360,000 | +6,240,000 | -6,240,000 | D |
| State grants | 75,641,000 | 73,920,000 | 77,880,000 | 81,400,000 | 79,640,000 | +1,760,000 | -1,760,000 | D |
| Total | 343,824,000 | 336,000,000 | 354,000,000 | 370,000,000 | 362,000,000 | +8,000,000 | -8,000,000 | |
| FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES | | | | | | | | |
| Trade adjustment | 270,518,000 | 284,000,000 | 284,000,000 | 284,000,000 | 284,000,000 | --- | --- | M |
| Other activities | 2,000,000 | --- | --- | --- | --- | --- | --- | M |
| Total | 272,518,000 | 284,000,000 | 284,000,000 | 284,000,000 | 284,000,000 | --- | --- | |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS | | | | | | | | |
| Unemployment Compensation (Trust Funds): | | | | | | | | |
| State Operations | (1,240,812,000) | (1,274,935,000) | (1,274,935,000) | (1,274,935,000) | (1,274,935,000) | --- | --- | TF |
| State integrity activities | (251,532,000) | (250,997,000) | (250,997,000) | (250,997,000) | (250,997,000) | --- | --- | TF |
| National Activities | (10,029,000) | (6,000,000) | (6,000,000) | (6,000,000) | (6,000,000) | --- | --- | TF |
| Contingency | (152,625,000) | (193,468,000) | (193,468,000) | (193,468,000) | (193,468,000) | --- | --- | TF |
| Subtotal, Unemployment Compensation(trust funds) | (1,654,998,000) | (1,725,400,000) | (1,725,400,000) | (1,725,400,000) | (1,725,400,000) | --- | --- | |
| Employment Service: | | | | | | | | |
| Allotments to States: | | | | | | | | |
| Federal funds | 21,472,000 | 20,800,000 | 20,800,000 | 20,800,000 | 20,800,000 | --- | --- | D |
| Trust funds | (742,280,000) | (671,300,000) | (768,900,000) | (768,900,000) | (768,900,000) | --- | --- | TF |
| Subtotal | 763,752,000 | 692,100,000 | 789,700,000 | 789,700,000 | 789,700,000 | --- | --- | |
| National Activities: | | | | | | | | |
| Federal funds | 1,087,000 | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 | --- | --- | D |
| Trust funds | (52,678,000) | (43,400,000) | (43,400,000) | (93,400,000) | (80,900,000) | (+37,500,000) | (-12,500,000) | TF |
| Subtotal, Employment Service | 817,517,000 | 736,700,000 | 834,300,000 | 884,300,000 | 871,800,000 | +37,500,000 | -12,500,000 | |
| Federal funds | 22,559,000 | 22,000,000 | 22,000,000 | 22,000,000 | 22,000,000 | --- | --- | |
| Trust funds | (794,958,000) | (714,700,000) | (812,300,000) | (862,300,000) | (849,800,000) | (+37,500,000) | (-12,500,000) | |
| Total, State Unempl. Ins. and Empl. Ser. Opers. | 2,472,515,000 | 2,462,100,000 | 2,559,700,000 | 2,609,700,000 | 2,597,200,000 | +37,500,000 | -12,500,000 | |
| Federal Funds | 22,559,000 | 22,000,000 | 22,000,000 | 22,000,000 | 22,000,000 | --- | --- | |
| Trust Funds | (2,449,956,000) | (2,440,100,000) | (2,537,700,000) | (2,587,700,000) | (2,575,200,000) | (+37,500,000) | (-12,500,000) | |
| ADVANCES TO UNEMPLOYMENT TRUST FUND AND OTHER FUNDS | 124,000,000 | 33,000,000 | 33,000,000 | 33,000,000 | 33,000,000 | --- | --- | M |
| Total, Employment & Training Administration | 7,069,946,000 | 7,093,426,000 | 7,324,196,000 | 7,417,394,000 | 7,379,380,000 | +55,184,000 | -38,014,000 | |
| Federal funds | 4,571,670,000 | 4,599,509,000 | 4,732,679,000 | 4,775,877,000 | 4,750,363,000 | +17,684,000 | -25,514,000 | |
| Current year, FY 1990 | (4,571,670,000) | (4,599,509,000) | (4,732,679,000) | (4,775,877,000) | (4,748,863,000) | (+16,184,000) | (-27,014,000) | |
| Advance funding for FY 1991 | --- | --- | --- | --- | (1,500,000) | (+1,500,000) | (+1,500,000) | |
| Trust funds | (2,498,276,000) | (2,493,917,000) | (2,591,517,000) | (2,641,517,000) | (2,629,017,000) | (+37,500,000) | (-12,500,000) | |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| LABOR - MANAGEMENT SERVICES | | | | | | | | |
| SALARIES AND EXPENSES | | | | | | | | |
| Labor-management relations service | 5,730,000 | 5,883,000 | 5,883,000 | 5,883,000 | 5,883,000 | --- | --- | D |
| Labor-management standards enforcement | 25,071,000 | 25,493,000 | 25,493,000 | 25,493,000 | 25,493,000 | --- | --- | D |
| Pension and welfare benefit programs | 41,478,000 | 43,831,000 | 43,831,000 | 43,831,000 | 43,831,000 | --- | --- | D |
| Undistributed | --- | --- | --- | --- | -1,000,000 | -1,000,000 | -1,000,000 | D |
| Total, LMSA | 72,279,000 | 75,207,000 | 75,207,000 | 75,207,000 | 74,207,000 | -1,000,000 | -1,000,000 | |
| PENSION BENEFIT GUARANTY CORPORATION | | | | | | | | |
| Program Administration subject to limitation (Trust Funds) | (40,737,000) | (42,301,000) | (42,301,000) | (42,301,000) | (42,301,000) | --- | --- | TF |
| Other contractual services not subject to limitation (Trust Funds) | (29,097,000) | (28,053,000) | (28,053,000) | (28,053,000) | (28,053,000) | --- | --- | TF |
| Total, PBGC (trust funds) | (69,834,000) | (70,354,000) | (70,354,000) | (70,354,000) | (70,354,000) | --- | --- | |
| EMPLOYMENT STANDARDS ADMINISTRATION | | | | | | | | |
| SALARIES AND EXPENSES | | | | | | | | |
| Enforcement of wage and hour standards | 89,229,000 | 91,729,000 | 91,729,000 | 91,729,000 | 91,729,000 | --- | --- | D |
| Federal contractor EEO standards enforcement | 52,030,000 | 53,434,000 | 53,434,000 | 53,434,000 | 53,434,000 | --- | --- | D |
| Federal programs for workers' compensation | 57,358,000 | 59,291,000 | 59,291,000 | 59,291,000 | 59,291,000 | --- | --- | D |
| Trust funds | (520,000) | (1,019,000) | (1,019,000) | (1,019,000) | (1,019,000) | --- | --- | TF |
| Executive direction and support services | 13,944,000 | 13,868,000 | 13,868,000 | 13,868,000 | 13,868,000 | --- | --- | D |
| Undistributed | --- | --- | --- | --- | -2,000,000 | -2,000,000 | -2,000,000 | D |
| Total, salaries and expenses | 213,081,000 | 219,341,000 | 219,341,000 | 219,341,000 | 217,341,000 | -2,000,000 | -2,000,000 | |
| Federal funds | 212,561,000 | 218,322,000 | 218,322,000 | 218,322,000 | 216,322,000 | -2,000,000 | -2,000,000 | |
| Trust funds | (520,000) | (1,019,000) | (1,019,000) | (1,019,000) | (1,019,000) | --- | --- | |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| SPECIAL BENEFITS | | | | | | | | |
| Federal employees compensation act benefits..... | 251,000,000 | 251,000,000 | 251,000,000 | 251,000,000 | 251,000,000 | --- | --- | M |
| Longshore and harbor workers' benefits..... | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | --- | --- | M |
| Total, Special Benefits..... | 255,000,000 | 255,000,000 | 255,000,000 | 255,000,000 | 255,000,000 | --- | --- | |
| BLACK LUNG DISABILITY TRUST FUND | | | | | | | | |
| Benefit payments and interest on advances..... | 633,435,000 | 590,486,000 | 590,486,000 | 590,486,000 | 590,486,000 | --- | --- | M |
| Employment Standards Admin., salaries & expenses..... | 29,847,000 | 28,640,000 | 28,640,000 | 28,640,000 | 28,640,000 | --- | --- | M |
| Departmental Management, salaries and expenses..... | 24,833,000 | 20,691,000 | 20,691,000 | 21,350,000 | 21,350,000 | +659,000 | --- | M |
| Departmental Management, inspector general..... | 509,000 | 509,000 | 509,000 | 509,000 | 509,000 | --- | --- | M |
| Subtotal, Black Lung Disablty. Trust Fund, apprn | 688,624,000 | 640,326,000 | 640,326,000 | 640,985,000 | 640,985,000 | +659,000 | --- | |
| Treasury administrative costs (indefinite)..... | 756,000 | 756,000 | 756,000 | 756,000 | 756,000 | --- | --- | M |
| Total, Black Lung Disability Trust Fund..... | 689,380,000 | 641,082,000 | 641,082,000 | 641,741,000 | 641,741,000 | +659,000 | --- | |
| Total, Employment Standards Administration..... | 1,157,461,000 | 1,115,423,000 | 1,115,423,000 | 1,116,082,000 | 1,114,082,000 | -1,341,000 | -2,000,000 | |
| Federal funds..... | 1,156,941,000 | 1,114,404,000 | 1,114,404,000 | 1,115,063,000 | 1,113,063,000 | -1,341,000 | -2,000,000 | |
| Trust funds..... | (520,000) | (1,019,000) | (1,019,000) | (1,019,000) | (1,019,000) | --- | --- | |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION | | | | | | | | |
| SALARIES AND EXPENSES | | | | | | | | |
| Safety and health standards | 6,670,000 | 6,957,000 | 6,957,000 | 6,957,000 | 6,957,000 | --- | --- | D |
| Enforcement: | | | | | | | | |
| Federal Enforcement | 116,794,000 | 118,704,000 | 118,704,000 | 118,704,000 | 118,704,000 | --- | --- | D |
| State programs | 45,684,000 | 58,133,000 | 60,633,000 | 60,633,000 | 60,633,000 | --- | --- | D |
| Technical Support | 17,276,000 | 17,868,000 | 17,868,000 | 17,868,000 | 17,868,000 | --- | --- | D |
| Compliance Assistance | 35,645,000 | 37,001,000 | 37,001,000 | 38,001,000 | 37,501,000 | +500,000 | -500,000 | D |
| Safety and health statistics | 19,998,000 | 22,992,000 | 22,992,000 | 22,992,000 | 22,992,000 | --- | --- | D |
| Executive direction and administration | 5,920,000 | 6,093,000 | 6,093,000 | 6,093,000 | 6,093,000 | --- | --- | D |
| Total, OSHA | 247,987,000 | 267,748,000 | 270,248,000 | 271,248,000 | 270,748,000 | +500,000 | -500,000 | |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| MINE SAFETY AND HEALTH ADMINISTRATION | | | | | | | | |
| SALARIES AND EXPENSES | | | | | | | | |
| Enforcement: | | | | | | | | |
| Coal | 83,334,000 | 84,899,000 | 84,899,000 | 85,112,000 | 85,112,000 | +213,000 | --- | D |
| Metal/nonmetal | 32,485,000 | 33,256,000 | 33,256,000 | 33,256,000 | 33,256,000 | --- | --- | D |
| Standards development | 1,097,000 | 1,571,000 | 1,571,000 | 1,571,000 | 1,571,000 | --- | --- | D |
| Assessments | 2,179,000 | 2,235,000 | 2,235,000 | 2,235,000 | 2,235,000 | --- | --- | D |
| Educational policy and development | 12,005,000 | 12,121,000 | 13,121,000 | 13,462,000 | 13,462,000 | +341,000 | --- | D |
| Technical support | 20,561,000 | 21,000,000 | 21,000,000 | 21,000,000 | 21,000,000 | --- | --- | D |
| Program administration | 11,232,000 | 13,957,000 | 13,957,000 | 13,957,000 | 13,957,000 | --- | --- | D |
| Total, Mine Safety and Health Administration | 162,893,000 | 169,039,000 | 170,039,000 | 170,593,000 | 170,593,000 | +554,000 | --- | |
| BUREAU OF LABOR STATISTICS | | | | | | | | |
| SALARIES AND EXPENSES | | | | | | | | |
| Employment and Unemployment Statistics | 63,455,000 | 66,354,000 | 66,954,000 | 66,354,000 | 66,954,000 | --- | +600,000 | D |
| Labor Market Information (Trust Funds) | (45,767,000) | (49,118,000) | (49,518,000) | (49,118,000) | (49,518,000) | --- | (+400,000) | TF |
| Prices and cost of living | 71,302,000 | 73,075,000 | 73,075,000 | 73,075,000 | 73,075,000 | --- | --- | D |
| Wages and industrial relations | 21,778,000 | 22,166,000 | 22,166,000 | 22,166,000 | 22,166,000 | --- | --- | D |
| Productivity and technology | 5,433,000 | 5,539,000 | 5,539,000 | 5,539,000 | 5,539,000 | --- | --- | D |
| Economic growth and employment projections | 3,336,000 | 3,400,000 | 3,400,000 | 3,400,000 | 3,400,000 | --- | --- | D |
| Executive direction and staff services | 22,269,000 | 22,637,000 | 22,637,000 | 22,637,000 | 22,637,000 | --- | --- | D |
| Total, Bureau of Labor Statistics | 233,340,000 | 242,289,000 | 243,289,000 | 242,289,000 | 243,289,000 | --- | +1,000,000 | |
| Federal Funds | 187,573,000 | 193,171,000 | 193,771,000 | 193,171,000 | 193,771,000 | --- | +600,000 | |
| Trust Funds | (45,767,000) | (49,118,000) | (49,518,000) | (49,118,000) | (49,518,000) | --- | (+400,000) | |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| DEPARTMENTAL MANAGEMENT | | | | | | | | |
| SALARIES AND EXPENSES | | | | | | | | |
| Executive direction | 19,135,000 | 17,124,000 | 17,124,000 | 17,124,000 | 17,124,000 | --- | --- | D |
| Legal services | 45,407,000 | 44,997,000 | 44,997,000 | 44,997,000 | 44,997,000 | --- | --- | D |
| Trust funds | (282,000) | (285,000) | (285,000) | (285,000) | (285,000) | --- | --- | TF |
| International labor affairs | 6,242,000 | 6,361,000 | 6,361,000 | 6,361,000 | 6,361,000 | --- | --- | D |
| Administration and management | 22,685,000 | 19,955,000 | 19,955,000 | 19,955,000 | 19,955,000 | --- | --- | D |
| Adjudication | 12,829,000 | 12,836,000 | 12,836,000 | 12,836,000 | 12,836,000 | --- | --- | D |
| Promoting employment of the disabled | 2,438,000 | 2,540,000 | 2,540,000 | 2,880,000 | 2,880,000 | +340,000 | --- | D |
| Women's Bureau | 6,504,000 | 6,103,000 | 6,803,000 | 6,803,000 | 6,803,000 | --- | --- | D |
| Civil Rights Activities | 3,687,000 | 4,116,000 | 4,116,000 | 4,116,000 | 4,116,000 | --- | --- | D |
| Total, Salaries and expenses | 119,209,000 | 114,317,000 | 115,017,000 | 115,357,000 | 115,357,000 | +340,000 | --- | |
| Federal funds | 118,927,000 | 114,032,000 | 114,732,000 | 115,072,000 | 115,072,000 | +340,000 | --- | |
| Trust funds | (282,000) | (285,000) | (285,000) | (285,000) | (285,000) | --- | --- | |
| VETERANS EMPLOYMENT AND TRAINING | | | | | | | | |
| State Administration: | | | | | | | | |
| Disabled Veterans Outreach Program | (72,962,000) | (75,167,000) | (75,167,000) | (75,167,000) | (75,167,000) | --- | --- | TF |
| Local Veterans Employment Program | (66,998,000) | (69,250,000) | (69,250,000) | (69,250,000) | (69,250,000) | --- | --- | TF |
| Subtotal, State Administration | (139,960,000) | (144,417,000) | (144,417,000) | (144,417,000) | (144,417,000) | --- | --- | |
| Federal Administration | (14,991,000) | (15,606,000) | (15,606,000) | (15,606,000) | (15,606,000) | --- | --- | TF |
| National Veterans Training Institute | (2,569,000) | (2,600,000) | (2,600,000) | (2,600,000) | (2,600,000) | --- | --- | TF |
| Total, Trust Funds | (157,520,000) | (162,623,000) | (162,623,000) | (162,623,000) | (162,623,000) | --- | --- | |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| OFFICE OF THE INSPECTOR GENERAL | | | | | | | | |
| Audit: | | | | | | | | |
| Federal funds | 20,175,000 | 20,691,000 | 20,691,000 | 20,691,000 | 20,691,000 | --- | --- | D |
| Trust funds | (4,472,000) | (4,127,000) | (4,127,000) | (4,127,000) | (4,127,000) | --- | --- | TF |
| Investigation: | | | | | | | | |
| Federal funds | 5,966,000 | 6,503,000 | 6,503,000 | 6,503,000 | 6,503,000 | --- | --- | D |
| Trust funds | (1,161,000) | (1,067,000) | (1,067,000) | (1,067,000) | (1,067,000) | --- | --- | TF |
| Office of Labor Racketeering | 8,788,000 | 9,901,000 | 9,901,000 | 9,901,000 | 9,901,000 | --- | --- | D |
| Executive Direction and Administration | 4,689,000 | 4,902,000 | 4,902,000 | 4,902,000 | 4,902,000 | --- | --- | D |
| Total, Office of the Inspector General | 45,251,000 | 47,191,000 | 47,191,000 | 47,191,000 | 47,191,000 | --- | --- | |
| Federal funds | 39,618,000 | 41,997,000 | 41,997,000 | 41,997,000 | 41,997,000 | --- | --- | |
| Trust funds | (5,633,000) | (5,194,000) | (5,194,000) | (5,194,000) | (5,194,000) | --- | --- | |
| Total, Departmental Management | 321,980,000 | 324,131,000 | 324,831,000 | 325,171,000 | 325,171,000 | +340,000 | --- | |
| Federal funds | 158,545,000 | 156,029,000 | 156,729,000 | 157,069,000 | 157,069,000 | +340,000 | --- | |
| Trust funds | (163,435,000) | (168,102,000) | (168,102,000) | (168,102,000) | (168,102,000) | --- | --- | |
| Consultant savings | --- | --- | --- | --- | -2,000,000 | -2,000,000 | -2,000,000 | D |
| Total, Labor Department | 9,335,720,000 | 9,357,617,000 | 9,593,587,000 | 9,688,338,000 | 9,645,824,000 | +52,237,000 | -42,514,000 | |
| Federal funds | 6,557,888,000 | 6,575,107,000 | 6,713,077,000 | 6,758,228,000 | 6,727,814,000 | +14,737,000 | -30,414,000 | |
| Current year, FY 1990 | (6,557,888,000) | (6,575,107,000) | (6,713,077,000) | (6,758,228,000) | (6,726,314,000) | (+13,237,000) | (-31,914,000) | |
| FY 1991 | --- | --- | --- | --- | (1,500,000) | (+1,500,000) | (+1,500,000) | |
| Trust funds | (2,777,832,000) | (2,782,510,000) | (2,880,510,000) | (2,930,110,000) | (2,918,010,000) | (+37,500,000) | (-12,100,000) | |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| TITLE II--DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | | | | | |
| HEALTH RESOURCES AND SERVICES ADMINISTRATION | | | | | | | | |
| HEALTH RESOURCES AND SERVICES | | | | | | | | |
| Health Care Delivery and Assistance: | | | | | | | | |
| Community health centers | 435,362,000 | 444,812,000 | 444,812,000 | 465,000,000 | 463,000,000 | +18,188,000 | -2,000,000 | D |
| Migrant health | 45,646,000 | 47,646,000 | 49,500,000 | 50,500,000 | 50,000,000 | +500,000 | -500,000 | D |
| Black lung clinics | 3,216,000 | 3,216,000 | 3,350,000 | 3,700,000 | 3,700,000 | +350,000 | --- | D |
| Health care for the homeless | 14,820,000 | 63,600,000 | 46,000,000 | 22,230,000 | 34,115,000 | -11,885,000 | +11,885,000 | D |
| Advance funding for FY 1991 | --- | --- | --- | --- | 11,885,000 | +11,885,000 | +11,885,000 | D |
| Family planning (unauthorized, House deferred) 1/ | 138,320,000 | 138,364,000 | DEFER | 142,364,000 | 141,000,000 | +141,000,000 | -1,364,000 | D |
| National Health Service Corps: | | | | | | | | |
| Field placements | 39,866,000 | 20,000,000 | 40,000,000 | 45,000,000 | 42,500,000 | +2,500,000 | -2,500,000 | D |
| (Limitation on direct loans) | (500,000) | (50,000) | --- | --- | --- | --- | --- | NA |
| Loan repayments including nurses | 7,906,000 | 7,906,000 | 4,000,000 | 8,000,000 | 6,000,000 | +2,000,000 | -2,000,000 | D |
| Scholarships | --- | --- | 4,000,000 | 2,000,000 | 3,000,000 | -1,000,000 | +1,000,000 | D |
| Subtotal, Natl Health Service Corps | 47,772,000 | 27,906,000 | 48,000,000 | 55,000,000 | 51,500,000 | +3,500,000 | -3,500,000 | |
| Hansen's Disease services (Carville) | 18,276,000 | 18,493,000 | 18,493,000 | 18,493,000 | 18,493,000 | --- | --- | D |
| Pediatric emergency care | 2,964,000 | --- | --- | 4,000,000 | 4,000,000 | +4,000,000 | --- | D |
| Payment to Hawaii, treatment of Hansen's Disease | 3,260,000 | 2,760,000 | 3,260,000 | 3,260,000 | 3,260,000 | --- | --- | D |
| Rural health research | 1,482,000 | 3,100,000 | 3,350,000 | 3,500,000 | 3,425,000 | +75,000 | -75,000 | D |
| Home health demonstration grants | 2,470,000 | --- | --- | 3,500,000 | 3,000,000 | +3,000,000 | -500,000 | D |
| Total, Health Care Delivery & Assistance | 713,588,000 | 749,897,000 | 616,765,000 | 771,547,000 | 787,378,000 | +170,613,000 | +15,831,000 | |

1/ President's FY 1990 budget requests Family Planning under "Public Health Service Management" account.

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| Health Professions: | | | | | | | | |
| Exceptional need scholarships | 6,578,000 | 6,578,000 | 6,900,000 | 6,709,000 | 6,805,000 | -95,000 | +96,000 | D |
| Excellence in minority health education grants | 9,396,000 | 9,396,000 | 9,396,000 | 9,396,000 | 9,396,000 | --- | --- | D |
| Public health/health administration: | | | | | | | | |
| Public Health capitation | 4,698,000 | --- | 3,000,000 | 3,000,000 | 3,000,000 | --- | --- | D |
| Public Health special projects | --- | --- | 1,700,000 | --- | 850,000 | -850,000 | +850,000 | D |
| Health Administration grants | 1,410,000 | --- | 1,410,000 | 1,610,000 | 1,510,000 | +100,000 | -100,000 | D |
| Public Health traineeships | 2,819,000 | --- | 2,819,000 | 3,260,000 | 3,040,000 | +221,000 | -220,000 | D |
| Health Administration traineeships | 470,000 | --- | 470,000 | 700,000 | 500,000 | +30,000 | -200,000 | D |
| Preventive medicine residencies | 1,503,000 | --- | 1,550,000 | 1,900,000 | 1,725,000 | +175,000 | -175,000 | D |
| Family Medicine | 32,142,000 | --- | 33,500,000 | 33,200,000 | 33,350,000 | -150,000 | +150,000 | D |
| General dentistry residencies | 2,606,000 | --- | 4,000,000 | 4,000,000 | 4,000,000 | --- | --- | D |
| General Internal Medicine and Pediatrics | 17,383,000 | --- | 18,100,000 | 17,900,000 | 18,000,000 | -100,000 | +100,000 | D |
| Family medicine departments | 6,578,000 | --- | 6,900,000 | 6,700,000 | 6,800,000 | -100,000 | +100,000 | D |
| Physician assistants | 4,511,000 | --- | 4,650,000 | 5,100,000 | 4,875,000 | +225,000 | -225,000 | D |
| Area health education centers | 16,912,000 | --- | 17,900,000 | 19,000,000 | 18,450,000 | +550,000 | -550,000 | D |
| Border health education centers | --- | --- | 4,000,000 | 3,000,000 | 4,000,000 | --- | +1,000,000 | D |
| Health professions data analysis | 2,679,000 | --- | 1,879,000 | 1,879,000 | 1,879,000 | --- | --- | D |
| Disadvantaged Assistance | 26,897,000 | 26,897,000 | 28,000,000 | 26,897,000 | 27,449,000 | -551,000 | +552,000 | D |
| Allied health grants and contracts | --- | --- | --- | 2,000,000 | 750,000 | +750,000 | -1,250,000 | D |
| Interdisciplinary traineeships | --- | --- | --- | 5,000,000 | 2,250,000 | +2,250,000 | -2,750,000 | D |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| Special Projects: (sections 788 and 301) | | | | | | | | |
| Health professions spec ed initiatives..... | 2,349,000 | --- | 2,500,000 | 2,849,000 | 2,500,000 | --- | -349,000 | D |
| Geriatric training and research..... | 13,772,000 | --- | 14,300,000 | 14,300,000 | 14,300,000 | --- | --- | D |
| Pacific Basin activities (including Medical Officer training)..... | 1,482,000 | --- | --- | 3,000,000 | 2,000,000 | +2,000,000 | -1,000,000 | D |
| Native Hawaiian health care..... | --- | --- | --- | 1,700,000 | 1,300,000 | +1,300,000 | -400,000 | D |
| Subtotal, special education initiatives..... | 17,603,000 | --- | 16,800,000 | 21,849,000 | 20,100,000 | +3,300,000 | -1,749,000 | |
| Special grants to hospitals..... | 1,360,000 | --- | --- | --- | --- | --- | --- | D |
| Nurse training: | | | | | | | | |
| Advanced nurse training..... | 17,175,000 | --- | 13,000,000 | 13,000,000 | 13,000,000 | --- | --- | D |
| Nurse practitioner..... | 11,777,000 | --- | 12,200,000 | 13,674,000 | 13,674,000 | +1,474,000 | --- | D |
| Special projects (includes subpart 2)..... | 11,972,000 | --- | 12,400,000 | 13,768,000 | 13,084,000 | +684,000 | -684,000 | D |
| Traineeships..... | 12,759,000 | --- | 13,200,000 | 14,288,000 | 13,744,000 | +544,000 | -544,000 | D |
| Nurse Anesthetists..... | 784,000 | --- | 800,000 | 1,500,000 | 1,150,000 | +350,000 | -350,000 | D |
| Faculty fellowships..... | 1,080,000 | --- | --- | 250,000 | --- | --- | -250,000 | D |
| Undergraduate scholarships..... | --- | --- | 4,000,000 | --- | 3,000,000 | -1,000,000 | +3,000,000 | D |
| Undergraduate scholarships (non-add) 1/... | --- | --- | --- | (3,000,000) | --- | --- | (-3,000,000) | NA |
| Loan Repayment for Shortage Area Service..... | --- | --- | --- | 1,750,000 | 1,000,000 | +1,000,000 | -750,000 | D |
| Subtotal, Nurse training..... | 55,547,000 | --- | 55,600,000 | 58,230,000 | 58,652,000 | +3,052,000 | +422,000 | |
| Less transfers from loan revolving funds..... | -9,880,000 | --- | -10,000,000 | -10,000,000 | -10,000,000 | --- | --- | D |
| Total, Health professions 2/..... | 201,212,000 | 42,871,000 | 208,574,000 | 221,330,000 | 217,381,000 | +8,807,000 | -3,949,000 | |

1/ Transfer from student loan funds, mandated by P.L. 100-607.

2/ Funds to be transferred pursuant to P.L. 100-607 for special hospital grants.

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| MCH and Resources Development: | | | | | | | | |
| Maternal & child health block grant | 554,268,000 | 554,268,000 | 557,000,000 | 564,268,000 | 561,000,000 | +4,000,000 | -3,268,000 | D |
| Organ transplantation | 4,940,000 | 1,600,000 | 3,000,000 | 4,940,000 | 4,000,000 | +1,000,000 | -940,000 | D |
| Health teaching facilities interest subsidies | 494,000 | 494,000 | 494,000 | 494,000 | 494,000 | --- | --- | D |
| Total, Resources Development | 559,702,000 | 556,362,000 | 560,494,000 | 569,702,000 | 565,494,000 | +5,000,000 | -4,208,000 | |
| Buildings and facilities | 889,000 | --- | 889,000 | 889,000 | 889,000 | --- | --- | D |
| National practitioner data bank | 2,766,000 | --- | 2,000,000 | 2,000,000 | 2,000,000 | --- | --- | D |
| Program management including AIDS | 92,738,000 | 88,193,000 | 99,750,000 | 101,462,000 | 99,900,000 | +150,000 | -1,562,000 | D |
| Acquired Immune Deficiency Syndrome (AIDS) 1/: | | | | | | | | |
| Training of health personnel | 14,640,000 | 14,820,000 | 14,820,000 | 14,820,000 | 14,820,000 | --- | --- | D |
| Facilities renovation grants | 3,903,000 | 3,952,000 | 4,300,000 | 4,500,000 | 4,400,000 | +100,000 | -100,000 | D |
| Pediatric health care demonstrations | 7,806,000 | 7,904,000 | 15,000,000 | 15,000,000 | 15,000,000 | --- | --- | D |
| Adult health care demonstrations | 14,692,000 | 14,875,000 | 20,000,000 | 14,875,000 | 17,438,000 | -2,562,000 | +2,563,000 | D |
| Adult health care planning grants | 3,904,000 | 3,952,000 | 3,952,000 | 3,952,000 | --- | -3,952,000 | -3,952,000 | D |
| AIDS related drugs (AZT) | 15,000,000 | --- | --- | 30,000,000 | 30,000,000 | +30,000,000 | --- | D |
| Community health care services | --- | 10,921,000 | 10,921,000 | 20,877,000 | 10,921,000 | --- | -9,956,000 | D |
| Home health services | --- | --- | --- | 50,000,000 | 20,000,000 | +20,000,000 | -30,000,000 | D |
| Subacute care | --- | --- | --- | 5,000,000 | 1,500,000 | +1,500,000 | -3,500,000 | D |
| Transfer for consolidated administration | -2,774,000 | -3,740,000 | -4,000,000 | -5,700,000 | -4,850,000 | -850,000 | +850,000 | D |
| Subtotal, AIDS | 57,171,000 | 52,684,000 | 64,993,000 | 153,324,000 | 109,229,000 | +44,236,000 | -44,095,000 | |
| Total, Health resources and services | 1,628,066,000 | 1,490,007,000 | 1,553,465,000 | 1,820,254,000 | 1,782,271,000 | +228,806,000 | -37,983,000 | |

1/ President's budget requests AIDS funding for FY 1990 under consolidated account.

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| MEDICAL FACILITIES GUARANTEE AND LOAN FUND: | | | | | | | | |
| Interest subsidy program | 21,600,000 | 21,000,000 | 21,000,000 | 21,000,000 | 21,000,000 | --- | --- | M |
| Loan asset sales | --- | 4,364,000 | --- | --- | --- | --- | --- | M |
| Subtotal, MFGLF | 21,600,000 | 25,364,000 | 21,000,000 | 21,000,000 | 21,000,000 | --- | --- | |
| HEALTH PROFESSIONS GRADUATE STUDENT LOAN FUND (HEAL): | | | | | | | | |
| General funds | --- | 21,570,000 | 25,000,000 | 25,000,000 | 25,000,000 | --- | --- | M |
| Offsetting collections from Federal funds | --- | -15,000,000 | --- | --- | --- | --- | --- | M |
| Total, HPGSLF | --- | 6,570,000 | 25,000,000 | 25,000,000 | 25,000,000 | --- | --- | |
| VACCINE INJURY COMPENSATION: | | | | | | | | |
| Pre - FY89 claims (appropriation) | --- | --- | 74,500,000 | 74,500,000 | 74,500,000 | --- | --- | M |
| FY89 / FY90 claims (trust fund) | 101,500,000 | 133,100,000 | 54,600,000 | 54,600,000 | 54,600,000 | --- | --- | M |
| Subtotal | 101,500,000 | 133,100,000 | 129,100,000 | 129,100,000 | 129,100,000 | --- | --- | |
| Total, Health Resources and Services Administration | 1,612,846,000 | 1,516,677,000 | 1,728,565,000 | 1,852,990,000 | 1,816,371,000 | +87,806,000 | -36,619,000 | |
| Current year, FY 1990 | (1,612,846,000) | (1,516,677,000) | (1,728,565,000) | (1,852,990,000) | (1,804,486,000) | (+75,921,000) | (-48,504,000) | |
| Advance funding for FY 1991 | --- | --- | --- | --- | (11,885,000) | (+11,885,000) | (+11,885,000) | |
| (Unauthorized, deferred by House) | 138,320,000 | 138,364,000 | DEFER | 142,364,000 | 141,000,000 | +141,000,000 | -1,364,000 | |
| Total, authorized and unauthorized | 3,364,012,000 | 3,171,718,000 | 3,457,130,000 | 3,848,344,000 | 3,773,742,000 | +316,612,000 | -74,602,000 | |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| CENTERS FOR DISEASE CONTROL | | | | | | | | |
| DISEASE CONTROL | | | | | | | | |
| Preventive Health Services Block Grant | 84,704,000 | 113,055,000 | 89,716,000 | 84,704,000 | 85,210,000 | -4,506,000 | +506,000 | D |
| Prevention centers | 1,976,000 | --- | 2,000,000 | 5,000,000 | 4,000,000 | +2,000,000 | -1,000,000 | D |
| Lead poisoning prevention | --- | --- | 2,000,000 | 5,000,000 | 4,000,000 | +2,000,000 | -1,000,000 | D |
| Sexually transmitted diseases: | | | | | | | | |
| Grants | 68,172,000 | 68,172,000 | 75,000,000 | 68,172,000 | 71,586,000 | -3,414,000 | +3,414,000 | D |
| Direct operations | 10,528,000 | 10,800,000 | 10,800,000 | 10,800,000 | 10,800,000 | --- | --- | D |
| Subtotal, Sexually transmitted diseases | 78,700,000 | 78,972,000 | 85,800,000 | 78,972,000 | 82,386,000 | -3,414,000 | +3,414,000 | |
| Immunization: | | | | | | | | |
| Grants | 126,797,000 | 126,797,000 | 126,797,000 | 138,188,000 | 133,193,000 | +6,396,000 | -4,995,000 | D |
| Direct operations | 8,152,000 | 8,361,000 | 8,361,000 | 21,361,000 | 19,500,000 | +11,139,000 | -1,861,000 | D |
| Vaccine stockpile | 3,952,000 | --- | --- | 4,000,000 | 3,000,000 | +3,000,000 | -1,000,000 | D |
| Adverse events reporting | 3,063,000 | 3,063,000 | 2,569,000 | 2,569,000 | 2,569,000 | --- | --- | D |
| Subtotal, Immunization programs | 141,964,000 | 138,221,000 | 137,727,000 | 166,118,000 | 158,262,000 | +20,535,000 | -7,856,000 | |
| Infectious disease excluding AIDS/TB | 41,455,000 | 37,866,000 | 39,866,000 | 40,866,000 | 40,366,000 | +500,000 | -500,000 | D |
| Tuberculosis grants | 6,622,000 | --- | 10,000,000 | 6,886,000 | 8,443,000 | -1,557,000 | +1,557,000 | D |
| Chronic & environmental disease prevention | 44,681,000 | 40,564,000 | 46,025,000 | 52,451,000 | 51,323,000 | +5,298,000 | -1,128,000 | D |
| Injury control | 21,000,000 | 11,120,000 | 21,000,000 | 25,000,000 | 23,000,000 | +2,000,000 | -2,000,000 | D |
| Occupational Safety and Health (NIOSH): | | | | | | | | |
| Research | 60,260,000 | 60,260,000 | 63,300,000 | 77,100,000 | 75,325,000 | +12,025,000 | -1,775,000 | D |
| Training | 10,095,000 | 10,095,000 | 10,600,000 | 10,595,000 | 10,598,000 | -2,000 | +3,000 | D |
| Subtotal, NIOSH | 70,355,000 | 70,355,000 | 73,900,000 | 87,695,000 | 85,923,000 | +12,023,000 | -1,772,000 | |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| National Center for Health Statistics: | | | | | | | | |
| Program operations | 45,186,000 | 44,533,000 | 44,533,000 | 44,533,000 | 44,533,000 | --- | --- | D |
| Program support | 3,165,000 | 3,254,000 | 3,254,000 | 3,254,000 | 3,254,000 | --- | --- | D |
| Subtotal, health statistics | 48,351,000 | 47,787,000 | 47,787,000 | 47,787,000 | 47,787,000 | --- | --- | |
| Epidemic services | 54,787,000 | 56,217,000 | 56,217,000 | 56,217,000 | 56,217,000 | --- | --- | D |
| Buildings and facilities | 1,976,000 | 2,000,000 | 2,000,000 | 2,000,000 | 7,000,000 | +5,000,000 | +5,000,000 | D |
| Program management | 3,058,000 | 3,170,000 | 3,170,000 | 3,170,000 | 3,170,000 | --- | --- | D |
| Acquired Immune Deficiency Syndrome (AIDS) 1/ | 377,592,000 | 474,022,000 | 462,972,000 | 452,472,000 | 449,472,000 | -13,500,000 | -3,000,000 | D |
| Total, Disease Control | 977,221,000 | 1,073,349,000 | 1,080,180,000 | 1,114,338,000 | 1,106,559,000 | +26,379,000 | -7,779,000 | |

1/ President's budget requests AIDS funding for FY 1990 under consolidated account.

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| NATIONAL INSTITUTES OF HEALTH (INCLUDES AIDS) 1/ | | | | | | | | |
| National Cancer Institute | 1,570,943,000 | 1,646,073,000 | 1,652,666,000 | 1,668,473,000 | 1,664,000,000 | +11,334,000 | -4,473,000 | D |
| National Heart, Lung, and Blood Institute | 1,045,732,000 | 1,082,497,000 | 1,090,930,000 | 1,091,597,000 | 1,091,264,000 | +334,000 | -333,000 | D |
| National Institute of Dental Research | 130,834,000 | 135,796,000 | 138,053,000 | 137,096,000 | 138,053,000 | --- | +957,000 | D |
| National Institute of Diabetes, Digestive, and Kidney Diseases | 559,648,000 | 582,629,000 | 590,276,000 | 593,497,000 | 591,887,000 | +1,611,000 | -1,610,000 | D |
| National Institute of Neurological Disorders and Stroke | 472,346,000 | 493,502,000 | 495,203,000 | 498,988,000 | 497,096,000 | +1,893,000 | -1,892,000 | D |
| National Institute of Allergy and Infectious Diseases | 742,277,000 | 842,712,000 | 845,523,000 | 847,112,000 | 846,318,000 | +795,000 | -794,000 | D |
| National Institute of General Medical Sciences | 654,664,000 | 682,249,000 | 692,639,000 | 752,939,000 | 691,866,000 | -773,000 | -61,073,000 | D |
| National Institute of Child Health and Human Development | 425,532,000 | 444,193,000 | 448,493,000 | 450,593,000 | 450,593,000 | +2,100,000 | --- | D |
| National Eye Institute | 231,292,000 | 239,474,000 | 240,636,000 | 241,774,000 | 241,205,000 | +569,000 | -569,000 | D |
| National Institute of Environmental Health Sciences | 223,695,000 | 230,848,000 | 232,479,000 | 234,048,000 | 233,264,000 | +785,000 | -784,000 | D |
| National Institute on Aging | 222,845,000 | 230,490,000 | 241,528,000 | 245,490,000 | 243,509,000 | +1,981,000 | -1,981,000 | D |
| National Institute of Arthritis and Musculosketal and Skin Diseases | 160,015,000 | 168,588,000 | 171,673,000 | 171,688,000 | 171,681,000 | +8,000 | -7,000 | D |
| National Institute on Deafness and Other Communication Disorders | 94,833,000 | 99,902,000 | 99,952,000 | 121,116,000 | 119,000,000 | +19,048,000 | -2,116,000 | D |
| Research Resources | 358,332,000 | 307,956,000 | 356,128,000 | 362,253,000 | 354,191,000 | -1,937,000 | -8,062,000 | D |
| National Center for Nursing Research | 29,132,000 | 30,969,000 | 32,969,000 | 34,969,000 | 33,969,000 | +1,000,000 | -1,000,000 | D |
| National Center for Human Genome Research | 27,569,000 | 100,000,000 | 62,000,000 | --- | 60,000,000 | -2,000,000 | +60,000,000 | D |

1/ President's budget requests AIDS funds under a consolidated account.

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| John E. Fogarty International Center..... | 14,002,000 | 15,532,000 | 15,579,000 | 15,532,000 | 15,556,000 | -23,000 | +24,000 | D |
| National Library of Medicine..... | 74,413,000 | 78,729,000 | 83,311,000 | 80,729,000 | 83,311,000 | --- | +2,582,000 | D |
| Office of the Director..... | 68,223,000 | 95,658,000 | 106,987,000 | 127,570,000 | 108,987,000 | +2,000,000 | -18,583,000 | D |
| Buildings and facilities..... | 38,492,000 | 21,600,000 | 81,600,000 | 41,600,000 | 61,600,000 | -20,000,000 | +20,000,000 | D |
| Procurement reform (section 219)..... | --- | --- | --- | -4,000,000 | -4,000,000 | -4,000,000 | --- | D |
| Extramural salary savings (sections 217 and 219)..... | --- | --- | --- | --- | -10,000,000 | -10,000,000 | -10,000,000 | D |
| Total, N.I.H. funding including AIDS..... | 7,144,819,000 | 7,529,397,000 | 7,678,625,000 | 7,713,064,000 | 7,683,350,000 | +4,725,000 | -29,714,000 | |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION | | | | | | | | |
| ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH | | | | | | | | |
| Grants to States: | | | | | | | | |
| Consolidated Alcohol, Drug Abuse and Mental Health block grant | 805,594,000 | 800,000,000 | 805,594,000 | 815,000,000 | 790,000,000 | -15,594,000 | -25,000,000 | D |
| (Set-aside for research & evaluation, non-add) | (40,280,000) | (40,000,000) | (40,280,000) | (40,750,000) | (39,500,000) | (-780,000) | (-1,250,000) | |
| Grants to States for the homeless | 14,128,000 | 35,028,000 | 35,000,000 | 21,192,000 | 28,096,000 | -6,904,000 | +6,904,000 | D |
| Advance funding for FY 1991 | --- | --- | --- | --- | 6,904,000 | +6,904,000 | +6,904,000 | D |
| Mental health state planning grants | 4,730,000 | --- | --- | --- | --- | --- | --- | D |
| Subtotal, grants to States | 824,452,000 | 835,028,000 | 840,594,000 | 836,192,000 | 825,000,000 | -15,594,000 | -11,192,000 | |
| Drug Treatment Grants | 75,000,000 | 25,000,000 | 25,000,000 | 25,000,000 | 25,000,000 | --- | --- | D |
| New Treatment Grants, crisis areas | --- | 30,000,000 | 10,000,000 | 15,000,000 | 10,000,000 | --- | -5,000,000 | D |
| Mental Health: | | | | | | | | |
| Research 1/ | 354,464,000 | 389,110,000 | 389,110,000 | 424,455,000 | 419,000,000 | +29,890,000 | -5,455,000 | D |
| Clinical training | 12,844,000 | 8,000,000 | 12,844,000 | 14,500,000 | 13,672,000 | +828,000 | -828,000 | D |
| Community Support Demonstrations | 25,920,000 | 19,000,000 | 26,000,000 | 27,591,000 | 28,591,000 | +2,591,000 | +1,000,000 | D |
| Mental health prevention demonstrations | --- | --- | --- | 4,337,000 | --- | --- | -4,337,000 | D |
| Homeless Services Demonstrations | 4,594,000 | 11,500,000 | 6,100,000 | 6,100,000 | 6,100,000 | --- | --- | D |
| Protection and advocacy | 12,844,000 | 10,555,000 | 12,844,000 | 14,144,000 | 14,144,000 | +1,300,000 | --- | D |
| Direct operations 1/ | 39,229,000 | 41,628,000 | 40,628,000 | 40,714,000 | 40,671,000 | +43,000 | -43,000 | D |
| Subtotal, mental health | 449,895,000 | 479,793,000 | 487,526,000 | 531,841,000 | 522,178,000 | +34,652,000 | -9,663,000 | |

1/ Includes AIDS.

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| Drug Abuse: | | | | | | | | |
| Research 1/ | 263,539,000 | 288,489,000 | 294,569,000 | 293,444,000 | 288,489,000 | -6,080,000 | -4,955,000 | D |
| Treatment demonstrations | 7,000,000 | 7,000,000 | 7,000,000 | 7,500,000 | 7,000,000 | --- | -500,000 | D |
| Direct operations 1/ | 17,914,000 | 21,544,000 | 21,544,000 | 21,544,000 | 21,544,000 | --- | --- | D |
| Subtotal, drug abuse | 288,453,000 | 317,033,000 | 323,113,000 | 322,488,000 | 317,033,000 | -6,080,000 | -5,455,000 | |
| Alcoholism and Alcohol Abuse: | | | | | | | | |
| Research 1/ | 109,888,000 | 116,313,000 | 119,528,000 | 122,270,000 | 116,313,000 | -3,215,000 | -5,957,000 | D |
| Substance abuse homeless demonstrations | 4,545,000 | 17,000,000 | 10,000,000 | 9,090,000 | 9,545,000 | -455,000 | +455,000 | D |
| Advance funding for FY 1991 | --- | --- | --- | --- | 455,000 | +455,000 | +455,000 | D |
| Direct operations 1/ | 9,621,000 | 10,834,000 | 10,834,000 | 10,834,000 | 10,834,000 | --- | --- | D |
| Subtotal, alcoholism | 124,054,000 | 144,147,000 | 140,362,000 | 142,194,000 | 137,147,000 | -3,215,000 | -5,047,000 | |
| Office of Substance Abuse Prevention: | | | | | | | | |
| Prevention programs | 41,168,000 | 42,193,000 | 42,193,000 | 42,856,000 | 42,193,000 | --- | -663,000 | D |
| Community youth activity program | 15,000,000 | 15,000,000 | 15,000,000 | 15,000,000 | 15,000,000 | --- | --- | D |
| New community prevention grants | --- | 35,000,000 | 5,000,000 | 40,000,000 | 10,000,000 | +5,000,000 | -30,000,000 | D |
| Training | 5,000,000 | 5,300,000 | 5,300,000 | 7,300,000 | 6,300,000 | +1,000,000 | -1,000,000 | D |
| Direct operations | 8,685,000 | 9,810,000 | 9,810,000 | 9,810,000 | 9,810,000 | --- | --- | D |
| Subtotal, Substance Abuse Prevention | 69,853,000 | 107,303,000 | 77,303,000 | 114,966,000 | 83,303,000 | +6,000,000 | -31,663,000 | |

1/ Includes AIDS.

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| Treatment outcome evaluations | 2,282,000 | 7,257,000 | 2,506,000 | 7,257,000 | 4,882,000 | +2,376,000 | -2,375,000 | D |
| Buildings and facilities | 198,000 | 198,000 | 198,000 | 198,000 | 198,000 | --- | --- | D |
| Program management, ADAMHA | 9,375,000 | 10,560,000 | 10,560,000 | 10,312,000 | 10,436,000 | -124,000 | +124,000 | D |
| Extramural salary savings (section 217) | --- | --- | --- | --- | -1,000,000 | -1,000,000 | -1,000,000 | D |
| Total, Alcohol, Drug Abuse & Mental Health | 1,843,562,000 | 1,956,319,000 | 1,917,162,000 | 2,005,448,000 | 1,934,177,000 | +17,015,000 | -71,271,000 | |
| Current year, FY 1990 | (1,843,562,000) | (1,956,319,000) | (1,917,162,000) | (2,005,448,000) | (1,926,818,000) | (+9,656,000) | (-78,630,000) | |
| Advance funding for FY 1991 | --- | --- | --- | --- | (7,359,000) | (+7,359,000) | (+7,359,000) | |
| ST. ELIZABETHS HOSPITAL | 23,712,000 | 18,000,000 | 18,000,000 | 18,000,000 | 18,000,000 | --- | --- | D |
| Total, Alcohol, Drug Abuse & Mental Health Admin | 1,867,274,000 | 1,974,319,000 | 1,935,162,000 | 2,023,448,000 | 1,952,177,000 | +17,015,000 | -71,271,000 | |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| ASSISTANT SECRETARY FOR HEALTH | | | | | | | | |
| OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH 1/ | | | | | | | | |
| Health Services Research and Technology Assessment: | | | | | | | | |
| Research | 17,112,000 | 12,153,000 | 12,153,000 | 14,153,000 | 13,153,000 | +1,000,000 | -1,000,000 | D |
| Trust funds | (6,916,000) | (1,037,000) | (1,037,000) | (1,037,000) | (1,037,000) | --- | --- | TF |
| Program support | 1,660,000 | 1,693,000 | 1,693,000 | 1,693,000 | 1,693,000 | --- | --- | D |
| Subtotal including trust funds | 25,688,000 | 14,883,000 | 14,883,000 | 16,883,000 | 15,883,000 | +1,000,000 | -1,000,000 | |
| Population affairs: (unauthorized, deferred by House) | | | | | | | | |
| Adolescent family life | 9,529,000 | 9,529,000 | DEFER | 9,529,000 | 9,529,000 | +9,529,000 | --- | D |
| Health Initiatives : | | | | | | | | |
| Office of Disease Prevention and Health Promotion | 4,446,000 | 4,496,000 | 4,496,000 | 4,496,000 | 4,496,000 | --- | --- | D |
| Physical fitness and sports | 1,481,000 | 1,503,000 | 1,503,000 | 2,503,000 | 2,503,000 | +1,000,000 | --- | D |
| Minority health | 2,964,000 | 3,022,000 | 4,522,000 | 3,022,000 | 4,000,000 | -522,000 | +978,000 | D |
| National vaccine program | --- | --- | 10,000,000 | 4,500,000 | 6,000,000 | -4,000,000 | +1,500,000 | D |
| Health Service Management | 18,698,000 | 19,630,000 | 19,630,000 | 19,930,000 | 19,630,000 | --- | -300,000 | D |
| Acquired Immune Deficiency Syndrome (AIDS) 1/ | 13,270,000 | 41,348,000 | 41,348,000 | 16,348,000 | 16,348,000 | -25,000,000 | --- | D |
| Undistributed | --- | --- | --- | 1,000,000 | --- | --- | -1,000,000 | D |
| Total, PHS management, authorized | 59,631,000 | 83,845,000 | 95,345,000 | 67,645,000 | 67,823,000 | -27,522,000 | +178,000 | |
| (Unauthorized, deferred by House) | 9,529,000 | 9,529,000 | DEFER | 9,529,000 | 9,529,000 | +9,529,000 | --- | |
| Total, authorized and unauthorized | 69,160,000 | 93,374,000 | 95,345,000 | 77,174,000 | 77,352,000 | -17,993,000 | +178,000 | |

1/ President's budget requests AIDS funding for FY 1990 under consolidated account.

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| RETIREMENT PAY AND MEDICAL BENEFITS FOR COMMISSIONED OFFICERS 1/ | | | | | | | | |
| Retirement payments | 80,561,000 | 83,973,000 | 83,973,000 | 83,973,000 | 83,973,000 | --- | --- | M |
| Survivors benefits | 4,658,000 | 5,017,000 | 5,017,000 | 5,017,000 | 5,017,000 | --- | --- | M |
| Dependent's medical care | 12,402,000 | 13,121,000 | 13,121,000 | 13,121,000 | 13,121,000 | --- | --- | M |
| Contingency | --- | 5,000,000 | --- | --- | --- | --- | --- | M |
| Military Services Credits | 6,694,000 | 3,090,000 | 3,090,000 | 3,090,000 | 3,090,000 | --- | --- | M |
| Total, Retirement pay and medical benefits | 104,315,000 | 110,201,000 | 105,201,000 | 105,201,000 | 105,201,000 | --- | --- | |
| MEDICAL TREATMENT EFFECTIVENESS | | | | | | | | |
| Federal funds | --- | 24,000,000 | 5,000,000 | 30,000,000 | 27,000,000 | +22,000,000 | -3,000,000 | D |
| Trust funds | --- | (28,000,000) | (15,000,000) | (5,000,000) | (5,000,000) | (-10,000,000) | --- | TF |
| Total, Medical treatment effectiveness | --- | 52,000,000 | 20,000,000 | 35,000,000 | 32,000,000 | +12,000,000 | -3,000,000 | |
| Total, Public Health Service | 11,773,022,000 | 12,340,825,000 | 12,644,115,000 | 12,912,723,000 | 12,764,518,000 | +120,403,000 | -148,205,000 | |
| Current year, FY 1990 | (11,766,106,000) | (12,311,788,000) | (12,628,078,000) | (12,906,686,000) | (12,739,237,000) | (+111,159,000) | (-167,449,000) | |
| Advance funding for FY 1991 | --- | --- | --- | --- | (19,244,000) | (+19,244,000) | (+19,244,000) | |
| (Unauthorized, deferred by the House) | 147,849,000 | 147,893,000 | DEFER | 151,893,000 | 150,529,000 | +150,529,000 | -1,364,000 | |
| Total, authorized and unauthorized | 11,920,871,000 | 12,488,718,000 | 12,644,115,000 | 13,064,616,000 | 12,915,047,000 | +270,932,000 | -149,569,000 | |

1/ FY90 request proposed for later transmittal.

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| HEALTH CARE FINANCING ADMINISTRATION | | | | | | | | |
| GRANTS TO STATES FOR MEDICAID | | | | | | | | |
| Medicaid current law benefits | 32,762,986,000 | 37,297,341,000 | 36,777,184,000 | 37,297,341,000 | 37,297,341,000 | +520,157,000 | --- | M |
| State and local administration | 1,529,000,000 | 1,839,313,000 | 1,839,313,000 | 1,839,313,000 | 1,839,313,000 | --- | --- | M |
| Subtotal, medicaid program level, FY 1990 | 34,291,986,000 | 39,136,654,000 | 38,616,497,000 | 39,136,654,000 | 39,136,654,000 | +520,157,000 | --- | |
| Less funds advanced in prior year | -8,000,000,000 | -9,000,000,000 | -9,000,000,000 | -9,000,000,000 | -9,000,000,000 | --- | --- | M |
| Total, current request, FY 1990 | 26,291,986,000 | 30,136,654,000 | 29,616,497,000 | 30,136,654,000 | 30,136,654,000 | +520,157,000 | --- | |
| New advance, 1st quarter, FY 1991 | 9,000,000,000 | 10,400,000,000 | 10,400,000,000 | 10,400,000,000 | 10,400,000,000 | --- | --- | M |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| PAYMENTS TO HEALTH CARE TRUST FUNDS | | | | | | | | |
| Supplemental medical insurance | 30,712,000,000 | 35,925,500,000 | 35,925,500,000 | 35,925,500,000 | 35,925,500,000 | --- | --- | M |
| Hospital insurance for uninsured | 493,000,000 | 378,000,000 | 378,000,000 | 378,000,000 | 378,000,000 | --- | --- | M |
| Federal uninsured payment | 22,000,000 | 35,000,000 | 35,000,000 | 35,000,000 | 35,000,000 | --- | --- | M |
| Total, Payment to Trust Funds 1/ | 31,227,000,000 | 36,338,500,000 | 36,338,500,000 | 36,338,500,000 | 36,338,500,000 | --- | --- | |
| PROGRAM MANAGEMENT | | | | | | | | |
| Research, demonstration, and evaluation: | | | | | | | | |
| Regular program: | | | | | | | | |
| Federal funds | 9,880,000 | 14,000,000 | 13,000,000 | 14,000,000 | 13,000,000 | --- | -1,000,000 | D |
| Trust funds | (19,760,000) | (23,000,000) | (21,000,000) | (23,000,000) | (21,000,000) | --- | (-2,000,000) | TF |
| Mandated studies related to catastrophic HI, trust funds | (12,000,000) | --- | --- | --- | --- | --- | --- | TF |
| Rural hospital transition demonstrations, trust funds | (8,892,000) | --- | (12,000,000) | (20,000,000) | (18,000,000) | (+6,000,000) | (-2,000,000) | TF |
| Subtotal, research, demonstration, & evaluation | 50,532,000 | 37,000,000 | 46,000,000 | 57,000,000 | 52,000,000 | +6,000,000 | -5,000,000 | |
| Medicare Contractors (Trust Funds): | | | | | | | | |
| Operating funds, current | (1,361,588,000) | (1,439,013,000) | (1,520,000,000) | (1,439,013,000) | (1,439,013,000) | (-80,987,000) | --- | TF |
| Contingency reserve fund | (98,800,000) | (100,000,000) | (100,000,000) | (100,000,000) | (100,000,000) | --- | --- | TF |
| Subtotal, Contractors | (1,460,388,000) | (1,539,013,000) | (1,620,000,000) | (1,539,013,000) | (1,539,013,000) | (-80,987,000) | --- | |

1/ Excludes legislative savings of $850 million proposed for later transmittal.

29-059 O-90-13 (Pt. 17)

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| State Certification: | | | | | | | | |
| Medicare certification, trust funds | (63,168,000) | (92,442,000) | (92,442,000) | (92,442,000) | (92,442,000) | --- | --- | TF |
| General program support, federal funds | 4,173,000 | 6,558,000 | 6,558,000 | 6,558,000 | 6,558,000 | --- | --- | D |
| Subtotal, State certification | (67,341,000) | (99,000,000) | (99,000,000) | (99,000,000) | (99,000,000) | --- | --- | |
| Federal Administration: | | | | | | | | |
| Federal funds | 80,769,000 | 82,633,000 | 82,633,000 | 82,633,000 | 82,633,000 | --- | --- | D |
| Less user fees | -1,538,000 | -283,000 | -283,000 | -283,000 | -283,000 | --- | --- | D |
| Trust funds | (235,496,000) | (246,717,000) | (246,717,000) | (246,717,000) | (246,717,000) | --- | --- | TF |
| Subtotal, Federal Administration | 314,727,000 | 329,067,000 | 329,067,000 | 329,067,000 | 329,067,000 | --- | --- | |
| Total, Program management | 1,892,988,000 | 2,004,080,000 | 2,094,067,000 | 2,024,080,000 | 2,019,080,000 | -74,987,000 | -5,000,000 | |
| Federal funds | 93,284,000 | 102,908,000 | 101,908,000 | 102,908,000 | 101,908,000 | --- | -1,000,000 | |
| Trust funds | (1,799,704,000) | (1,901,172,000) | (1,992,159,000) | (1,921,172,000) | (1,917,172,000) | (-74,987,000) | (-4,000,000) | |
| HMO LOAN AND LOAN GUARANTEE FUND | --- | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | --- | --- | D |
| Total, Health Care Financing Administration: | | | | | | | | |
| Federal funds | 66,612,270,000 | 76,983,062,000 | 76,461,905,000 | 76,983,062,000 | 76,982,062,000 | +520,157,000 | -1,000,000 | |
| Current year, FY 1990 | (57,612,270,000) | (66,583,062,000) | (66,061,905,000) | (66,583,062,000) | (66,582,062,000) | (+520,157,000) | (-1,000,000) | |
| New advance, 1st quarter, FY 1991 | (9,000,000,000) | (10,400,000,000) | (10,400,000,000) | (10,400,000,000) | (10,400,000,000) | --- | --- | |
| Trust funds | (1,799,704,000) | (1,901,172,000) | (1,992,159,000) | (1,921,172,000) | (1,917,172,000) | (-74,987,000) | (-4,000,000) | |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| SOCIAL SECURITY ADMINISTRATION | | | | | | | | |
| PAYMENTS TO SOCIAL SECURITY TRUST FUNDS | 93,631,000 | 191,968,000 | 191,968,000 | 191,968,000 | 191,968,000 | --- | --- | M |
| SPECIAL BENEFITS FOR DISABLED COAL MINERS | | | | | | | | |
| Benefit payments | 878,656,000 | 853,000,000 | 853,000,000 | 853,000,000 | 853,000,000 | --- | --- | M |
| Administration | 6,680,000 | 6,862,000 | 6,862,000 | 6,862,000 | 6,862,000 | --- | --- | M |
| Subtotal, Black Lung, FY 1990 program level | 885,336,000 | 859,862,000 | 859,862,000 | 859,862,000 | 859,862,000 | --- | --- | |
| Less funds advanced in prior year | -250,000,000 | -211,000,000 | -211,000,000 | -211,000,000 | -211,000,000 | --- | --- | M |
| Total, Black Lung, current request, FY 1990 | 635,336,000 | 648,862,000 | 648,862,000 | 648,862,000 | 648,862,000 | --- | --- | |
| New advance, 1st quarter, FY 1991 | 211,000,000 | 215,000,000 | 215,000,000 | 215,000,000 | 215,000,000 | --- | --- | M |
| SUPPLEMENTAL SECURITY INCOME | | | | | | | | |
| Federal benefit payments | 11,368,000,000 | 10,925,613,000 | 10,925,613,000 | 10,925,613,000 | 10,925,613,000 | --- | --- | M |
| Beneficiary services | 13,547,000 | 13,739,000 | 13,739,000 | 13,739,000 | 13,739,000 | --- | --- | M |
| Research demonstration | 2,275,000 | 2,275,000 | 5,275,000 | 2,275,000 | 5,275,000 | --- | +3,000,000 | M |
| Administration | 1,090,131,000 | 1,110,815,000 | 1,090,131,000 | 1,090,131,000 | 1,090,131,000 | --- | --- | D |
| Subtotal, SSI FY 1990 program level | 12,473,953,000 | 12,052,442,000 | 12,034,758,000 | 12,031,758,000 | 12,034,758,000 | --- | +3,000,000 | |
| Less funds advanced in prior year | -3,000,000,000 | -2,936,000,000 | -2,936,000,000 | -2,936,000,000 | -2,936,000,000 | --- | --- | M |
| Total, SSI, current request, FY 1990 | 9,473,953,000 | 9,116,442,000 | 9,098,758,000 | 9,095,758,000 | 9,098,758,000 | --- | +3,000,000 | |
| New advance, 1st quarter, FY 1991 | 2,936,000,000 | 3,157,000,000 | 3,157,000,000 | 3,157,000,000 | 3,157,000,000 | --- | --- | M |
| LIMITATION ON ADMINISTRATIVE EXPENSES (Trust Funds) | (3,731,398,000) | (3,833,389,000) | (3,833,389,000) | (3,847,389,000) | (3,837,389,000) | (+4,000,000) | (-10,000,000) | TF |
| (Contingency reserve, non-add) | (97,870,000) | (47,870,000) | (97,870,000) | (97,870,000) | (97,870,000) | --- | --- | NA |
| Total, Social Security Administration: | | | | | | | | |
| Federal funds | 13,349,920,000 | 13,329,272,000 | 13,311,588,000 | 13,308,588,000 | 13,311,588,000 | --- | +3,000,000 | |
| Current year FY 1990 | (10,202,920,000) | (9,957,272,000) | (9,939,588,000) | (9,936,588,000) | (9,939,588,000) | --- | (+3,000,000) | |
| New advances, 1st quarter FY 1991 | (3,147,000,000) | (3,372,000,000) | (3,372,000,000) | (3,372,000,000) | (3,372,000,000) | --- | --- | |
| Trust funds | (3,731,398,000) | (3,833,389,000) | (3,833,389,000) | (3,847,389,000) | (3,837,389,000) | (+4,000,000) | (-10,000,000) | |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| FAMILY SUPPORT ADMINISTRATION | | | | | | | | |
| FAMILY SUPPORT PAYMENTS TO STATES 1/ | | | | | | | | |
| Aid to Families with Dependent Children (AFDC)..... | 8,897,874,000 | 9,345,000,000 | 9,345,000,000 | 9,345,000,000 | 9,345,000,000 | --- | --- | M |
| Quality control disallowances..... | -63,000,000 | -516,000,000 | --- | --- | --- | --- | --- | M |
| Payments to territories..... | 16,346,000 | 16,346,000 | 16,346,000 | 16,346,000 | 16,346,000 | --- | --- | M |
| Emergency assistance, incl. welfare hotel demos 2/.... | 131,200,000 | 157,200,000 | 157,200,000 | 157,200,000 | 157,200,000 | --- | --- | M |
| Repatriation..... | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | --- | --- | M |
| State and local welfare administration..... | 1,474,600,000 | 1,599,400,000 | 1,599,400,000 | 1,599,400,000 | 1,599,400,000 | --- | --- | M |
| Work activities / child care..... | 12,000,000 | 163,000,000 | 163,000,000 | 163,000,000 | 163,000,000 | --- | --- | M |
| Regulatory savings, essential persons..... | -25,000,000 | -55,000,000 | -55,000,000 | -55,000,000 | -55,000,000 | --- | --- | M |
| Subtotal, Welfare payments..... | 10,445,020,000 | 10,710,946,000 | 11,226,946,000 | 11,226,946,000 | 11,226,946,000 | --- | --- | |
| Child Support Enforcement: | | | | | | | | |
| State and local administration..... | 941,000,000 | 1,033,000,000 | 1,033,000,000 | 1,033,000,000 | 1,033,000,000 | --- | --- | M |
| Federal incentive payments..... | 260,000,000 | 294,000,000 | 294,000,000 | 294,000,000 | 294,000,000 | --- | --- | M |
| Less federal share collections..... | -754,000,000 | -846,000,000 | -846,000,000 | -846,000,000 | -846,000,000 | --- | --- | M |
| Subtotal, Child support..... | 447,000,000 | 481,000,000 | 481,000,000 | 481,000,000 | 481,000,000 | --- | --- | |
| Total, Payments, FY 1990 program level..... | 10,892,020,000 | 11,191,946,000 | 11,707,946,000 | 11,707,946,000 | 11,707,946,000 | --- | --- | |
| Less funds advanced in previous years..... | -2,500,000,000 | -2,700,000,000 | -2,700,000,000 | -2,700,000,000 | -2,700,000,000 | --- | --- | M |
| Total, Payments, current request, FY 1990..... | 8,392,020,000 | 8,491,946,000 | 9,007,946,000 | 9,007,946,000 | 9,007,946,000 | --- | --- | |
| New advance, 1st quarter, FY 1991..... | 2,700,000,000 | 3,000,000,000 | 3,000,000,000 | 3,000,000,000 | 3,000,000,000 | --- | --- | M |

1/ Excludes legislative savings of $350 million proposed for later transmittal.

2/ Administration proposed to fund demos under the Office of Human Development Services.

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| PAYMENTS TO STATES FOR AFDC WORK PROGRAMS | | | | | | | | |
| New Jobs Activities program | --- | 254,000,000 | 318,535,000 | 329,975,000 | 329,975,000 | +11,440,000 | --- | M |
| WIN Phaseout | 91,440,000 | 95,975,000 | 31,440,000 | 20,000,000 | 20,000,000 | -11,440,000 | --- | D |
| Total, AFDC work programs | 91,440,000 | 349,975,000 | 349,975,000 | 349,975,000 | 349,975,000 | --- | --- | |
| LOW INCOME HOME ENERGY ASSISTANCE | | | | | | | | |
| Energy Assistance Block Grant: | | | | | | | | |
| FY 1990 | 1,383,200,000 | 1,100,000,000 | 1,400,000,000 | 1,278,654,000 | 1,333,000,000 | -67,000,000 | +54,346,000 | D |
| Forward funding | --- | --- | --- | --- | 60,000,000 | +60,000,000 | +60,000,000 | D |
| Total, Energy Assistance | 1,383,200,000 | 1,100,000,000 | 1,400,000,000 | 1,278,654,000 | 1,393,000,000 | -7,000,000 | +114,346,000 | |
| REFUGEE AND ENTRANT ASSISTANCE | | | | | | | | |
| Cash and medical assistance 1/ | 261,820,000 | 201,659,000 | DEFER | 261,820,000 | 210,000,000 | +210,000,000 | -51,820,000 | D |
| Social services | 64,906,000 | 30,000,000 | DEFER | 69,906,000 | 75,000,000 | +75,000,000 | +5,094,000 | D |
| Voluntary agency program | 15,808,000 | 7,659,000 | DEFER | 45,808,000 | 40,000,000 | +40,000,000 | -5,808,000 | D |
| Preventive health | 5,770,000 | 3,000,000 | DEFER | 5,770,000 | 5,770,000 | +5,770,000 | --- | D |
| Targeted assistance | 34,052,000 | --- | DEFER | 34,052,000 | 38,052,000 | +38,052,000 | +4,000,000 | D |
| Total, Refugee Resettlement (unauthorized) | 382,356,000 | 242,318,000 | DEFER | 417,356,000 | 368,822,000 | +368,822,000 | -48,534,000 | |
| STATE LEGALIZATION IMPACT ASSISTANCE GRANTS | | | | | | | | |
| FY 1990 | --- | -400,000,000 | --- | -555,244,000 | -555,244,000 | -555,244,000 | --- | D |
| FY 1991 | --- | -400,000,000 | --- | 555,244,000 | --- | --- | -555,244,000 | D |
| FY 1992 | --- | --- | --- | --- | 555,244,000 | +555,244,000 | +555,244,000 | D |

1/ Includes State admin. costs.

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| COMMUNITY SERVICES BLOCK GRANT | | | | | | | | |
| Grants to States for Community Services | 318,630,000 | --- | 297,000,000 | 329,255,000 | 323,630,000 | +26,630,000 | -5,625,000 | D |
| Homeless services grants 1/ | 18,918,000 | 42,000,000 | 35,000,000 | 18,918,000 | 21,959,000 | -13,041,000 | +3,041,000 | D |
| Advance funding for FY 1991 | --- | --- | --- | --- | 8,041,000 | +8,041,000 | +8,041,000 | D |
| Discretionary funds: | | | | | | | | |
| Community economic development | 20,254,000 | --- | 20,254,000 | 20,254,000 | 20,254,000 | --- | --- | D |
| Rural housing | 4,013,000 | --- | 4,013,000 | 4,013,000 | 4,013,000 | --- | --- | D |
| Farmworker assistance | 2,948,000 | --- | 2,948,000 | 2,948,000 | 2,948,000 | --- | --- | D |
| National youth sports, regular activities | 6,669,000 | --- | 9,669,000 | 9,669,000 | 9,669,000 | --- | --- | D |
| National youth sports, substance abuse | 3,000,000 | --- | --- | --- | --- | --- | --- | D |
| Technical assistance | 236,000 | --- | 236,000 | 236,000 | 236,000 | --- | --- | D |
| Subtotal, discretionary funds | 37,120,000 | --- | 37,120,000 | 37,120,000 | 37,120,000 | --- | --- | |
| Community Partnerships | 3,512,000 | --- | DEFER | 3,512,000 | 3,512,000 | +3,512,000 | --- | D |
| Community Food and Nutrition | 2,418,000 | --- | 2,418,000 | 2,418,000 | 2,418,000 | --- | --- | D |
| Total, Community services, authorized | 377,086,000 | 42,000,000 | 371,538,000 | 387,711,000 | 393,168,000 | +21,630,000 | +5,457,000 | |
| Current year, FY 1990 | (377,086,000) | (42,000,000) | (371,538,000) | (387,711,000) | (385,127,000) | (+13,589,000) | (-2,584,000) | |
| Advance funding for FY 1991 | --- | --- | --- | --- | (8,041,000) | (+8,041,000) | (+8,041,000) | |
| (Unauthorized, deferred by House) | 3,512,000 | --- | DEFER | 3,512,000 | 3,512,000 | +3,512,000 | --- | |
| Total, authorized and unauthorized | 380,598,000 | 42,000,000 | 371,538,000 | 391,223,000 | 396,680,000 | +25,142,000 | +5,457,000 | |

1/ Administration requested under the Office of Human Development Services.

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| PROGRAM ADMINISTRATION | | | | | | | | |
| Federal Administration 1/ | 77,882,000 | 73,881,000 | 76,431,000 | 76,431,000 | 76,431,000 | --- | --- | D |
| Research & evaluation | 2,750,000 | 2,750,000 | 6,000,000 | 14,750,000 | 10,375,000 | +4,375,000 | -4,375,000 | D |
| Total, program administration | 80,632,000 | 76,631,000 | 82,431,000 | 91,181,000 | 86,806,000 | +4,375,000 | -4,375,000 | |
| Total, Family Support Administration, authorized | 13,024,378,000 | 12,260,552,000 | 14,211,890,000 | 14,115,467,000 | 14,230,895,000 | +19,005,000 | +115,428,000 | |
| Current year FY 1990 | (10,324,378,000) | (9,660,552,000) | (11,211,890,000) | (10,560,223,000) | (10,667,610,000) | (-544,280,000) | (+107,387,000) | |
| FY 1991 | (2,700,000,000) | (2,600,000,000) | (3,000,000,000) | (3,555,244,000) | (3,008,041,000) | (+8,041,000) | (-547,203,000) | |
| (Unauthorized, deferred by House) | 385,868,000 | 242,318,000 | DEFER | 420,868,000 | 372,334,000 | +372,334,000 | -48,534,000 | |
| Total, authorized and unauthorized | 13,410,246,000 | 12,502,870,000 | 14,211,890,000 | 14,536,335,000 | 14,603,229,000 | +391,339,000 | +66,894,000 | |

1/ FY90 request assumes an additional $1,550,000 from user fees.

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT SERVICES | | | | | | | | |
| SOCIAL SERVICES BLOCK GRANT (TITLE XX)..... | 2,700,000,000 | 2,700,000,000 | 2,700,000,000 | 2,700,000,000 | 2,700,000,000 | --- | --- | M |
| HUMAN DEVELOPMENT SERVICES 2/ | | | | | | | | |
| Programs for Children, Youth, and Families: | | | | | | | | |
| Head start..... | 1,235,000,000 | 1,405,000,000 | 1,400,000,000 | 1,405,000,000 | 1,405,000,000 | +5,000,000 | --- | D |
| Unauthorized, deferred by House..... | --- | 80,000,000 | DEFER | 80,000,000 | --- | --- | -80,000,000 | D |
| Child development associate scholarships..... | 1,450,000 | 1,450,000 | 1,450,000 | 1,450,000 | 1,450,000 | --- | --- | D |
| Family crisis program: | | | | | | | | |
| Child abuse state grants..... | 11,648,000 | --- | 11,648,000 | 11,824,000 | 11,736,000 | +88,000 | -88,000 | D |
| Child abuse challenge grants (Unauthorized)... | 4,834,000 | --- | DEFER | 5,000,000 | 5,000,000 | +5,000,000 | --- | D |
| Runaway and homeless youth..... | 26,923,000 | --- | 26,923,000 | 28,923,000 | 27,923,000 | +1,000,000 | -1,000,000 | D |
| Family violence..... | 8,219,000 | --- | 8,219,000 | 8,548,000 | 8,384,000 | +165,000 | -164,000 | D |
| Consolidated request..... | --- | 46,790,000 | --- | --- | --- | --- | --- | D |
| Abandoned infants assistance 2/..... | --- | --- | --- | 4,000,000 | 4,000,000 | +4,000,000 | --- | D |
| Subtotal, family crisis..... | 51,624,000 | 46,790,000 | 46,790,000 | 58,295,000 | 57,043,000 | +10,253,000 | -1,252,000 | |
| Dependent Care Planning and Development..... | 11,856,000 | --- | 11,856,000 | 14,856,000 | 13,356,000 | +1,500,000 | -1,500,000 | D |
| Child welfare assistance 1/..... | 246,679,000 | 256,053,000 | 256,053,000 | 256,053,000 | 256,053,000 | --- | --- | D |
| Subtotal..... | 1,546,609,000 | 1,789,293,000 | 1,716,149,000 | 1,815,654,000 | 1,732,902,000 | +16,753,000 | -82,752,000 | |

1/ Excludes $20 million for welfare hotel demos. considered under Family Support.

2/ Funded at $4,000,000 in House bill under Assistant Secretary for Health.

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| Programs for the Aging: | | | | | | | | |
| Grants to States: | | | | | | | | |
| Supportive Services and Centers | 274,352,000 | 275,652,000 | 275,652,000 | 275,652,000 | 275,652,000 | --- | --- | D |
| Ombudsman activities | 988,000 | 988,000 | 988,000 | 988,000 | 988,000 | --- | --- | D |
| Nutrition: | | | | | | | | |
| Congregate meals | 356,668,000 | 356,668,000 | 356,668,000 | 356,668,000 | 356,668,000 | --- | --- | D |
| Home-delivered meals | 78,546,000 | 78,546,000 | 78,546,000 | 81,546,000 | 80,046,000 | +1,500,000 | -1,500,000 | D |
| Aging outreach | --- | --- | --- | 5,000,000 | --- | --- | -5,000,000 | D |
| Federal Council on Aging | 188,000 | 188,000 | 188,000 | 188,000 | 188,000 | --- | --- | D |
| Grants to Indians | 10,710,000 | 7,410,000 | 12,710,000 | 12,710,000 | 12,710,000 | --- | --- | D |
| Frail elderly in-home services | 4,834,000 | 4,834,000 | 4,834,000 | 6,834,000 | 5,834,000 | +1,000,000 | -1,000,000 | D |
| Subtotal, Aging programs | 726,286,000 | 724,286,000 | 729,586,000 | 739,586,000 | 732,086,000 | +2,500,000 | -7,500,000 | |
| Developmental disabilities program: | | | | | | | | |
| State grants | 59,774,000 | 59,774,000 | 59,774,000 | 62,774,000 | 62,774,000 | +3,000,000 | --- | D |
| Protection and advocacy | 19,760,000 | 19,760,000 | 19,760,000 | 20,760,000 | 20,760,000 | +1,000,000 | --- | D |
| Subtotal, Developmental disabilities | 79,534,000 | 79,534,000 | 79,534,000 | 83,534,000 | 83,534,000 | +4,000,000 | --- | |
| Native American Programs | 29,975,000 | 29,975,000 | 29,975,000 | 34,300,000 | 32,138,000 | +2,163,000 | -2,162,000 | D |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| Human services research, training & demonstration: | | | | | | | | |
| New consolidated request | --- | 128,679,000 | --- | --- | --- | --- | --- | D |
| Comprehensive child development centers | 19,760,000 | --- | 24,760,000 | 25,000,000 | 25,000,000 | +240,000 | --- | D |
| Child abuse discretionary activities | 13,647,000 | --- | 13,647,000 | 13,647,000 | 13,647,000 | --- | --- | D |
| Runaway youth - transitional living | --- | --- | 5,000,000 | 5,000,000 | 5,000,000 | --- | --- | D |
| Runaway youth activities - drugs | 15,000,000 | --- | 10,000,000 | 10,000,000 | 10,000,000 | --- | --- | D |
| Youth gang substance abuse | 15,000,000 | --- | 12,000,000 | 12,000,000 | 11,500,000 | -500,000 | -500,000 | D |
| Temporary childcare/crisis nurseries | 4,940,000 | --- | 4,940,000 | 5,940,000 | 5,440,000 | +500,000 | -500,000 | D |
| Child welfare training | 3,696,000 | --- | 3,696,000 | 3,696,000 | 3,696,000 | --- | --- | D |
| Child welfare research | 9,315,000 | --- | 11,315,000 | 10,965,000 | 11,140,000 | -175,000 | +175,000 | D |
| Adoption opportunities | 6,027,000 | --- | 6,827,000 | 6,527,000 | 6,827,000 | --- | +300,000 | D |
| Aging research, training and special projects | 22,173,000 | --- | 26,173,000 | 25,173,000 | 25,673,000 | -500,000 | +500,000 | D |
| Developmental disabilities special projects | 2,901,000 | --- | 2,901,000 | 2,901,000 | 2,901,000 | --- | --- | D |
| Developmental disabilities university affiliated programs | 12,570,000 | --- | 12,570,000 | 13,370,000 | 13,370,000 | +800,000 | --- | D |
| Total, Human Services Res, Trng & demonstration | 125,029,000 | 128,679,000 | 133,829,000 | 134,219,000 | 134,194,000 | +365,000 | -25,000 | |
| Program direction | 66,140,000 | 68,886,000 | 68,886,000 | 69,586,000 | 69,236,000 | +350,000 | -350,000 | D |
| Total, Human Development Services | 2,568,739,000 | 2,740,653,000 | 2,757,959,000 | 2,791,879,000 | 2,779,090,000 | +21,131,000 | -12,789,000 | |
| (Unauthorized, deferred by House) | 4,834,000 | 80,000,000 | DEFER | 85,000,000 | 5,000,000 | +5,000,000 | -80,000,000 | |
| Total, authorized and unauthorized | 2,573,573,000 | 2,820,653,000 | 2,757,959,000 | 2,876,879,000 | 2,784,090,000 | +26,131,000 | -92,789,000 | |
| CHILD CARE (unauthorized, deferred by House) | --- | --- | DEFER | 1,200,000,000 | --- | --- | -1,200,000,000 | D |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| PAYMENTS TO STATES FOR FOSTER CARE AND ADOPTION ASSISTANCE | | | | | | | | |
| Foster care | 854,233,000 | 1,161,181,000 | 1,204,782,000 | 1,161,181,000 | 1,204,782,000 | --- | +43,601,000 | M |
| Adoption assistance | 111,744,000 | 125,266,000 | 125,266,000 | 125,266,000 | 125,266,000 | --- | --- | M |
| Independent living | 45,000,000 | --- | DEFER | 50,000,000 | 50,000,000 | +50,000,000 | --- | M |
| Prior year claims | 532,275,000 | --- | 226,316,000 | --- | --- | -226,316,000 | --- | M |
| Total, Payments to States | 1,543,252,000 | 1,286,447,000 | 1,556,364,000 | 1,336,447,000 | 1,380,048,000 | -176,316,000 | +43,601,000 | |
| Total, Asst. Sec. for Human Development | 6,766,991,000 | 6,727,100,000 | 7,014,323,000 | 6,778,326,000 | 6,809,138,000 | -205,185,000 | +30,812,000 | |
| (Unauthorized, deferred by House) | 49,834,000 | 80,000,000 | DEFER | 1,335,000,000 | 55,000,000 | +55,000,000 | -1,280,000,000 | |
| Total, authorized and unauthorized | 6,816,825,000 | 6,807,100,000 | 7,014,323,000 | 8,113,326,000 | 6,864,138,000 | -150,185,000 | -1,249,188,000 | |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| DEPARTMENTAL MANAGEMENT | | | | | | | | |
| GENERAL DEPARTMENTAL MANAGEMENT: | | | | | | | | |
| Federal funds | 52,838,000 | 71,046,000 | 80,327,000 | 90,577,000 | 80,577,000 | +250,000 | -10,000,000 | D |
| Trust funds | (5,024,000) | (5,085,000) | (31,201,000) | (31,201,000) | (31,201,000) | --- | --- | TF |
| Total, Departmental management | 57,862,000 | 76,131,000 | 111,528,000 | 121,778,000 | 111,778,000 | +250,000 | -10,000,000 | |
| OFFICE OF GENERAL COUNSEL: | | | | | | | | |
| Federal funds | 16,220,000 | 19,281,000 | --- | --- | --- | --- | --- | D |
| Trust funds | (25,641,000) | (26,116,000) | --- | --- | --- | --- | --- | TF |
| Total, Office of General Counsel | 41,861,000 | 45,397,000 | --- | --- | --- | --- | --- | |
| OFFICE OF THE INSPECTOR GENERAL: | | | | | | | | |
| Federal funds | 46,092,000 | 49,498,000 | 49,498,000 | 50,600,000 | 50,600,000 | +1,102,000 | --- | D |
| Trust funds | (39,520,000) | (43,300,000) | (44,300,000) | (44,300,000) | (44,300,000) | --- | --- | TF |
| Total, Inspector General | 85,612,000 | 92,798,000 | 93,798,000 | 94,900,000 | 94,900,000 | +1,102,000 | --- | |
| OFFICE FOR CIVIL RIGHTS: | | | | | | | | |
| Federal funds | 15,979,000 | 17,567,000 | 17,567,000 | 17,567,000 | 17,567,000 | --- | --- | D |
| Trust funds | (3,952,000) | (4,000,000) | (4,000,000) | (4,000,000) | (4,000,000) | --- | --- | TF |
| Total, Civil Rights | 19,931,000 | 21,567,000 | 21,567,000 | 21,567,000 | 21,567,000 | --- | --- | |
| POLICY RESEARCH | 7,851,000 | 5,012,000 | 5,012,000 | 5,012,000 | 5,012,000 | --- | --- | D |
| Total, Departmental management: | | | | | | | | |
| Federal funds | 138,980,000 | 162,404,000 | 152,404,000 | 163,756,000 | 153,756,000 | +1,352,000 | -10,000,000 | |
| Trust funds | (74,137,000) | (78,501,000) | (79,501,000) | (79,501,000) | (79,501,000) | --- | --- | |
| Total, Departmental management | (213,117,000) | (240,905,000) | (231,905,000) | (243,257,000) | (233,257,000) | (+1,352,000) | (-10,000,000) | |
| CONSULTANT SAVINGS | --- | --- | --- | --- | -5,400,000 | -5,400,000 | -5,400,000 | D |
| UNDISTRIBUTED SALARY & EXPENSE SAVINGS, GENERAL FUNDS. | --- | --- | --- | --- | -15,000,000 | -15,000,000 | -15,000,000 | D |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| Total, Department of Health and Human Services: | | | | | | | | |
| Federal Funds (all years) (authorized)..... | 111,658,645,000 | 121,774,178,000 | 123,780,188,000 | 124,255,885,000 | 124,225,520,000 | +445,332,000 | -30,365,000 | |
| Current year FY 1990..... | (96,811,645,000) | (105,402,178,000) | (107,008,188,000) | (106,928,641,000) | (106,870,991,000) | (-137,197,000) | (-57,650,000) | |
| FY 1991..... | (14,847,000,000) | (16,372,000,000) | (16,772,000,000) | (17,327,244,000) | (16,799,285,000) | (+27,285,000) | (-527,959,000) | |
| FY 1992..... | --- | --- | --- | --- | (555,244,000) | (+555,244,000) | (+555,244,000) | |
| (Unauthorized, deferred by House)..... | 583,551,000 | 470,211,000 | DEFER | 1,907,761,000 | 577,863,000 | +577,863,000 | -1,329,898,000 | |
| Total, authorized and unauthorized..... | 112,242,196,000 | 122,244,389,000 | 123,780,188,000 | 126,163,646,000 | 124,803,383,000 | +1,023,195,000 | -1,360,263,000 | |
| Trust funds..... | (5,612,155,000) | (5,842,099,000) | (5,921,086,000) | (5,854,099,000) | (5,840,099,000) | (-80,987,000) | (-14,000,000) | |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| TITLE III--DEPARTMENT OF EDUCATION | | | | | | | | |
| COMPENSATORY EDUCATION FOR THE DISADVANTAGED | | | | | | | | |
| Grants for the Disadvantaged (Chapter 1): | | | | | | | | |
| Grants to local educational agencies: | | | | | | | | |
| Basic grants | 3,853,200,000 | 3,900,000,000 | 4,461,300,000 | 4,200,000,000 | 4,427,250,000 | -34,050,000 | +227,250,000 | D |
| Concentration grants | 172,900,000 | 262,988,000 | 495,700,000 | 300,000,000 | 400,000,000 | -95,700,000 | +100,000,000 | D |
| Subtotal, grants to LEA's | 4,026,100,000 | 4,162,988,000 | 4,957,000,000 | 4,500,000,000 | 4,827,250,000 | -129,750,000 | +327,250,000 | |
| Capital expenses for private school students | 19,760,000 | 19,760,000 | 30,000,000 | 22,000,000 | 26,000,000 | -4,000,000 | +4,000,000 | D |
| Even start | 14,820,000 | 14,820,000 | 30,000,000 | 19,000,000 | 24,500,000 | -5,500,000 | +5,500,000 | D |
| State agency programs: | | | | | | | | |
| Migrant | 271,700,000 | 280,938,000 | 290,938,000 | 280,938,000 | 285,938,000 | -5,000,000 | +5,000,000 | D |
| Handicapped | 148,200,000 | 148,200,000 | 148,200,000 | 148,200,000 | 148,200,000 | --- | --- | D |
| Neglected and delinquent | 31,616,000 | 34,778,000 | 34,778,000 | 31,616,000 | 33,197,000 | -1,581,000 | +1,581,000 | D |
| State administration | 40,508,000 | 40,508,000 | 54,609,000 | 40,508,000 | 50,797,000 | -3,812,000 | +10,289,000 | D |
| State program improvement | 5,686,000 | 7,557,000 | 13,652,000 | 10,000,000 | 12,699,000 | -953,000 | +2,699,000 | D |
| Evaluation and technical assistance | 7,904,000 | 12,000,000 | 12,000,000 | 12,000,000 | 12,000,000 | --- | --- | D |
| Rural technical assistance centers | 3,952,000 | --- | --- | 6,000,000 | 4,500,000 | +4,500,000 | -1,500,000 | D |
| Total, Chapter 1 | 4,570,246,000 | 4,721,549,000 | 5,571,177,000 | 5,070,262,000 | 5,425,081,000 | -146,096,000 | +354,819,000 | |
| Migrant education: | | | | | | | | |
| High school equivalency program | 7,410,000 | 7,410,000 | 7,410,000 | 8,500,000 | 7,955,000 | +545,000 | -545,000 | D |
| College assistance migrant program | 1,482,000 | 1,482,000 | 1,482,000 | 2,000,000 | 1,741,000 | +259,000 | -259,000 | D |
| Subtotal, migrant education | 8,892,000 | 8,892,000 | 8,892,000 | 10,500,000 | 9,696,000 | +804,000 | -804,000 | |
| Merit schools, proposed legislation | --- | 250,000,000 | --- | --- | --- | --- | --- | D |
| Magnet Schools of Excellence, proposed legislation 1/. | --- | 100,000,000 | --- | --- | --- | --- | --- | D |
| Total, Compensatory Education programs | 4,579,138,000 | 5,080,441,000 | 5,580,069,000 | 5,080,762,000 | 5,434,777,000 | -145,292,000 | +354,015,000 | |

1/ Requested in President's budget under School Improvement.

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| IMPACT AID | | | | | | | | |
| Maintenance and operations: | | | | | | | | |
| Payments for "a" children | 558,220,000 | 578,316,000 | 573,316,000 | 580,000,000 | 578,500,000 | +5,184,000 | -1,500,000 | D |
| Payments for "b" children | 135,356,000 | --- | 125,000,000 | 110,500,000 | 123,500,000 | -1,500,000 | +13,000,000 | D |
| Payments for Federal property (Section 2) | 14,820,000 | 15,354,000 | 15,354,000 | 15,354,000 | 15,354,000 | --- | --- | D |
| Subtotal | 708,396,000 | 593,670,000 | 713,670,000 | 705,854,000 | 717,354,000 | +3,684,000 | +11,500,000 | |
| Disaster assistance (Section 7) | --- | 10,000,000 | --- | --- | --- | --- | --- | D |
| Construction | 24,700,000 | 25,590,000 | 25,590,000 | 26,000,000 | 14,998,000 | -10,592,000 | -11,002,000 | D |
| Total, Impact aid | 733,096,000 | 629,260,000 | 739,260,000 | 731,854,000 | 732,352,000 | -6,908,000 | +498,000 | |
| SCHOOL IMPROVEMENT PROGRAMS | | | | | | | | |
| Educational improvement partnerships (Chapter 2): | | | | | | | | |
| State block grants 1/ | 462,977,000 | 477,218,000 | 461,477,000 | 461,477,000 | 461,477,000 | --- | --- | D |
| Evaluation | --- | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | --- | --- | D |
| Subtotal | 462,977,000 | 478,718,000 | 462,977,000 | 462,977,000 | 462,977,000 | --- | --- | |
| National programs: | | | | | | | | |
| National Diffusion Network | 11,066,000 | 11,200,000 | 11,200,000 | 13,000,000 | 13,000,000 | +1,800,000 | --- | D |
| Inexpensive book distribution (including RIF) | 8,398,000 | 8,684,000 | 8,684,000 | 10,000,000 | 8,684,000 | --- | -1,316,000 | D |
| Arts in education | 3,458,000 | 3,582,000 | 3,582,000 | 3,900,000 | 3,900,000 | +318,000 | --- | D |
| Law - related education | 3,952,000 | 3,952,000 | 5,000,000 | 4,000,000 | 5,000,000 | --- | +1,000,000 | D |
| Blue ribbon schools | 889,000 | 1,100,000 | 1,000,000 | 1,000,000 | 500,000 | -500,000 | -500,000 | D |
| Subtotal, National programs | 27,763,000 | 28,518,000 | 29,466,000 | 31,900,000 | 31,084,000 | +1,618,000 | -816,000 | |
| Total, Chapter 2 | 490,740,000 | 507,236,000 | 492,443,000 | 494,877,000 | 494,061,000 | +1,618,000 | -816,000 | |

1/ Forward funded.

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| Drug free schools and communities: | | | | | | | | |
| State grants 1/ | 287,730,000 | 297,513,000 | 296,685,000 | 319,194,000 | 296,685,000 | --- | -22,509,000 | D |
| Teacher training | 7,000,000 | 7,238,000 | 7,238,000 | 7,500,000 | 7,238,000 | --- | -262,000 | D |
| National programs: | | | | | | | | |
| Regular programs 2/ | 59,770,000 | 61,802,000 | 61,630,000 | 66,306,000 | 61,630,000 | --- | -4,676,000 | D |
| Urban emergency grants, proposed legislation | --- | 25,000,000 | --- | --- | --- | --- | --- | D |
| Subtotal, drug free schools and communities | 354,500,000 | 391,553,000 | 365,553,000 | 393,000,000 | 365,553,000 | --- | -27,447,000 | |
| National Commission on Drug Free School | --- | --- | 1,000,000 | 1,000,000 | 1,000,000 | --- | --- | D |
| Strengthening teaching and administration: | | | | | | | | |
| Mathematics and science education: | | | | | | | | |
| State grants 1/ | 128,440,000 | 132,807,000 | 96,000,000 | 145,000,000 | 128,440,000 | +32,440,000 | -16,560,000 | D |
| National program | 8,892,000 | 9,194,000 | 4,000,000 | 9,000,000 | 8,892,000 | +4,892,000 | -108,000 | D |
| Subtotal, Math & science education | 137,332,000 | 142,001,000 | 100,000,000 | 154,000,000 | 137,332,000 | +37,332,000 | -16,668,000 | |
| Fund for the improvement and reform of schools and teaching: | | | | | | | | |
| Grants for schools and teachers | 3,952,000 | 3,952,000 | 3,952,000 | 6,000,000 | 3,964,000 | +12,000 | -2,036,000 | D |
| Family-school partnerships | 1,976,000 | 1,976,000 | 1,976,000 | 5,000,000 | 4,500,000 | +2,524,000 | -500,000 | D |
| Subtotal, FIRST | 5,928,000 | 5,928,000 | 5,928,000 | 11,000,000 | 8,464,000 | +2,536,000 | -2,536,000 | |
| Alternative teacher/principal certification, proposed legislation | --- | 25,000,000 | --- | --- | --- | --- | --- | D |
| Presidential awards for excellent teachers, proposed legislation | --- | 7,600,000 | --- | --- | --- | --- | --- | D |
| Territorial teacher training | 1,976,000 | 1,568,000 | 1,568,000 | 2,000,000 | 1,784,000 | +216,000 | -216,000 | D |
| Leadership in Education Administration (LEAD) 1/ | 4,306,000 | 3,894,000 | 3,894,000 | 3,894,000 | 3,894,000 | --- | --- | D |
| Christa McAuliffe fellowships | 1,892,000 | 1,956,000 | 1,956,000 | 1,956,000 | 1,956,000 | --- | --- | D |
| Total, teaching and administration | 151,434,000 | 187,947,000 | 113,346,000 | 172,850,000 | 153,430,000 | +40,084,000 | -19,420,000 | |

1/ Forward funded.

2/ Includes $500,000 for innovative alcohol abuse programs under sec. 4607.

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| Other school improvement programs: | | | | | | | | |
| Magnet schools assistance, regular program..... | 113,620,000 | 114,620,000 | 114,620,000 | 114,620,000 | 114,620,000 | --- | --- | D |
| Fund for Innovation in Education..... | 11,150,000 | 15,678,000 | 20,678,000 | 15,678,000 | 18,178,000 | -2,500,000 | +2,500,000 | D |
| (Transfer of funds) (non-add)..... | (4,528,000) | --- | --- | --- | --- | --- | --- | NA |
| Javits gifted and talented education..... | 7,904,000 | 7,904,000 | 7,904,000 | 10,000,000 | 9,000,000 | +1,096,000 | -1,000,000 | D |
| Education of homeless children & youth: | | | | | | | | |
| State activities 1/..... | 4,834,000 | 4,998,000 | 4,998,000 | 4,998,000 | 4,998,000 | --- | --- | D |
| Exemplary activities..... | --- | 2,500,000 | 2,500,000 | 2,000,000 | 2,250,000 | -250,000 | +250,000 | D |
| Advance funding for FY 1991 1/..... | --- | --- | --- | --- | 250,000 | +250,000 | +250,000 | D |
| Subtotal, homeless activities..... | 4,834,000 | 7,498,000 | 7,498,000 | 6,998,000 | 7,248,000 | -250,000 | +250,000 | |
| Women's educational equity..... | 2,949,000 | --- | 2,949,000 | 1,300,000 | 2,125,000 | -824,000 | +825,000 | D |
| Training and advisory services (Civil Rights IV-A) | 23,443,000 | 23,443,000 | 23,443,000 | 20,000,000 | 21,722,000 | -1,721,000 | +1,722,000 | D |
| Dropout prevention demonstrations..... | 21,736,000 | --- | --- | --- | --- | --- | --- | D |
| Secondary basic skills demonstrations..... | --- | --- | --- | 10,000,000 | 5,000,000 | +5,000,000 | -5,000,000 | D |
| Business-Education partnerships..... | --- | --- | --- | 7,500,000 | 3,750,000 | +3,750,000 | -3,750,000 | D |
| General assistance to the Virgin Islands..... | 4,730,000 | 4,891,000 | 4,891,000 | 4,000,000 | 4,446,000 | -445,000 | +446,000 | D |
| Ellender fellowships 1/..... | 3,458,000 | --- | 4,000,000 | 3,500,000 | 3,750,000 | -250,000 | +250,000 | D |
| Follow through..... | 7,262,000 | --- | 7,262,000 | 7,262,000 | 7,262,000 | --- | --- | D |
| Star schools..... | 14,399,000 | --- | --- | 20,000,000 | 15,000,000 | +15,000,000 | -5,000,000 | D |
| Native Hawaiian Education Act..... | 4,940,000 | --- | 4,940,000 | 8,000,000 | 6,500,000 | +1,560,000 | -1,500,000 | D |
| Subtotal, other school improvement programs..... | 220,425,000 | 174,034,000 | 198,185,000 | 228,858,000 | 218,601,000 | +20,416,000 | -10,257,000 | |
| Total, School improvement programs..... | 1,217,099,000 | 1,260,770,000 | 1,170,527,000 | 1,290,585,000 | 1,232,895,000 | +62,368,000 | -57,690,000 | |
| Subtotal, forward funded..... | (891,745,000) | (916,430,000) | (867,054,000) | (938,063,000) | (899,494,000) | (+32,440,000) | (-38,569,000) | |

1/ Forward funded.

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| BILINGUAL, IMMIGRANT, & REFUGEE EDUCATION | | | | | | | | |
| Bilingual programs | 110,761,000 | 115,797,000 | 120,797,000 | 110,761,000 | 115,779,000 | -5,018,000 | +5,018,000 | D |
| Support services | 10,772,000 | 10,903,000 | 10,903,000 | 10,772,000 | 10,838,000 | -65,000 | +66,000 | D |
| Training grants | 30,413,000 | 30,413,000 | 32,413,000 | 31,413,000 | 31,913,000 | -500,000 | +500,000 | D |
| Immigrant education | 29,640,000 | 30,648,000 | 30,648,000 | 29,640,000 | 30,144,000 | -504,000 | +504,000 | D |
| Refugee education | 15,808,000 | 16,345,000 | DEFER | --- | --- | --- | --- | D |
| Total, authorized | 181,586,000 | 187,761,000 | 194,761,000 | 182,586,000 | 188,674,000 | -6,087,000 | +6,088,000 | |
| (Unauthorized, deferred by House) | 15,808,000 | 16,345,000 | DEFER | --- | --- | --- | --- | |
| Total, authorized and unauthorized | 197,394,000 | 204,106,000 | 194,761,000 | 182,586,000 | 188,674,000 | -6,087,000 | +6,088,000 | |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| EDUCATION FOR THE HANDICAPPED | | | | | | | | |
| Education for the handicapped: | | | | | | | | |
| State grants: | | | | | | | | |
| Grants to States, general | 1,475,449,000 | 1,525,614,000 | 1,564,017,000 | 1,554,000,000 | 1,564,017,000 | --- | +10,017,000 | D |
| Preschool grants | 247,000,000 | 247,000,000 | 252,000,000 | 255,000,000 | 255,000,000 | +3,000,000 | --- | D |
| Grants for infants and families | 69,831,000 | 72,205,000 | 77,205,000 | 80,624,000 | 80,624,000 | +3,419,000 | --- | D |
| Subtotal, State grants | 1,792,280,000 | 1,844,819,000 | 1,893,222,000 | 1,889,624,000 | 1,899,641,000 | +6,419,000 | +10,017,000 | |
| Special purpose funds: | | | | | | | | |
| Deaf-blind and severely handicapped projects: | | | | | | | | |
| Consolidated program | --- | 19,486,000 | --- | --- | --- | --- | --- | D |
| Deaf-blind projects | 14,189,000 | --- | 14,189,000 | 14,757,000 | 14,757,000 | +568,000 | --- | D |
| Severely handicapped projects | 5,297,000 | --- | 5,297,000 | 6,000,000 | 5,900,000 | +603,000 | -100,000 | D |
| Subtotal | 19,486,000 | 19,486,000 | 19,486,000 | 20,757,000 | 20,657,000 | +1,171,000 | -100,000 | |
| Seriously emotionaly disturbed | --- | --- | --- | 2,000,000 | --- | --- | -2,000,000 | D |
| Early childhood education | 23,147,000 | 23,147,000 | 23,147,000 | 24,096,000 | 24,096,000 | +949,000 | --- | D |
| Secondary and transitional services | 7,284,000 | 7,284,000 | 7,284,000 | 8,500,000 | 8,100,000 | +816,000 | -400,000 | D |
| Postsecondary programs | 5,770,000 | 5,770,000 | 5,770,000 | 8,770,000 | 6,600,000 | +830,000 | -2,170,000 | D |
| Innovation and development | 17,026,000 | 17,026,000 | 17,026,000 | 21,026,000 | 20,100,000 | +3,074,000 | -926,000 | D |
| Media and captioning services | 13,403,000 | 13,403,000 | 15,000,000 | 15,403,000 | 15,403,000 | +403,000 | --- | D |
| Special education technology | 4,730,000 | 4,730,000 | 4,730,000 | 5,500,000 | 5,500,000 | +770,000 | --- | D |
| Special studies | 3,594,000 | 3,594,000 | 3,594,000 | 1,000,000 | 3,594,000 | --- | +2,594,000 | D |
| Special education personnel development | 67,095,000 | 67,095,000 | 67,095,000 | 79,000,000 | 71,985,000 | +4,890,000 | -7,015,000 | D |
| Recruitment and information clearinghouses | 1,135,000 | 1,135,000 | 1,135,000 | 1,500,000 | 1,500,000 | +365,000 | --- | D |
| Regional resource centers | 6,338,000 | 6,338,000 | 6,338,000 | 6,600,000 | 6,600,000 | +262,000 | --- | D |
| Total, Education for the handicapped | 1,961,288,000 | 2,013,827,000 | 2,063,827,000 | 2,083,776,000 | 2,083,776,000 | +19,949,000 | --- | |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| REHABILITATION SERVICES AND HANDICAPPED RESEARCH | | | | | | | | |
| Rehabilitation services State grants: | | | | | | | | |
| Vocational rehabilitation State grants | 1,450,000,000 | 1,510,900,000 | 1,502,123,000 | 1,550,000,000 | 1,550,000,000 | +47,877,000 | --- | M |
| Reappropriation | 500,000 | --- | --- | --- | --- | --- | --- | M |
| Supported employment State grants | 27,227,000 | 27,868,000 | 27,868,000 | 27,976,000 | 27,976,000 | +108,000 | --- | M |
| Client assistance | 7,775,000 | 7,959,000 | 7,959,000 | 8,000,000 | 8,000,000 | +41,000 | --- | M |
| Subtotal, State grants | 1,485,502,000 | 1,546,727,000 | 1,537,950,000 | 1,585,976,000 | 1,585,976,000 | +48,026,000 | --- | |
| Service and demonstration projects: | | | | | | | | |
| Special demonstration program: | | | | | | | | |
| Regular grants | 17,200,000 | 16,994,000 | 16,994,000 | 17,674,000 | 17,674,000 | +680,000 | --- | M |
| Comprehensive head injury grants | --- | --- | 15,000,000 | --- | 15,000,000 | --- | +15,000,000 | M |
| Subtotal, special demonstrations | 17,200,000 | 16,994,000 | 31,994,000 | 17,674,000 | 32,674,000 | +680,000 | +15,000,000 | |
| Supported employment projects | 9,520,000 | 9,406,000 | 9,406,000 | 10,000,000 | 10,000,000 | +594,000 | --- | M |
| Model transition grants | 475,000 | --- | --- | --- | --- | --- | --- | M |
| Recreational programs | 2,620,000 | --- | 2,589,000 | 2,620,000 | 2,620,000 | +31,000 | --- | M |
| Migratory workers | 1,100,000 | 1,087,000 | 1,087,000 | 1,100,000 | 1,100,000 | +13,000 | --- | M |
| Projects with industry | 17,350,000 | 17,142,000 | 17,142,000 | 19,000,000 | 19,000,000 | +1,858,000 | --- | M |
| Subtotal, Service and demonstration projects | 48,265,000 | 44,629,000 | 62,218,000 | 50,394,000 | 65,394,000 | +3,176,000 | +15,000,000 | |
| Helen Keller National Center | 4,900,000 | 4,841,000 | 4,841,000 | 5,000,000 | 5,000,000 | +159,000 | --- | M |
| Independent living: | | | | | | | | |
| Comprehensive services | 12,678,000 | 12,977,000 | 12,977,000 | 13,100,000 | 13,100,000 | +123,000 | --- | M |
| Centers | 26,000,000 | 25,688,000 | 25,688,000 | 27,000,000 | 27,000,000 | +1,312,000 | --- | M |
| Services for older blind | 5,700,000 | 5,632,000 | 5,632,000 | 5,900,000 | 5,900,000 | +268,000 | --- | M |
| Subtotal, Independent living | 44,378,000 | 44,297,000 | 44,297,000 | 46,000,000 | 46,000,000 | +1,703,000 | --- | |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| Training | 30,500,000 | 30,134,000 | 30,134,000 | 31,500,000 | 31,500,000 | +1,366,000 | --- | M |
| National Institute on Disability and Rehab Research | 53,525,000 | 52,883,000 | 52,883,000 | 55,000,000 | 55,000,000 | +2,117,000 | --- | M |
| Technology assistance | 5,150,000 | 10,650,000 | 10,650,000 | 15,000,000 | 15,000,000 | +4,350,000 | --- | M |
| Evaluation | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | --- | --- | M |
| Total, Rehabilitation services | 1,673,220,000 | 1,735,161,000 | 1,743,973,000 | 1,789,870,000 | 1,804,870,000 | +60,897,000 | +15,000,000 | |
| SPECIAL INSTITUTIONS FOR THE HANDICAPPED | | | | | | | | |
| AMERICAN PRINTING HOUSE FOR THE BLIND | 5,335,000 | 5,537,000 | 5,537,000 | 5,942,000 | 5,740,000 | +203,000 | -202,000 | D |
| NATIONAL TECHNICAL INSTITUTE FOR THE DEAF: | | | | | | | | |
| Operations | 33,128,000 | 34,321,000 | 34,921,000 | 34,921,000 | 34,921,000 | --- | --- | D |
| Endowment grants | 198,000 | 300,000 | 200,000 | 300,000 | 250,000 | +50,000 | -50,000 | D |
| Construction | --- | 932,000 | 432,000 | 532,000 | 482,000 | +50,000 | -50,000 | D |
| Consortium | --- | --- | --- | 1,800,000 | 900,000 | +900,000 | -900,000 | D |
| Subtotal, NTID | 33,326,000 | 35,553,000 | 35,553,000 | 37,553,000 | 36,553,000 | +1,000,000 | -1,000,000 | |
| GALLAUDET: | | | | | | | | |
| University programs | 44,688,000 | 46,297,000 | 46,297,000 | 46,797,000 | 46,547,000 | +250,000 | -250,000 | D |
| Model secondary school | 13,087,000 | 13,558,000 | 13,558,000 | 13,558,000 | 13,558,000 | --- | --- | D |
| Kendall demonstration school | 7,235,000 | 7,495,000 | 7,495,000 | 7,495,000 | 7,495,000 | --- | --- | D |
| Endowment grant | 988,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | --- | --- | D |
| Evaluation | --- | 500,000 | --- | --- | --- | --- | --- | D |
| Subtotal, Gallaudet University | 65,998,000 | 68,850,000 | 68,350,000 | 68,850,000 | 68,600,000 | +250,000 | -250,000 | |
| Total, Special Institutions for the Handicapped | 104,659,000 | 109,940,000 | 109,440,000 | 112,345,000 | 110,893,000 | +1,453,000 | -1,452,000 | |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| VOCATIONAL AND ADULT EDUCATION | | | | | | | | |
| Vocational education: | | | | | | | | |
| New program, proposed legislation | --- | 942,239,000 | --- | --- | --- | --- | --- | D |
| Basic grants | 831,566,000 | --- | 860,000,000 | 867,870,000 | 862,535,000 | +2,535,000 | -5,335,000 | D |
| Community - based organizations | 8,892,000 | --- | 9,200,000 | 12,000,000 | 11,000,000 | +1,800,000 | -1,000,000 | D |
| Consumer and homemaking education | 33,118,000 | --- | 34,300,000 | 35,000,000 | 34,650,000 | +350,000 | -350,000 | D |
| State councils | 7,904,000 | --- | 8,200,000 | 7,904,000 | 8,052,000 | -148,000 | +148,000 | D |
| National program: | | | | | | | | |
| Research | 6,965,000 | --- | 7,200,000 | 6,965,000 | 7,083,000 | -117,000 | +118,000 | D |
| Demonstration | 14,594,000 | --- | 15,000,000 | 7,500,000 | 11,250,000 | -3,750,000 | +3,750,000 | D |
| Data 1/ | 4,446,000 | --- | 4,439,000 | 5,000,000 | 5,000,000 | +561,000 | --- | D |
| Subtotal, national prorams | 26,005,000 | --- | 26,639,000 | 19,465,000 | 23,333,000 | -3,306,000 | +3,868,000 | |
| Bilingual vocational training | 3,771,000 | --- | 3,900,000 | --- | 3,000,000 | -900,000 | +3,000,000 | D |
| Subtotal, Vocational education | 911,256,000 | 942,239,000 | 942,239,000 | 942,239,000 | 942,570,000 | +331,000 | +331,000 | |
| Adult education: | | | | | | | | |
| Grants to States | 136,344,000 | 160,665,000 | 180,000,000 | 150,000,000 | 160,000,000 | -20,000,000 | +10,000,000 | D |
| National programs | 1,976,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | --- | --- | D |
| Literacy training for homeless adults | 7,094,000 | 10,000,000 | 10,000,000 | 5,000,000 | 7,500,000 | -2,500,000 | +2,500,000 | D |
| Advance funding for FY 1991 | --- | --- | --- | --- | 2,500,000 | +2,500,000 | +2,500,000 | D |
| Workplace literacy partnerships | 11,856,000 | --- | 11,856,000 | 20,000,000 | 20,000,000 | +8,144,000 | --- | D |
| English literacy grants | 4,940,000 | --- | 4,940,000 | 7,000,000 | 5,970,000 | +1,030,000 | -1,030,000 | D |
| Subtotal, adult education | 162,210,000 | 172,665,000 | 208,796,000 | 184,000,000 | 195,470,000 | -13,326,000 | +11,470,000 | |
| Total, Vocational & adult education | 1,073,466,000 | 1,114,904,000 | 1,151,035,000 | 1,126,239,000 | 1,138,040,000 | -12,995,000 | +11,801,000 | |

1/ Includes funds for the National Occupational Information Coordinating Committees.

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| STUDENT FINANCIAL ASSISTANCE | | | | | | | | |
| Pell Grants 1/ | 4,483,915,000 | 5,105,000,000 | 4,740,000,000 | 4,740,000,000 | 4,454,000,000 | -286,000,000 | -286,000,000 | D |
| Prior year shortfall, 1989 | --- | 331,000,000 | --- | --- | 131,000,000 | +131,000,000 | +131,000,000 | D |
| FY 1990 contingency | --- | --- | --- | --- | 286,000,000 | +286,000,000 | +286,000,000 | D |
| Supplemental educational opportunity grants | 437,972,000 | 452,863,000 | 452,863,000 | 490,000,000 | 465,000,000 | +12,137,000 | -25,000,000 | D |
| Work-study | 610,097,000 | 610,097,000 | 610,097,000 | 615,000,000 | 610,097,000 | --- | -4,903,000 | D |
| Income contingent loans | 4,940,000 | 20,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | --- | --- | D |
| Perkins loans: | | | | | | | | |
| Federal capital contributions | 183,507,000 | --- | 137,000,000 | 147,000,000 | 137,000,000 | --- | -10,000,000 | D |
| (Total estimated loans from revolving fund) (non-add) | (898,000,000) | (751,000,000) | (898,000,000) | (898,000,000) | (898,000,000) | --- | --- | NA |
| Loan cancellations | 22,000,000 | 22,000,000 | 22,000,000 | 22,000,000 | 22,000,000 | --- | --- | D |
| State student incentive grants | 71,889,000 | --- | 50,000,000 | 72,000,000 | 60,000,000 | +10,000,000 | -12,000,000 | D |
| Total, Student Financial Assistance | 5,814,320,000 | 6,540,960,000 | 6,021,960,000 | 6,096,000,000 | 6,175,097,000 | +153,137,000 | +79,097,000 | |
| GUARANTEED STUDENT LOANS | | | | | | | | |
| Guaranteed student loans 2/ | 4,066,828,000 | 3,826,314,000 | 3,651,000,000 | 3,826,314,000 | 3,826,314,000 | +175,314,000 | --- | M |
| Total estimated loans (non-add) | (12,118,000,000) | (13,201,000,000) | (13,201,000,000) | (13,201,000,000) | (13,201,000,000) | --- | --- | NA |

1/ Conference agreement includes legislative savings.

2/ Excludes amounts related to credit reform and proposed legislation totalling $167.9 million.

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| HIGHER EDUCATION | | | | | | | | |
| Aid for institutional development: | | | | | | | | |
| Strengthening developing institutions | 77,459,000 | 80,093,000 | 83,000,000 | 85,000,000 | 84,000,000 | +1,000,000 | -1,000,000 | D |
| Strengthening historically black colleges & univ. | 73,554,000 | 76,055,000 | 85,000,000 | 85,000,000 | 85,000,000 | --- | --- | D |
| Strengthening historically black grad institutions | 10,868,000 | 11,238,000 | 11,238,000 | 12,000,000 | 11,619,000 | +381,000 | -381,000 | D |
| Endowment grants: | | | | | | | | |
| Current law | 12,696,000 | 13,128,000 | 23,128,000 | 13,128,000 | 18,128,000 | -5,000,000 | +5,000,000 | D |
| Proposed legislation | --- | 10,000,000 | --- | --- | --- | --- | --- | D |
| Subtotal, institutional development | 174,577,000 | 190,514,000 | 202,366,000 | 195,128,000 | 198,747,000 | -3,619,000 | +3,619,000 | |
| Program development: | | | | | | | | |
| Fund for the Improvement of Postsec. Education | 11,856,000 | 11,856,000 | 11,856,000 | 11,856,000 | 11,856,000 | --- | --- | D |
| Mid-career teacher training | --- | --- | 2,000,000 | --- | 1,000,000 | -1,000,000 | +1,000,000 | D |
| Minority science improvement | 5,307,000 | 5,487,000 | 5,487,000 | 5,487,000 | 5,487,000 | --- | --- | D |
| Innovative projects for community services | 1,454,000 | --- | --- | 1,500,000 | 1,500,000 | +1,500,000 | --- | D |
| International education and foreign language studies: | | | | | | | | |
| Domestic programs 1/ | 25,855,000 | 25,114,000 | 35,114,000 | 33,614,000 | 35,114,000 | --- | +1,500,000 | D |
| Overseas programs | 5,203,000 | 5,203,000 | 5,203,000 | 5,203,000 | 5,203,000 | --- | --- | D |
| Subtotal, international education | 31,058,000 | 30,317,000 | 40,317,000 | 38,817,000 | 40,317,000 | --- | +1,500,000 | |
| Cooperative education | 13,622,000 | --- | 13,622,000 | 13,622,000 | 13,622,000 | --- | --- | D |
| Law school clinical experience | 3,952,000 | --- | 5,000,000 | 3,952,000 | 5,000,000 | --- | +1,048,000 | D |
| Student Literacy Corps | 4,940,000 | 5,108,000 | 5,108,000 | 5,108,000 | 5,108,000 | --- | --- | D |
| Subtotal, Program development | 72,189,000 | 52,768,000 | 83,390,000 | 80,342,000 | 83,890,000 | +500,000 | +3,548,000 | |
| Academic facilities: | | | | | | | | |
| Interest subsidy grants | 22,744,000 | 22,744,000 | 22,744,000 | 22,744,000 | 22,744,000 | --- | --- | D |

1/ Includes funds for international business education

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| Special grants: | | | | | | | | |
| Assistance to Guam | 473,000 | --- | 473,000 | 500,000 | 500,000 | +27,000 | --- | D |
| Robert A. Taft Institute of Government | 709,000 | --- | --- | --- | --- | --- | --- | D |
| Subtotal, Special grants | 1,182,000 | --- | 473,000 | 500,000 | 500,000 | +27,000 | --- | |
| Special higher education projects: | | | | | | | | |
| Urban Education Foundation | 1,600,000 | --- | --- | --- | --- | --- | --- | D |
| Margaret Chase Smith Library | --- | --- | --- | 5,000,000 | 2,500,000 | +2,500,000 | -2,500,000 | D |
| Aid to Students: | | | | | | | | |
| Special program for disadvantaged (TRIO) | 219,257,000 | 228,168,000 | 248,168,000 | 240,000,000 | 245,000,000 | -3,168,000 | +5,000,000 | D |
| Support services: | | | | | | | | |
| Veterans' education outreach | 2,838,000 | --- | 2,838,000 | 2,838,000 | 2,838,000 | --- | --- | D |
| Legal training for the disadvantaged (CLEO) | 1,892,000 | 1,956,000 | 2,500,000 | 2,000,000 | 2,500,000 | --- | +500,000 | D |
| School, college & university partnerships | 2,760,000 | 2,854,000 | 2,854,000 | 3,000,000 | 3,000,000 | +146,000 | --- | D |
| Scholarships and fellowships: | | | | | | | | |
| Robert C. Byrd honors scholarships | 8,200,000 | 8,479,000 | 8,479,000 | 9,000,000 | 8,740,000 | +261,000 | -260,000 | D |
| National Science Scholars, proposed legislat'n | --- | 5,000,000 | --- | --- | --- | --- | --- | D |
| Paul Douglas Teacher Scholarships | 15,235,000 | --- | 14,235,000 | 16,000,000 | 15,118,000 | +883,000 | -882,000 | D |
| Patricia Roberts Harris Fellows: | | | | | | | | |
| Graduate fellowships | 15,711,000 | 16,245,000 | 16,245,000 | 16,245,000 | 16,245,000 | --- | --- | D |
| Public service fellowships | 3,320,000 | --- | 3,320,000 | 3,320,000 | 3,320,000 | --- | --- | D |
| Jacob K. Javits Fellowships | 7,904,000 | 5,770,000 | 6,770,000 | 8,000,000 | 8,000,000 | +1,230,000 | --- | D |
| Minority participation in graduate education | 3,476,000 | 3,594,000 | 3,594,000 | 3,594,000 | 3,594,000 | --- | --- | D |
| Graduate assistance in areas of national need | 12,844,000 | 11,945,000 | 17,000,000 | 13,000,000 | 16,000,000 | -1,000,000 | +3,000,000 | D |
| Subtotal, Scholarships and fellowships | 66,690,000 | 51,033,000 | 69,643,000 | 69,159,000 | 71,017,000 | +1,374,000 | +1,858,000 | |
| Subtotal, Aid to Students | 293,437,000 | 284,011,000 | 326,003,000 | 316,997,000 | 324,355,000 | -1,648,000 | +7,358,000 | |
| Total, Higher education | 565,729,000 | 550,037,000 | 634,976,000 | 620,711,000 | 632,736,000 | -2,240,000 | +12,025,000 | |
| UNIVERSITY OF KANSAS BIOSCIENCE CENTER | --- | --- | --- | 5,200,000 | --- | --- | -5,200,000 | D |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| HOWARD UNIVERSITY | | | | | | | | |
| Academic program | 151,357,000 | 156,806,000 | 151,806,000 | 151,806,000 | 155,306,000 | +3,500,000 | +3,500,000 | D |
| Endowment grant | 1,482,000 | 2,458,000 | 7,458,000 | 1,482,000 | 1,500,000 | -5,958,000 | +18,000 | D |
| Reappropriation | 494,000 | --- | --- | --- | --- | --- | --- | D |
| Research | 4,730,000 | 4,730,000 | 4,730,000 | 4,730,000 | 4,730,000 | --- | --- | D |
| Howard University Hospital | 20,910,000 | 20,910,000 | 20,910,000 | 20,910,000 | 20,910,000 | --- | --- | D |
| Total, Howard University | 178,973,000 | 184,904,000 | 184,904,000 | 178,928,000 | 182,446,000 | -2,458,000 | +3,518,000 | |
| COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS | | | | | | | | |
| LOAN LIMITATION: | | | | | | | | |
| Borrowing authority | 29,640,000 | --- | 30,000,000 | --- | 30,000,000 | --- | +30,000,000 | D |
| Interest subsidy payments | 1,675,000 | 5,129,000 | 5,129,000 | 5,129,000 | 5,129,000 | --- | --- | M |
| Total, College Housing | 31,315,000 | 5,129,000 | 35,129,000 | 5,129,000 | 35,129,000 | --- | +30,000,000 | |
| EDUCATION RESEARCH AND STATISTICS | | | | | | | | |
| Education research | 47,079,000 | 50,960,000 | 57,010,000 | 50,100,000 | 51,055,000 | -5,955,000 | +955,000 | D |
| National board for professional teacher standards | --- | --- | --- | 5,000,000 | 5,000,000 | +5,000,000 | --- | D |
| Statistics | 21,736,000 | 25,320,000 | 25,320,000 | 25,320,000 | 25,320,000 | --- | --- | D |
| National Assessment of Education Progress (NAEP) | 9,386,000 | 12,050,000 | 13,000,000 | 15,000,000 | 15,000,000 | +2,000,000 | --- | D |
| Education achievement experiments | --- | 13,000,000 | 5,000,000 | --- | --- | -5,000,000 | --- | D |
| Total, Education research and statistics | 78,201,000 | 101,330,000 | 100,330,000 | 95,420,000 | 96,375,000 | -3,955,000 | +955,000 | |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| LIBRARIES | | | | | | | | |
| Proposed legislation: | | | | | | | | |
| Services to the disadvantaged | --- | 91,000,000 | --- | --- | --- | --- | --- | D |
| Resource sharing | --- | 45,000,000 | --- | --- | --- | --- | --- | D |
| Research and assessment | --- | 1,200,000 | --- | --- | --- | --- | --- | D |
| Subtotal, proposed legislation | --- | 137,200,000 | --- | --- | --- | --- | --- | |
| Public libraries: | | | | | | | | |
| Services | 81,009,000 | --- | 81,009,000 | 84,000,000 | 82,505,000 | +1,496,000 | -1,495,000 | D |
| Construction | 22,324,000 | --- | --- | 23,000,000 | 18,900,000 | +18,900,000 | -4,100,000 | D |
| Interlibrary cooperation | 19,102,000 | --- | 19,102,000 | 20,000,000 | 19,551,000 | +449,000 | -449,000 | D |
| Training and demonstrations | 709,000 | --- | 709,000 | 1,000,000 | 855,000 | +146,000 | -145,000 | D |
| Research libraries | 5,675,000 | --- | 5,675,000 | 5,800,000 | 5,738,000 | +63,000 | -62,000 | D |
| Library literacy programs | 4,730,000 | --- | 4,730,000 | 6,000,000 | 5,365,000 | +635,000 | -635,000 | D |
| College library technology | 3,651,000 | --- | 3,651,000 | 3,812,000 | 3,732,000 | +81,000 | -80,000 | D |
| Total, Libraries | 137,200,000 | 137,200,000 | 114,876,000 | 143,612,000 | 136,646,000 | +21,770,000 | -6,966,000 | |

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| DEPARTMENTAL MANAGEMENT | | | | | | | | |
| PROGRAM ADMINISTRATION 1/ | 250,464,000 | 279,446,000 | 269,946,000 | 280,646,000 | 274,946,000 | +5,000,000 | -5,700,000 | D |
| OFFICE FOR CIVIL RIGHTS, SALARIES AND EXPENSES | 41,635,000 | 45,178,000 | 45,178,000 | 45,178,000 | 45,178,000 | --- | --- | D |
| OFFICE OF THE INSPECTOR GENERAL, SALARIES AND EXPENSES | 18,619,000 | 22,000,000 | 22,000,000 | 23,381,000 | 23,381,000 | +1,381,000 | --- | D |
| Total, Departmental management | 310,718,000 | 346,624,000 | 337,124,000 | 349,205,000 | 343,505,000 | +6,381,000 | -5,700,000 | |
| CONSULTANT SAVINGS | --- | --- | --- | --- | -3,850,000 | -3,850,000 | -3,850,000 | D |
| Total, Department of Education | 22,706,836,000 | 23,824,562,000 | 23,833,191,000 | 23,718,536,000 | 24,153,175,000 | +319,984,000 | +434,639,000 | |
| Current year FY 1990 | (22,706,836,000) | (23,824,562,000) | (23,833,191,000) | (23,718,536,000) | (24,150,425,000) | (+317,234,000) | (+431,889,000) | |
| FY 1991 | --- | --- | --- | --- | (2,750,000) | (+2,750,000) | (+2,750,000) | |
| (Unauthorized, deferred by House) | 15,808,000 | 16,345,000 | DEFER | --- | --- | --- | --- | |
| Total, authorized and unauthorized | 22,722,644,000 | 23,840,907,000 | 23,833,191,000 | 23,718,536,000 | 24,153,175,000 | +319,984,000 | +434,639,000 | |

1/ An additional $3 million is proposed for later transmittal.

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| TITLE IV - RELATED AGENCIES | | | | | | | | |
| Action (Domestic Programs): | | | | | | | | |
| Volunteers in Service to America: | | | | | | | | |
| VISTA operations | 21,647,000 | 23,615,000 | DEFER | 25,415,000 | 25,415,000 | +25,415,000 | --- | D |
| VISTA Literacy Corps | 2,838,000 | --- | DEFER | 3,363,000 | 3,096,000 | +3,096,000 | -267,000 | D |
| Student Community Service | 1,352,000 | 1,352,000 | DEFER | 906,000 | 906,000 | +906,000 | --- | D |
| Subtotal | 25,837,000 | 24,967,000 | DEFER | 29,684,000 | 29,417,000 | +29,417,000 | -267,000 | |
| Citizen Participation and Volunteer Demonstration Programs | 4,450,000 | 2,650,000 | DEFER | 1,333,000 | 1,333,000 | +1,333,000 | --- | D |
| Older Americans Volunteer Programs: | | | | | | | | |
| Foster Grandparents Program | 58,928,000 | 58,928,000 | DEFER | 62,000,000 | 60,464,000 | +60,464,000 | -1,536,000 | D |
| Senior Companion Program | 25,135,000 | 25,135,000 | DEFER | 29,000,000 | 27,068,000 | +27,068,000 | -1,932,000 | D |
| Retired Senior Volunteer Program | 30,862,000 | 30,862,000 | DEFER | 33,000,000 | 31,931,000 | +31,931,000 | -1,069,000 | D |
| Subtotal, Older Volunteers | 114,925,000 | 114,925,000 | DEFER | 124,000,000 | 119,463,000 | +119,463,000 | -4,537,000 | |
| Program Support | 25,208,000 | 27,875,000 | DEFER | 27,650,000 | 26,429,000 | +26,429,000 | -1,221,000 | D |
| Total, Action (unauthorized, deferred by House) | 170,420,000 | 170,417,000 | DEFER | 182,667,000 | 176,642,000 | +176,642,000 | -6,025,000 | |
| Commission on Railroad Retirement Reform | 988,000 | --- | --- | --- | --- | --- | --- | D |
| Corporation for Public Broadcasting: 1/ | | | | | | | | |
| FY 1992 (current request) | 242,060,000 | 242,060,000 | 242,060,000 | 260,000,000 | 251,030,000 | +8,970,000 | -8,970,000 | D |
| Satellite replacement | 56,810,000 | --- | 72,000,000 | 80,500,000 | 76,250,000 | +4,250,000 | -4,250,000 | D |
| Subtotal, Corporation for Public Broadcasting | 298,870,000 | 242,060,000 | 314,060,000 | 340,500,000 | 327,280,000 | +13,220,000 | -13,220,000 | |

1/ FY 1989 approp. adv. in FY87 is $228 million.
FY 1990 approp. adv. in FY88 is $232,648,000.
FY 1991 approp. adv. in FY89 is $298,870,000.

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| Federal Mediation and Conciliation Service | 25,813,000 | 25,190,000 | 26,380,000 | 27,190,000 | 26,785,000 | +405,000 | -405,000 | D |
| Federal Mine Safety and Health Review Commission | 4,030,000 | 4,005,000 | 4,030,000 | 4,030,000 | 4,030,000 | --- | --- | D |
| National Commission on Acquired Immune Deficiency Syndrome 1/ | --- | --- | --- | 1,000,000 | 1,000,000 | +1,000,000 | --- | D |
| National Commission on Children | 790,000 | --- | 940,000 | 940,000 | 940,000 | --- | --- | D |
| National Commission on Financing Postsecondary Education | 790,000 | --- | --- | --- | --- | --- | --- | D |
| National Commission on Libraries and Information Science | 741,000 | 770,000 | 750,000 | 770,000 | 750,000 | --- | -20,000 | D |
| National Commission on Migrant Education | 1,976,000 | --- | --- | --- | --- | --- | --- | D |
| National Commission to Prevent Infant Mortality | 494,000 | --- | 400,000 | 400,000 | 400,000 | --- | --- | D |
| National Council on Disability | 1,160,000 | 1,157,000 | 1,157,000 | 2,160,000 | 1,557,000 | +400,000 | -603,000 | D |
| National Labor Relations Board | 136,983,000 | 140,111,000 | 140,111,000 | 140,111,000 | 140,111,000 | --- | --- | D |
| National Mediation Board | 6,472,000 | 6,384,000 | 6,384,000 | 6,384,000 | 6,384,000 | --- | --- | D |
| Occupational Safety and Health Review Commission | 5,845,000 | 5,970,000 | 5,970,000 | 5,970,000 | 5,970,000 | --- | --- | D |
| Physician Payment Review Commission (trust funds) | (2,897,000) | (3,722,000) | (3,847,000) | (3,722,000) | (3,847,000) | --- | (+125,000) | TF |
| Prescription Drug Payment Review Commission (trust funds) | --- | (2,086,000) | (1,500,000) | (1,500,000) | (1,500,000) | --- | --- | TF |
| (By transfer, trust funds) | (250,000) | --- | --- | --- | --- | --- | --- | TF |
| Prospective Payment Assessment Commission (trust funds) | (3,495,000) | (3,794,000) | (3,919,000) | (3,794,000) | (3,919,000) | --- | (+125,000) | TF |

1/ Funded at $1,500,000 in House bill under Assistant Secretary for Health.

CONFERENCE AGREEMENT H.R. 2990 - FY 1990 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

| | FY 1989 Comparable | FY 1990 Budget Request | House Bill | Senate Bill | Conference | Conference compared with House Bill | Conference compared with Senate Bill | Man Dis |
|---|---|---|---|---|---|---|---|---|
| Railroad Retirement Board: | | | | | | | | |
| Dual benefits payments account 1/ | 350,897,000 | 333,000,000 | 340,000,000 | 340,000,000 | 340,000,000 | --- | --- | D |
| Less income tax receipts on dual benefits | -30,157,000 | -30,000,000 | -30,000,000 | -30,000,000 | -30,000,000 | --- | --- | D |
| Subtotal, dual benefits | 320,740,000 | 303,000,000 | 310,000,000 | 310,000,000 | 310,000,000 | --- | --- | |
| Federal payment to the Railroad Retirement Account | 3,100,000 | --- | --- | --- | --- | --- | --- | M |
| (Limitation on administration, retirement) | (59,626,000) | (60,550,000) | (63,900,000) | (67,451,000) | (63,900,000) | --- | (-3,551,000) | TF |
| (Limitation on administration, unemployment) (non-add) | (13,950,000) | (13,450,000) | (14,100,000) | (14,964,000) | (14,100,000) | --- | (-864,000) | NA |
| (Limitation on administration, review activity) | (3,213,000) | (4,000,000) | (3,545,000) | (4,150,000) | (3,950,000) | (+405,000) | (-200,000) | TF |
| Soldiers' and Airmen's Home (trust fund limitation): | | | | | | | | |
| Operation and maintenance | 37,248,000 | 37,573,000 | 39,000,000 | 39,573,000 | 39,287,000 | +287,000 | -286,000 | D |
| Capital outlay | 14,820,000 | 8,500,000 | 8,500,000 | 10,250,000 | 9,375,000 | +875,000 | -875,000 | D |
| United States Bipartisan Commission on Comprehensive Health care | 1,033,000 | --- | 467,000 | 467,000 | 467,000 | --- | --- | D |
| United States Institute of Peace | 6,916,000 | 6,916,000 | 6,916,000 | 8,000,000 | 7,650,000 | +734,000 | -350,000 | D |
| White House Conference on Library and Information Services | 1,750,000 | --- | --- | 3,250,000 | 3,250,000 | +3,250,000 | --- | D |
| Total, title IV, Related Agencies: | | | | | | | | |
| Federal Funds (all years) | 870,559,000 | 781,636,000 | 865,065,000 | 900,995,000 | 885,236,000 | +20,171,000 | -15,759,000 | |
| Current year, FY 1990 | (571,689,000) | (539,576,000) | (551,005,000) | (560,495,000) | (557,956,000) | (+6,951,000) | (-2,539,000) | |
| FY 1992 | (298,870,000) | (242,060,000) | (314,060,000) | (340,500,000) | (327,280,000) | (+13,220,000) | (-13,220,000) | |
| (Unauthorized, deferred by House) | 170,420,000 | 170,417,000 | DEFER | 182,667,000 | 176,642,000 | +176,642,000 | -6,025,000 | |
| Total, authorized and unauthorized | 1,040,979,000 | 952,053,000 | 865,065,000 | 1,083,662,000 | 1,061,878,000 | +196,813,000 | -21,784,000 | |
| Trust funds | (69,231,000) | (74,152,000) | (76,711,000) | (80,617,000) | (77,116,000) | (+405,000) | (-3,501,000) | |

1/ Legislation will be proposed to fund $83,250,000 of this amount from the Railroad Retirement account

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1990 recommended by the Committee of conference, with comparisons to the fiscal year 1989 amount, the 1990 budget estimates, and the House and Senate bills for 1990 follow:

| | |
|---|---|
| New budget (obligational) authority, fiscal year 1989 | $142,563,707,000 |
| Budget estimates of new (obligational) authority, fiscal year 1990 | 153,612,456,000 |
| House bill, fiscal year 1990 | 155,191,521,000 |
| Senate bill, fiscal year 1990 | 157,724,072,000 |
| Conference agreement, fiscal year 1990 | 156,746,250,000 |
| Conference agreement compared with: | |
| New budget (obligational) authority, fiscal year 1989 | +14,182,543,000 |
| Budget estimates of new (obligational) authority, fiscal year 1990 | +3,133,794,000 |
| House bill, fiscal year 1990 | +1,554,729,000 |
| Senate bill, fiscal year 1990 | −977,822,000 |

WILLIAM H. NATCHER,
NEAL SMITH,
DAVID OBEY,
EDWARD R. ROYBAL,
LOUIS STOKES,
JOSEPH D. EARLY,
BERNARD J. DWYER,
STENY H. HOYER,
JAMIE L. WHITTEN,
SILVIO O. CONTE,
CARL D. PURSELL,
JOHN EDWARD PORTER,
BILL YOUNG,
VIN WEBER,
*Managers on the Part of the House.*

TOM HARKIN,
ROBERT C. BYRD,
FRITZ HOLLINGS,
QUENTIN N. BURDICK,
DANIEL K. INOUYE,
DALE BUMPERS,
HARRY REID,
BROCK ADAMS,
ARLEN SPECTER,
MARK O. HATFIELD,
TED STEVENS,
WARREN B. RUDMAN,
JAMES A. MCCLURE,
THAD COCHRAN,
PHIL GRAMM,
*Managers on the Part of the Senate.*

## 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. SCHIFF) to revise and extend their remarks and include extraneous material:)

Mr. McEWEN, for 5 minutes, today.

Mr. SCHIFF, for 5 minutes, today.

(The following Members (at the request of Mr. DORGAN of North Dakota) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. DORGAN of North Dakota, for 30 minutes, today.

Mr. OWENS of New York, for 5 minutes, on October 10, 11, 12, 13, 16, 17, 18, 19, and 20.

Mr. GONZALEZ, for 60 minutes, on October 10 and 13.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. GEJDENSON, 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. SCHIFF) and to include extraneous matter:)

Mr. PAXON.

Mr. RINALDO.

Mr. BROOMFIELD.

Mr. MARLENEE.

Mr. SMITH of New Jersey.

(The following Members (at the request of Mr. DORGAN of North Dakota) and to include extraneous matter:)

Mr. BOUCHER.

Mr. LANTOS.

Mr. ROE.

Mr. FAZIO.

## ADJOURNMENT

Mr. GEJDENSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly, at 11 o'clock and 22 minutes a.m., under its previous order, the House adjourned until Tuesday, October 10, 1989, at 12 noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of the rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1798. A letter from the Mayor, District of Columbia, transmitting the actuaries review of three benefit changes to the police officers and firefighters and teachers retirement programs, pursuant to D.C. Code, section 1-772(d)(1); to the Committee on the District of Columbia.

1799. A letter from the Chairman, the President's Committee on Employment of People With Disabilities, transmitting a report entitled "People with Disabilities in Our Nation's Job Training Partnership Programs—Program Year 1987"; to the Committee on Education and Labor.

1800. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend the Public Health Service Act to make needed improvements in the Health Education Assistance Loans Program; to the Committee on Energy and Commerce.

1801. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting notification of a proposed license for the export of defense articles or defense services sold commercially to Taiwan (Transmittal No. MC-21-89), pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

1802. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting notification of a proposed license for the export of defense articles or defense services sold commercially to Germany (under a NATO program) (Transmittal No. MC-13-89), pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

1803. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting copies of the original report of political contributions by Alvin P. Adams Jr., of Virginia, Ambassador Extraordinary and Plenipotentiary-designate to the Republic of Haiti, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1804. A letter from the Deputy Associate Director for Collection and Disbursements, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

1805. A letter from the Acting Administrator, General Services Administration, transmitting an informational copy of a building project survey report for a facility to house Federal agencies in Hollywood, FL; to the Committee on Public Works and Transportation.

1806. A letter from the Director, Office of Management and Budget, transmitting a copy of his determination and certification that certain amounts appropriated for the Board for International Broadcasting for grants to Radio Free Europe/Radio Liberty, Inc., are in excess of the amount necessary and will be placed in BIB's currency reserve fund, pursuant to 22 U.S.C. 2877(b); jointly, to the Committees on Appropriations and Foreign Affairs.

## 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:

*[Pursuant to the order of the House on Oct. 5, 1989, the following reports were filed on Oct. 6, 1989]*

Mr. GONZALEZ: Committee on Banking, Finance and Urban Affairs. H.R. 2494. A bill to amend the Export-Import Bank Act of 1945 to authorize the appropriation of not to exceed $100,000,000 to the Tied Aid Credit Fund for fiscal year 1990, and to provide for expenditures from such Fund during such fiscal year; with amendments (Rept. 101-271). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on the Judiciary. H.R. 3007. A bill to amend the Contract Services for Drug Dependent Federal Offenders Act of 1978 to provide additional authorizations for appropriations (Rept. 101-272). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on the Judiciary. S. 248. An act to amend title 18 of the United States Code to provide increased penalties for certain major frauds against the United States (Rept. 101-273). Referred to the Committee of the Whole House on the State of the Union.

Mr. NATCHER: Committee of conference. Conference report on H.R. 2990 (Rept. 101-274). Ordered to be printed.

## 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. GEJDENSON (for himself, Mr. BATES, Mr. ATKINS, Mr. SMITH of Florida, Mr. MORRISON of Connecticut, Mr. HAWKINS, Mr. MRAZEK, Mr. ROYBAL, Mr. SAWYER, Mr. STARK, Mr. BROWN of California, Mr. ACKERMAN, Mr. LEWIS of Georgia, Mr. BILBRAY, and Mr. BEILENSON):

H.R. 3428. A bill to require the Secretary of Transportation to revise the Federal motor vehicle safety standards applicable to light trucks and multipurpose vehicles and for other purposes; to the Committee on Energy and Commerce.

By Mr. SLATTERY:

H.R. 3429. A bill to regulate interstate commerce with respect to parimutuel wagering on greyhound racing, to maintain the stability of the greyhound racing industry, and for other purposes; to the Committee on Energy and Commerce.

By Mr. SMITH of New Jersey (for himself, Mr. RINALDO, Mr. ROE, Mr. ACKERMAN, Mrs. BENTLEY, Mr. BEREUTER, Mr. BUSTAMANTE, Mr. COURTER, Mr. DOWNEY, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. FALEOMAVAEGA, Mr. FASCELL, Mr. FLORIO, Mr. FUSTER, Mr. GARCIA, Mr. GEJDENSON, Mr. HORTON, Mr. HOUGHTON, Mr. KILDEE, Mr. KOSTMAYER, Mr. LANCASTER, Mr. LANTOS, Mr. MACHTLEY, Mr. MILLER of Ohio, Mr. MRAZEK, Mr. OWENS of New York, Mr. PALLONE, Mr. PAYNE of New Jersey, Mrs. ROUKEMA, Mr. SAXTON, Mr. SIKORSKI, Mr. TOWNS, Mrs. UNSOELD, Mr. WALSH, and Mr. WOLPE):

H.R. 3430. A bill to amend the Solid Waste Disposal Act to regulate the transportation in commerce of solid waste and food by prohibiting certain vehicles from transporting both waste and food, by requiring health and safety standards for certain vehicles used to transport certain waste and food, and for other purposes; jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

## MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

262. By the SPEAKER: Memorial of the Legislature of the State of California, relative to agriculture; to the Committee on Agriculture.

263. Also, memorial of the Legislature of the State of California, relative to forests; to the Committee on Appropriations.

264. Also, memorial of the Legislature of the State of California, relative to drug trafficking; to the Committee on Armed Services.

265. Also, memorial of the Legislature of the State of California, relative to Mather Air Force Base Hospital; to the Committee on Armed Services.

266. Also, memorial of the Legislature of the State of California, relative to the National Guard and Reserve; to the Committee on Armed Services.

267. Also, memorial of the Legislature of the State of California, relative to the California Army National Guard; to the Committee on Armed Services.

268. Also, memorial of the Legislature of the State of California, relative to mobile-home parks; to the Committee on Banking, Finance and Urban Affaris.

269. Also, memorial of the Legislature of the State of California, relative to the removal of hazardous asbestos from school facilities; to the Committee on Energy and Commerce.

270. Also, memorial of the Legislature of the State of California, relative to Amtrak rail passenger service; to the Committee on Energy and Commerce

271. Also, memorial of the Legislature of the State of California, relative to chronic fatigue syndrome; to the Committee on Energy and Commerce.

272. Also, memorial of the Legislature of the State of California, relative to the Anti-Drug Abuse Act of 1988; to the Committee on Energy and Commerce.

273. Also, memorial of the Legislature of the State of California, relative to Lithuania, Latvia, and Estonia; to the Committee on Foreign Affairs.

274. Also, memorial of the Senate of the Commonwealth of Pennsylvania, relative to relief for the victims of Hurricane Hugo in Puerto Rico; to the Committee on Interior and Insular Affairs.

275. Also, memorial of the Legislature of the State of California, relative to the naturalization of Filipino veterans; to the Committee on the Judiciary.

276. Also, memorial of the Legislature of the State of California, relative to Federal immigration policy; to the Committee on the Judiciary.

277. Also, memorial of the Legislature of the State of California, relative to the 10th amendment; to the Committee on the Judiciary.

278. Also, memorial of the Legislature of the State of California, relative to the Federal census; to the Committee on Post Office and Civil Service.

279. Also, memorial of the Legislature of the State of California, relative to Pearl Harbor Day; to the Committee on Post Office and Civil Service.

280. Also, memorial of the Legislature of the State of California, relative to urban search and heavy rescue; to the Committee on Public Works and Tansportation.

281. Also, memorial of the Legislature of the State of California, relative to the operation and maintenance of low-use harbors and marinas; to the Committee on Public Works and Transportation.

282. Also, memorial of the Legislature of the State of California, relative to Cal-Vet bonds; to the Committee on Veterans' Affairs.

283. Also, memorial of the Legislature of the State of California, relative to medical care for veterans; to the Committee on Veterans' Affairs.

284. Also, memorial of the Legislature of the State of California, relative to the Medicare Catastrophic Coverage Act of 1988; jointly, to the Committee on Energy and Commerce and Ways and Means.

285. Also, memorial of the Legislature of the State of California, relative to refugees; jointly, to the Committees on the Judiciary and Foreign Affairs.

286. Also, memorial of the Legislature of the State of California, relative to oil tanker accidents; jointly, to the Committees on Merchant Marine and Fisheries and Public Works and Transportation.

287. Also, memorial of the Legislature of the State of California, relative to the Jackson-Vanik amendment; jointly, to the Committees on Ways and Means and Foreign Affairs.

288. Also, memorial of the Legislature of the State of California, relative to the Federal Americans with Disabilities Act; jointly, to the Committees on Education and Labor, Energy and Commerce, the Judiciary, and Public Works and Transportation.

## ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 525: Mr. GILMAN and Mr. SMITH of Iowa.

H.R. 1365: Mr. BLILEY.

H.R. 1867: Mr. YATRON.

H.R. 3296: Mr. BENNETT and Ms. SLAUGHTER of New York.

H.J. Res. 241: Mr. SPRATT, Mr. MACHTLEY, Mr. HUGHES, Mrs. BENTLEY, Mr. CHANDLER, Mr. LEWIS of California, Mr. LANTOS, Mr. LAGOMARSINO, Mr. VENTO, Mr. AKAKA, Mr. INHOFE, Mr. REGULA, Mr. WEISS, Mr. GEJDENSON, Mr. NEAL of Massachusetts, Mr. BOSCO, Mr. CHAPMAN, Mr. SMITH of New Hampshire, Mr. HOYER, Mr. THOMAS of Georgia, Mr. MARTINEZ, Mr. VISCLOSKY, Mr. MOODY, Mr. FUSTER, Mr. DE LUGO, Mr. MOAKLEY, Mrs. BOXER, Mr. DURBIN, and Mr. MATSUI.

H. Con. Res. 123: Mrs. VUCANOVICH, Mr. ROHRABACHER, Mr. CONTE, and Mr. SKELTON.

## DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

*[Omitted from the Record of Oct. 5, 1989]*

H.R. 2505: Mr. STANGELAND.

29-059 O-90-14 (Pt. 17)

# SENATE—*Friday, October 6, 1989*

*(Legislative day of Monday, September 18, 1989)*

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. BYRD].

## PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

*O the depth of the riches both of the wisdom and knowledge of God! How unsearchable are his judgements, and his ways past finding out! For who hath known the mind of the Lord? Or who hath been his counsellor? Or who hath first given to him, and it shall be recompensed unto him again? For of him, and through him, and to him, are all things: to whom be glory for ever. Amen.*

Sovereign Lord who made everything out of nothing, from whom and for whom are all things, manifest Thy presence in this place today. May special blessing rest upon Senators and staff who have worked so hard. Thank Thee for the special reality that is the United States. "Out of Many One." "E Pluribus Unum."

We thank Thee for our diversity and our unity, for diversity which prevents unity from becoming uniformity, for unity which prevents diversity from becoming anarchy. Save us, Lord, from both extremes. And as the Senate, which models the unity of America, functions today, grant that whatever prevents this reality be removed, that Thy will be done on Earth as it is in Heaven.

For the glory of God and the sake of the Nation. Amen.

## RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The Senate will be in order. The majority leader is recognized.

## THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

## SCHEDULE

Mr. MITCHELL. Mr. President, following the time for the two leaders, there will be a period for morning business until 10:30 a.m., with Senators permitted to speak therein for up to 5 minutes each.

At 10:30, the Senate will begin consideration of S. 1726, the catastrophic insurance reform bill, under the provisions of the unanimous-consent agreement granted last evening. I will not restate the agreement. It is lengthy and can be found on page 2 of the Senate Legislative Calendar.

There will be rollcall votes relative to the catastrophic bill throughout the day. We will continue in session until action on that legislation is completed today. Then as soon as possible thereafter we will take up the reconciliation bill.

Mr. President, on Wednesday I announced the schedule for the remainder of this week and for next week. I stressed, and repeated several times during my remarks, and repeat now, so that there can be no misunderstanding, that we will remain in session this week until such time as we complete action on the reconciliation bill. That means today, Friday; tomorrow, Saturday; and the following day, Sunday, if necessary.

If we are unable to complete action on the reconciliation bill by the close of business on Sunday, then, Mr. President, the Senate will return to session next Tuesday to resume deliberations on the reconciliation bill and will remain on that bill until action is complete. We simply have no other alternative.

If we complete action on the reconciliation bill at any time prior to the close of business Sunday, then the Senate will not be in session on Monday or Tuesday, and will be in session on Wednesday with no rollcall votes. So I now have said that publicly several times, privately several dozen times, and I repeat it again, so that the Senators cannot possibly have any misunderstanding as to what the schedule will be.

We must complete action on the reconciliation bill as soon as possible. If we do so by the close of business Sunday, we will not be in session on Monday or Tuesday, and we will be in session, but without rollcall votes, on Wednesday.

If we fail to complete action on the reconciliation bill by the close of business Sunday, then we will not be in session Monday, but will return to session on Tuesday and continue until such time as we do complete action on the reconciliation bill.

I thank my colleagues for their cooperation and patience in this regard.

## THE EXODUS OF EAST GERMAN CITIZENS

Mr. MITCHELL. Mr. President, we are deeply moved by the enormous efforts made by tens of thousands of East Germans who hope to begin a new life in the West. At great personal cost—in some cases, high risk—these individuals are acting upon the universal desire for economic and political freedom.

The recent exodus from East Germany represents the symbolic destruction of the wall dividing East and West. While governments can attempt to enforce physical and political barriers, the East German people have by their actions declared those barriers illegitimate and void.

It is their Government's reluctance to provide these freedoms that leads the East Germans to seek such freedoms elsewhere. Unlike some of its neighbors in Eastern Europe, the German Democratic Republic refuses to acknowledge the popular desire for economic and political reform. As a result, the country has become increasingly isolated and its people increasingly desperate.

The desperation of East German citizens is borne of a lack of hope for change within their own country.

Closing borders cannot solve this problem. The East German Government must recognize this fact.

The Government must finally accept that the most appropriate and effective way to stem the tide of emigration is to provide hope to the people of East Germany.

As the Governments of Poland and Hungary have realized, this requires a willingness to provide the liberties and freedoms that people throughout the world demand.

I hope that President Bush will speak out in support of this need for change in East Germany. I hope the President will give voice to the empathy all Americans have for the hopes and desires of the East German peoples.

The President has enormous power to speak for all Americans and represent our views within the international community. We cannot be silent. The East German Government should hear our urging that its people be given reason for hope, reason to believe that opportunity and liberty can soon be found in their own land.

I hope that when President Gorbachev visits East Germany this weekend, he will work to convince the au-

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

thorities there that closing borders and denying visas cannot contain aspirations for a better life.

I urge President Gorbachev to help the East German Government understand the need for concrete and meaningful steps that will offer hope to the people who now despair. Surely President Gorbachev understands this need based on his own experience. He should demonstrate that the principles he attempts to uphold in the Soviet Union hold good for the rest of Eastern Europe.

I also call upon the Soviet President to demonstrate tangibly that his support for the freedom of emigration is not limited to the Soviet Union alone. I urge him to work to influence his East German ally to make the freedom of emigration real for the people of East Germany, while simultaneously making the desire and need for emigration ultimately disappear.

Self-interest and justice demand that the German Democratic Republic address the underlying problem of which the exodus of its own people is but a symptom.

Mr. President, 35 years ago I was in West Berlin. I there served as a military intelligence officer at a refugee camp, which then received over 3,000 refugees a week from East Germany to Czechoslovakia and Poland. It was that exodus which led to the construction of the Berlin wall, a pathetic admission of failure by a government which had to erect barriers to contain its own citizens.

For nearly 35 years, that wall has stood as an insult to every concept of justice and freedom. We have come full circle, and we see that by their actions, the people of East Germany have symbolically torn down that wall. They have made clear that physical barriers cannot prevent people from seeking freedom.

People the world over want freedom and economic opportunity. We must give voice to their aspirations because it is here in the home of democracy, in the home of freedom and economic opportunity, to which people look for leadership.

I urge the President to speak out on this issue and I especially urge President Gorbachev, who says he wants reform, to make good on his word. I challenge the East German leadership to do what the Soviets claim they want to do in their society, what the Poles and Hungarians and others are doing, and call upon them to destroy that wall, tear down the barriers, give their people the freedom and economic opportunity that they want as do people the world over.

## RESERVATION OF LEADER TIME

Mr. MITCHELL. Mr. President, I reserve the remainder of my leader time and also reserve the time of the distinguished Republican leader. I yield the floor.

The PRESIDENT pro tempore. Without objection the time of the two leaders will be reserved.

## MORNING BUSINESS

The PRESIDENT pro tempore. The Senate now will proceed with a period for transaction of morning business to extend not beyond the hour of 10:30 a.m. with Senators permitted to speak therein for not to exceed 5 minutes.

The Senator from South Carolina is recognized for not to exceed 5 minutes.

## DAY 14 IN THE WAKE OF HURRICANE HUGO

Mr. HOLLINGS. Mr. President, I rise to speak on day 14, 2 weeks after Hurricane Hugo struck my State, yet still on day 14 we have 60,000 homeless, 150,000 without electricity, and thousands who still cannot reach their homes on various islands. I, myself, cannot drive to my home on Isle of Palms. Physically you cannot get there. The bridges are down.

On the other side of the coin, Mr. President, while the crisis continues, the generosity also continues, the tremendous outpouring of clothing, food, supplies, and cash donations from across America. We are profoundly grateful in South Carolina for this helping hand from our sister States.

We are now better able to quantify the scale and magnitude of Hugo. Yesterday, we, in the Senate, had a briefing by Continental Insurance, which estimates a total loss of at least $12 billion, $4 billion of which will be liabilities to the insurance companies. Continental says that Hurricane Hugo is the most destructive storm ever to hit the United States of America. I wondered about Camille. Continental says Hugo was three times more destructive than Camille.

Mr. President, I emphasize the enormity of Hugo because I am sad to report that the administration, specifically the infamous FEMA, has still not risen to the challenge of this unprecedented disaster. The stonewalling and foot dragging continue.

This is not the kind of urgent and generous crisis management that the Congress intended when we passed Public Law 100-707 last year. We passed that law in response to a maneuver by FEMA to cut back on the percentage of costs it absorbs when responding to a crisis. FEMA is supposed to lead in the management of a disaster. Instead, FEMA has proved to be itself a disaster.

I refer to the floor remarks of Congressman TOM RIDGE of Pennsylvania, on July 21, 1987, in the introduction of his bill, he said:

What we say in this bill is that, from this point forward, the minimum, the floor of the Federal Government's involvement in providing public assistance based on eligible cost would be 75 percent. There is the discretion to take it to 100 percent depending on the severity of the disaster and the communities' wherewithal to pay, but that codifies something we think is essential.

Yesterday, I sent a letter to President Bush putting in writing what I have been urging for several days, that he exercise his full discretion and responsibility under this law by ordering 100 percent Federal reimbursement. Of course, the communities are helping themselves. They are not sitting around waiting for Uncle Sugar to come from Washington. But I will say unequivocally that they need and deserve 100 percent Federal reimbursement for qualifying costs.

The response locally has been dramatic and dynamic in every respect. People are banding together and helping each other. Law enforcement officers are working around the clock. St. Stephen, one community out of Charleston, had only two officers, and three police officers came in from outside the county to relieve them so they could get a night's sleep. We had police departments in Mt. Pleasant, Greenville, and across the State collecting money for their colleagues in the hardest hit counties.

Churches, temples, and civic groups all over America are responding. But, despite this outpouring of voluntary assistance, we see the negative consequences of the Federal Government's failure to declare that it will absorb 100 percent of qualified expenses under the law as intended by Congress. The result is scavanging and gouging and the escalating cost of doing things that should be accomplished with minimal cost and effort.

Specifically, we have been trying to get the military in to help clean up the debris. We could get electricity turned on for thousands, and we could clear access to more homes if we had more military expertise and manpower.

Mr. President, I ask unanimous consent to print in the RECORD the letter I addressed to the President, as well as the letter addressed by Governor Campbell to Mayor Riley, dated October 4.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
*Washington, DC, October 5, 1989.*

The PRESIDENT,
*The White House, Washington, DC.*

DEAR MR. PRESIDENT: In order to ensure full Federal assistance in any Federal emergency or disaster, P.L. 100-707, enacted last year, provides that for repair, restoration and replacement of damaged facilities "the federal share of assistance * * * shall not be less than 75 percent." This affirmatively granted to the President the authority to

approve 100% reimbursement. In further provisions of the Act, 100% of associated expenses is provided. Specifically, under Title IV, Section 402, Major Disaster Assistance Programs, the language is as follows:

"In any major disaster, the President may—

"(1) direct any Federal agency, with or without reimbursement, to utilize its authorities and the resources granted to it under Federal law (including personnel, equipment, supplies, facilities, and managerial, technical and advisory services) in support of State and local assistance efforts;

"(2) coordinate all disaster relief assistance (including voluntary assistance) provided by Federal agencies, private organization, and State and local governments;

"(3) provide technical and advisory assistance to affected State and local governments for—

"(A) the performance of essential community services;

"(B) issuance of warnings of risks and hazards;

"(C) public health and safety information, including dissemination of such information;

"(D) provision of health and safety measures; and

"(E) management, control, and reduction of immediate threats to public health and safety; and

"(4) assist State and local governments in the distribution of medicine, food, and other consumable supplies, and emergency assistance."

There is no question that the language with or without reimbursement grants the President discretion for the assumption by the Federal Government of 100% of the costs in the disaster areas of the U.S. Virgin Islands, Puerto Rico and South and North Carolina. Hurricane Hugo is the largest storm in the history of the United States. I am confident from your personal visit to South Carolina you will agree the magnitude of the disaster is beyond any local or state effort. Even at the Federal level on Day 13, ten designated disaster counties by you have yet to receive a FEMA facility. Otherwise, FEMA is demanding applications, assessments, surveys and bureaucracy. Cities, towns, counties and the state have already exhausted their financial resources.

Certainly this is a situation that calls for immediate relief to protect property, public health and safety and lessen the major impact of this catastrophe. We need manpower to help manage the volunteer contributions, to remove debris and expedite housing. The military has been yearning to join the relief effort but is prevented from doing so because at every turn there is a FEMA percentage wrangle rather than assistance. And this private contract approach is impossible—and costly. At this moment in Charleston County, South Carolina the estimation for debris removal in the unincorporated portion of the county is $9 million. Conservatively then for Charleston, North Charleston, Mount Pleasant, etc., Charleston alone would exceed $20 million for debris removal. With 24 disaster counties, the cost in South Carolina would easily exceed $200 million. Thirteen per cent of this to the State would be $26 million and 12% to the cities and towns would be $24 million. State and local governments would be spending $50 million just for debris removal—nothing constructive, not a hospital or a school repaired. But with military manpower and equipment, it can be done immediately and at one-half the cost. Already out-of-state scavengers are coming in with their exorbitant prices knowing local contractors are in no position to take the work.

The problem could be solved immediately with the exercise of your discretion to approve, as provided in the statute, all of these needs without reimbursement. Please help us. Please tell FEMA that the Federal government will assume 100% of the reimbursement of the cost for the Federal assistance to the public bodies.

Sincerely,

ERNEST F. HOLLINGS.

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STATE OF SOUTH CAROLINA,
OFFICE OF THE GOVERNOR,
*Columbia, SC, October 4, 1989.*

Hon. JOSEPH P. RILEY, Jr.,
*Mayor of Charleston, Charleston, SC.*

DEAR JOE: I am in receipt of your letter concerning debris removal in the City of Charleston. In that letter, you cite health and economic reasons for requesting additional assistance in clearing your streets.

As I am sure you are aware, the City of Charleston could have and still can contract directly for assistance in this endeavor. This can be done with a 75% federal, 13% state and 12% local participating match immediately. Further, through a federal grant from the Department of Labor, you may hire workers 100% paid by the federal government to assist your regular workers. I should point out that many cities and towns are availing themselves of both of these programs.

However, you also cite the lack of technical and contract administration capability of the City of Charleston to undertake the letting of contracts to clear the debris and call upon me to get the U.S. Army Corps of Engineers to perform the tasks for you.

Therefore, in order to expedite your request, I am asking FEMA to determine, as required by law, if you actually lack the technical and contract administration capability to meet the situation. Upon FEMA's determination that this is the case. I will immediately have either the State of South Carolina, through the Budget and Control Board, or the Army Corps of Engineers undertake to handle the contracts for you. The formula funding will be the same in any circumstance.

In the meantime, my office, through FEMA, authorized trucks and drivers from the Marines to assist you temporarily until contracts can be let.

Joe, I have asked FEMA to make this determination by 5:00 p.m. today, and will do all I can to assist you.

Sincerely,

CARROLL A. CAMPBELL, Jr.,
*Governor.*

The PRESIDENT pro tempore. The Senator's time has expired.

Mr. HOLLINGS. I ask unanimous consent for an additional 5 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HOLLINGS. I thank the distinguished Presiding Officer.

Mr. President, I quote an excerpt from the letter of Governor Campbell to the mayor:

> However, you also cite the lack of technical and contract administration capability of the City of Charleston to undertake the letting of contracts to clear the debris and call upon me to get the U.S. Army Corps of Engineers to perform the tasks for you.
>
> Therefore, in order to expedite your request, I am asking FEMA to determine, as required by law, if you actually lack the technical and contract administration capability to meet the situation. Upon FEMA's determination that this is the case. I will immediately have either the State of South Carolina, through the Budget and Control Board, or the Army Corps of Engineers undertake to handle the contracts for you. The formula funding will be the same in any circumstance.

That is plain and simple bureaucracy. It is a gratuitous churning out of more red tape.

The Governor cites, incidentally, 75 percent Federal funding, 13 percent, State, and 12 percent local. Yet there is no provision in the law for 13 percent State and 12 percent local funding. There is no such provision whatsoever.

The law calls for 100 percent Federal funding for this kind of disaster. So what we are seeing is FEMA's effort to chill and discourage and intimidate the local mayors. Those mayors have been working around the clock and have expended all their budget and then some. In fact they are now talking about increasing the gas tax in my State to raise revenues for Hugo. They are trying their best.

But instead of a decisive Federal response, with ample military manpower and a timely declaration that the Federal Government will assume 100 percent of qualified costs, we have stonewalling and stinginess.

As a consequence we are seeing a jackal's pack of scavengers and gougers descending on my State, demanding debris-removal contracts and so on at three and four times the legitimate price. The mayors tell me that contractors are knocking on the doors and boasting about how they made so much money on Camille, so much money down in Texas during another disaster, and so on. It is brazen exploitation of descent citizens who have been left in the lurch by FEMA and the Federal authorities.

You realize how different things might have been with a timely and assertive Federal response. You have Fort Bragg, ready to move, with ample equipment and trained manpower. You have the Corps of Engineers who, to my personal knowledge, have been at work for 2 weeks trying to help but cannot break through this bureaucracy. I lay this directly at the feet of FEMA.

That crowd put on a pusillanimous kind of news conference yesterday saying they were "third in line;" that they did not have a responsibility; that people did not understand the law. Nonsense. I have cited the law, and it is unambiguous. FEMA claims they brought the military in, yet right this minute they are blocking the military with this bureacratic obstacle course and by their failure to declare their intention to assume 100 percent of qualified costs.

Why wait for a political declaration a month from now, after there are all kinds of contracts signed, we have wasted another month and spent three times the amount of money?

This is day 14. Yet, unbelievably, there still are 10 South Carolina counties declared disasters by the President that do not have a local FEMA office. This is a pure and simple outrage.

I will list the 10 counties that have been abandoned by FEMA: Calhoun, Chester, Chesterfield, Hampton, Darlington, Dillon, Fairfield, Marion, Marlboro, and York.

Mr. President, we are getting the grand political runaround. The law is clear. Congress' intent is clear. I have asked politely for nearly a week. Where is the Federal declaration?

And St. Croix is even worse off than South Carolina. They tell me there is not a tree still standing in the Virgin Islands. And it is nearly as bad in Puerto Rico.

But instead of action we have a political flyover, a hit-and-run delivery, a Presidential photo opportunity, and then they leave and forget about South Carolina.

The President hit the ball with the declaration of a disaster, but he failed to round the bases. That is what we are begging for here today, that he follow through and galvanize FEMA.

I have had good help from the Small Business Administration. Susan Engeleiter just yesterday hired 100 experts, but she still is roadblocked in opening up offices because FEMA must authorize her. So she cannot have SBA disaster loans in those 10 counties until FEMA opens an office. Yet FEMA has the gall to hold a new conference saying they are third in line and people do not understand and FEMA's critics are too emotional.

I sit in the Senate until 3 o'clock in the morning and listen to my distinguished colleagues talk about refugees from Poland and East Germany, and so on, while we have refugees right here—honest, taxpaying Americans—who have been abandoned by their own Government, which refuses to heed the law passed right in this Congress.

And, of course, it's all too predictable that a month or two down the road we will have a belated, politically inspired declaration. But it will come too late.

I would point out that there is ample precedent for a 100-percent declaration. We did it often the Mount St. Helen's disaster, among others. So it is clear what the game is here. By flaunting the specter of 25 percent non-Federal liability, they hope to hold down the number of applications and put the mayors in total turmoil. This is a shame. Those mayors have work to do and no time for letting contracts and looking at bids. Everyone is busy rebuilding as fast as they can, and they are contending with the scavengers and gougers. The military is waiting. The commanders have told me they would welcome this, that it would be a good exercise for the Marines and the Army and the Corps of Engineers if they could get involved in South and North Carolina and do this work.

I think, Mr. President, the unnecessary waste here is best summarized by an article by Mike Royko that appeared in our Columbia State newspaper, where he said, "The people in Washington are better bailing out swindlers than basements."

He said, the trouble in Charleston is we "should have immediately incorporated Charleston and the surrounding area as a savings and loan association," and then we could have gotten $14 billion lickety-split.

Mr. President, I ask unanimous consent that Mr. Royko's article be printed in the RECORD.

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

STORM OF FEDERAL INACTION FOLLOWS IN WAKE OF HURRICANE

(By Mike Royko)

CHICAGO.— The phone range at 1 a.m. The call was from a friend with whom we had dinner only a few hours earlier. His Southern drawl was tense.

"It's gettin' worse and I think you better haul butt, right now," he said. "They're going to order the island evacuated at 6 a.m. and the traffic's gonna be a mess."

A fast wake-up coffee, clothes stuffed into suitcases, a last look from the condo balcony at the Atlantic Ocean, and we were in the car on our way to and through Charleston, S.C.

It was an eerie sight on the highway. Normally, in the middle of the night, there would be only the distant taillights of a truck or two.

But now it was like pre-dawn rush hour on Chicago's expressways. And few drivers heeded the posted speed limit.

Mighty Hugo was coming and they were, as my friend put it, hauling butt. Some peeled off for motels and hotels or homes of relatives and friends. Most just kept going.

Six hours later we were safely having breakfast in the sand hills and tall pine region of North Carolina.

The rest of that day, I had second thoughts and regrets about ducking out of Charleston. I had never seen a hurricane and it would have been exciting, as well as something to write about.

Then at midnight Hugo roared in. Television showed the quiet island I had been on. It took the most severe hit. You probably saw scenes of the big boats that were tossed ashore. I had been staying a five-minute walk from the marina.

That ended my second thoughts and regrets, I still haven't seen a hurricane, and I don't intend to.

For me, it was just the inconvenience of juggling vacation plans. But for most of those who lived or worked on that island, it was a total wipeout. Homes gone. Jobs gone. The island is still there, but not much that was on it.

The pity is that it hit those islands and Charleston, a city of charm and friendly hospitality.

While I wish no one harm, it would have been better if Hugo had stayed at sea a bit longer and whammed into Washington, D.C.

Had it done so, the lumbering, bumbling bureaucracy known as the Federal Emergency Management Agency might have been a bit more nimble in doing its job.

This is the outfit that we pay to provide various forms of help to victims of disasters.

This is also the outfit that South Carolina's Sen. Ernest Hollings called a "bunch of bureaucratic jackasses."

And with good cause. Although Washington is only a few hundred miles from Charleston, it took the bureaucrats a week to find their way down there and open an office. It took them several more days to open a few more.

Charleston asked for portable power generators. The reason should have been obvious. Vast areas were without electricity. Any boob could see that by turning on their TV sets.

Generators? The bureaucrats thumbed through their handbooks. Ah-hah! One cannot just ask Washington for portable power generators and expect to get them. You need generators? You must first prepare and submit a written assessment of the need for the generators.

People were holding candles while wading knee deep in mud in their living rooms—if they still had living rooms—but the bureaucrats wanted a written assessment of the situation.

Those who needed federal loans to repair or rebuild homes or businesses found themselves wrapped like Christmas packages in red tape.

You need a loan because the rain is coming through your roof? Or half of your restaurant has been blown into the next county? Let us thumb through the handbook. Ah, it says that you should come back in a couple of weeks and fill out some forms. And then, if you are lucky, in several more weeks you might get the loan. Until then, well, you might put a pot over your head when the rain comes through the roof.

I keep thinking of the thin waitress who told me, "If this place goes, I'm out of work and I have about a week's pay to live on." What form does she fill out? Or the gas station guy, on the wrong side of the bridge that was blown down. He said, "If it hits here, I don't know what I'm going to do." It hit there. And now he knows what he's going to do. He's going to fill out forms and wait and wait.

Well, it's probably Charleston's own fault. When they saw that Hugo was heading their way, the state should have immediately incorporated Charleston and the surrounding area as a savings and loan association.

Then it should have called Washington and said: "We are what is laughingly called a thrift institution and we have just squandered all of our assets on wine, women and song. How about bailing us out?"

They'd have had help fast. The people in Washington are better at bailing out swindlers than basements.

Mr. HOLLINGS. Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum has been suggested. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I ask unanimous consent to proceed as if in morning business.

The PRESIDENT pro tempore. For how long would the Senator like to proceed?

Mr. THURMOND. About 8 minutes.

The PRESIDENT pro tempore. Without objection, the Senator from South Carolina [Mr. THURMOND] may proceed for 8 minutes as in morning business.

(The remarks of Mr. THURMOND pertaining to the introduction of Senate Joint Resolution 214 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

## EXTENSION OF MORNING BUSINESS

Mr. DURENBERGER. Mr. President, I ask unanimous consent that the time for morning business be extended for 5 minutes so I may proceed on a morning business subject.

The PRESIDENT pro tempore. Without objection, it is so ordered. The Senator is recognized.

## TRANSANTARCTICA EXPEDITION

Mr. DURENBERGER. Mr. President, today is day 72 for the international Transantarctica team. The team has traveled 645 miles of their 4,000-mile journey and are camped near the foot of Mount Vang.

After 10 days of uninterrupted bad weather some of the younger, less experienced dogs began to weaken. The high winds and deep snow conditions took their toll on the dogs. They are not used to sleeping and running in such extreme conditions.

The team did not want to tire the dogs out so early on the trek so 15 dogs were airlifted out Saturday to their base camp in Puntas Arenas, Chile.

Although three replacement dogs were brought in by the supply plane, the team decided to go with only two sleds.

The third sled went back to Chile with the dogs. The dogs and sled are expected to return to action in late October when the weather will be less severe. After all, it will be spring in Antarctica.

Lately, it has been the snows that have slowed the expedition, not the temperature. Over the weekend the area got nearly 4 feet of snow. That is taller than the dogs. As a result, the team could not move, even thugh the weather was crystal clear. The temperature has been a relatively warm 10 degrees above zero.

Mr. President, I have already introduced the expedition leaders of Will Steger and Jean-Louis Etienne, and the Soviet member, Victor Boyarsky. I now want to introduce Geoff Somers, the British team member. Geoff is from Keswick, England, and was invited to join the expedition largely because of his dog-handling skills and his years in Antarctica—he spent one 34-month stretch working for the British Antarctica survey. A glutton for punishment, Geoff Somers enlisted for another 9 months, after his 34-month hitch was up.

He is 39 years of age, and Geoff is an experienced Outward Bound hand, having taught courses throughout Africa and British Columbia. Born in the Sudan, he has traveled extensively around the world and endured many extremes, from being in Borneo without any water to 2 days inside an airplane cockpit in Antarctica. Yet, when asked about the challenge of dog sledding 4,000 miles across Antarctica, Geoff responded that the dog sledding was the easy part, it's the planning and logistics that was difficult.

Mr. President, as I have already indicated, the team takes very good care of their 42 dogs. Thirty-six are pulling sleds—12 to a sled. The six extra dogs are kept at the base camp. Most of the dogs are Will Steger's, but eight are from the highly respected Krabloonik in Colorado, and five are from Greenland. The Greenland huskies are direct descendants of the dogs used in Antarctica by U.S. Adm. Richard E. Byrd, who in 1929 was the first man to fly over the South Pole.

Will has been breeding and training dogs for almost 15 years at his remote wilderness cabin in northern Minnesota. His dogs are not beautiful, many have tattered ears, battered faces, and lopsided features—signs of character and experience, he calls them. The Steger dogs are called polar huskies and have the spirit of a racer, strength of a sled hauler, and loyalty of a pet.

As any dog owner knows, dogs have individual personalities. The huskies on the trip are no different. The Greenland huskies are very feisty and fight a lot. Steger compares them to rugby players. By comparison, the Colorado dogs are shy, particularly when confronted by the more aggressive dogs. They require a lot of encouragement and attention. Steger's team is a reflection of his own personality—relentless, stubborn, playful, and volatile. Their frustrations can flair into unexpected fights, and their pulling style can appear chaotic. But they never stop.

Leading Will's team is Tim, a fierce-looking black dog who is two-thirds wolf. Nearly all of the Steger dogs have wolf in their blood. Sharing the lead with Tim, is Sam. Steger adopted Sam on a training run before his 1986 North Pole trip. Sam followed Steger's team for 3 days into the Arctic until he let himself get caught and harnessed. Also on Steger's team are North Pole veterans Choochi, Hank, and Yeager—brothers and cousins who tumble together with affection 1 minute and erupt into vicious fights the next.

To prepare for the Antarctic trip, the dogs spent 3 years hauling cement, rock, sand, and other supplies at Steger's Minnesota home. Last year, they hauled 500 latrines into the Boundary Water Canoe Area Wilderness campsites in midwinter.

While in the Antarctic the dogs receive a special high-fat diet designed by Hill's Pet Products for the expedition. Called Science Diet Endurance, the 2-pound blocks of concentrated food contain 5,700 calories—three times as much a similar 90-pound house pet requires. The dogs are fed once a day at night. They will pounce on the block, eating half of it immediately. The rest will be nibbled throughout the night. For water they lick ice. At night, the dogs sleep out in the open, relying on their fur to keep warm. In addition, they will burrow into the snow for insulation. Often the team will have to use shovels to dig them out.

Mr. President, I will conclude by saying that the members of the team consider the dogs the trip's most important resource. They are so important that several weeks ago when they could not find the cache of food under the blowing snow, the team gave the dogs their own food supplies, while they, the team, went hungry.

## VISIT TO THE SENATE BY THE PRESIDENT OF THE UNITED STATES

Mr. MITCHELL. Mr. President, we are pleased to welcome a former President in this Chamber who has now moved on to other things. We welcome the President as always. We are graced by his presence.

Mr. President, we are very happy to have you here and I know all Members join in welcoming you.

[Applause.]

The PRESIDENT pro tempore. The Senate will be in order.

Mr. DURENBERGER addressed the Chair.

The PRESIDENT pro tempore. The Senator from Minnesota.

## PRIVILEGE OF THE FLOOR

Mr. DURENBERGER. Mr. President, I ask unanimous consent that Mr. George Greenberg, who is a member of my staff on detail from the Department of Health and Human Services, be given the privilege of the

floor during the course of business today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DURENBERGER. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum having been suggested, the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

## EXTENSION OF MORNING BUSINESS

Mr. ROTH. Mr. President, I ask unanimous consent that morning business be extended for 5 minutes and I be permitted to speak.

The PRESIDENT pro tempore. Without objection, it is so ordered. Morning business will be extended 5 minutes. The Senator from Delaware [Mr. ROTH] will be recognized not to exceed 5 minutes, and the Senate will be in order.

## BUDGET WAIVER

Mr. ROTH. Mr. President, we will soon be considering the catastrophic insurance program, and at that time there will be made a motion to waive the Budget Act. Since I have to attend a meeting on reconciliation in the Finance Committee, I will make my statement on that waiver at this time.

Mr. President, we must focus on the long-range view, not the short-term view. I submit that we must look at the program's costs 5 or 10 years from now, not just next month and next year. It is clear that costs under this program will continue to rise, as we have seen with skilled nursing, and it is my belief that 5, 10 years from now this program is going to have substantial financing difficulties. We must rethink our approach. We must give the Senate the opportunity to work its will on these amendments, and that requires that we waive the Budget Act.

The catastrophic health insurance law established a self-financing mechanism to pay for the new benefits, not to provide for deficit reduction. Any benefit derived by the surplus finances should not drive our budget considerations—that is pure budget gamesmanship. We are treating these surpluses as if they were general funds, and they are not.

Indeed, it is not clear that revenues will exceed outlays in the next fiscal year under this program. We have considered such a wide range of estimates, and I do not think anyone can say with confidence what the program's costs will be next year. What we can say with confidence, however, is that repealing this program will reduce the budget deficit over the long run. And, Mr. President, let me be clear, there is one amendment which will truly repeal the catastrophic program, that is the amendment passed overwhelmingly by the other body, and that is the amendment Senator DANFORTH and I will propose today.

We are asked to make decisions about changes on soft data and bad estimates. We are constantly getting new estimates that are always going higher. To emphasize this point, let me take just a moment to recap what has happened to date with budget estimates and catastrophic.

When the original bill passed, the program was promoted as self-financing. Then last spring, we learned the program was over funded and a surplus would result. At that time, some consideration was given to reducing the surtax by one-half. Now, CBO projects a shortfall of $200 million for 1989 alone. In fact, We were told by the Congressional Budget Office that the program was going to cost $30 billion. We are now told 1 year later it is going to cost $48 billion. We were told the skilled nursing or SNIFF, benefit was going to cost $400 million in 1989; now we are told it will cost $4.4 billion for 1990 alone.

Mr. President, I support the budget waiver. We need to let the Senate work its will—to consider the long-term implications of the decisions we hope to make today.

I yield back the floor. I make a point of order that a quorum is not present.

The PRESIDING OFFICER. A point of order is made that a quorum is not present. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROCKEFELLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

## NATIONAL HOSTAGE AWARENESS DAY

Mr. DOLE. Mr. President, last evening, the Senate passed House Joint Resolution 400—a joint resolution marking October 27, 1989, as "National Hostage Awareness Day."

I want to commend the original sponsor of that legislation in the House, Congressman PAUL HENRY of Michigan, for this initiative.

This day will be a very worthwhile reminder of a major piece of unfinished business on the national agenda—the fate of the eight Americans still held hostage in Lebanon. It also serves to honor two other Americans—American Embassy Officer William Buckley and Marine Lt. Col. William Higgins—who were taken hostage while on official duty, and were subsequently murdered by their captors.

As I indicated in a "Dear Colleague" sent out earlier this week, my original intent had been to introduce an identical resolution in the Senate. But the opportunity to act on this matter immediately presented itself last evening, when we received the House version of the legislation—so we did pass it.

I want to note for the RECORD those Senators who had indicated their intention to cosponsor my joint resolution: Senators REID, D'AMATO, CONRAD, MOYNIHAN, GRASSLEY, BRADLEY, ROTH, SYMMS, PELL, and MURKOWSKI.

I know all of them join me in expressing satisfaction that the joint resolution has passed, and that the Nation will have the opportunity to mark "National Hostage Awareness Day" on October 27.

## CITY YEAR

Mr. KENNEDY. Mr. President, President Kennedy's call for all Americans to serve their country lives on through the work of citizens everywhere who volunteer their time, their ideas, and their energy to improve the life of the community. In Boston, Alan Khazei and Mike Brown are keeping that spirit alive through a program called City Year. City Year brings together Boston-area youth of diverse backgrounds who share a common commitment to meeting the greatest needs of the community. Boston has already benefited from over 13,000 hours of service through a summer pilot program. Now City Year is embarking on a full-year program with 60 young participants. A model for our National and Community Service Act of 1989, S. 1430, City Year has gained the attention of policymakers and the appreciation of the citizens of Boston. I commend Alan Khazei and Mike Brown for their vision and dedication to an ideal whose time has come again.

I ask unanimous consent that the following article from Harvard magazine be printed in the RECORD.

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

### LENDING A HAND

Thomas Jefferson had one misgiving about the proposed Constitution of the United States. It established, said Jefferson, a nation inhabited by citizens where no one could truly act as a citizen. For democracy to become a reality, Jefferson felt, access for direct involvement must be the top priority. Today, as the Constitution enters its third century, the Jeffersonian notion of civic involvement is blossoming within the greater Boston area through the efforts of Alan Khazei '83, J.D. '87, and Michael H. Brown '83, J.D. '88, co-leaders of City Year.

Khazei and Brown developed their "urban Peace Corps" to expand the concepts of citizenship and public service. Designed as a "bridge year between youth and adult-

hood," City Year enables 17- to 22-year-olds to contribute their perspectives and energies to public service projects. The six-week pilot program in the summer of 1988 grabbed local media attention and demonstrated that young people could make a difference in their communities—over 13,000 hours throughout twelve communities—to such projects as the Special Olympics, the Neighborhood of Affordable Housing, and the renovation of shelters for the homeless.

Since the summer program, Khazei and Brown have been preparing City Year for its first full-year stint by raising funds and promoting the program. This fall, sixty "Corps members" will serve as "service resources" for projects judged by government agencies and City Year to be in greatest need. Funding comes through the private sector. That is the potential way, say Khazei and Brown, to get everyone—not just the government—involved. "People have a common interest in making the world a better place," notes Brown. "Nine out of ten asked were willing to help."

Willing to help indeed were 150 members of the Class of '84, who worked on eleven different team projects for a half-day during reunion week. Chosen because much could be accomplished in little time, the projects ranged from sorting 18,000 pounds of food in Roxbury to sprucing up a community garden in Dorchester. This "Class Act" was organized by Christopher Rich '84 and Jonathan Wiener '84 J.D. '87, both active promoters of City Year.

The initial motivation for City Year emerged while Khazei and Brown served as congressional interns. They realized that nearly everyone within the government supported the notion of public service, but few knew how to create effective programs—so they began developing one of their own. They entered law school to get the training to enact their "entrepreneurial public service" ideas.

"City Year has learned from other public service programs, such as New York's City Volunteer Corps," asserts Khazei, "Our mission is to provide another model program." If City Year succeeds, and others in turn learn from it, perhaps the Jeffersonian dream of a civic-minded society will someday be realized.—K.E.J.

## TERRY ANDERSON'S CAPTIVITY

Mr. MOYNIHAN. Mr. President, I rise to bring to my colleagues' attention the fact that today is the 1,665th day that Terry Anderson has been held in captivity in Beirut.

## UNIVERSITY RESEARCH FACILITIES

Mr. HEFLIN. Mr. President, I rise in support of the practice of making direct congressional appropriations for university research facilities projects.

In my judgment, those who oppose such projects have made, and continue to make, significant errors of fact. For example, they talk about "pork barrel science." I think they are mistaken when they use that term. Directly funded research facilities projects help to broaden the knowledge base that is essential to the Nation's future political and economic security. They are not pork. Funds for scientific research facilities are not pork. Funds for education are not pork. Funds for advanced genetic research are not pork.

As I see it, those who oppose such projects on the grounds that they have not been subjected to peer review, or "merit review," as some like to call it, are missing the fundamental distinction between funding for individual research projects and funding for research facilities. I believe that peer review is appropriate for decisions about the funding of individual research projects. Those are highly technical decisions, and they should be made by panels of scientific experts, people with strong technical backgrounds. Decisions about the location of research facilities are another matter entirely. These decisions require a whole range of social, economic, environmental, and political judgments, and in all humility I believe that we in the U.S. Senate are more qualified to make those judgments than panels of scientific experts. Isn't that why our constituents elected us to office—to make those kind of judgments? We should not be turning them over to panels of experts, no matter how distinguished those experts might be.

One thing we can use in any debate on directly funded projects is accurate information on the existence of a peer review process in the Federal science agencies through which universities can compete for funds for research facilities. The opponents of the projects assume that such a process is fully operational and has somehow been circumvented. But that assumption is wrong. No such process is in existence at the present time, and until one is, there is nothing to circumvent.

Opponents of directly funded projects make another charge. They tell us that if Congress funds such projects we are heading down the road toward mediocrity in research. I reject that charge. I believe, on the contrary, that such projects will improve the quality of scientific research in this country. The facilities and the equipment brought into being by such projects will enable the institutions receiving them to compete more effectively for Federal research support in the future. That increased competition is not a bad thing; it's a good thing—for our scientific research effort, and for the Nation as a whole.

Mr. President, when university research facilities projects emerge from an appropriations subcommittee, they have already been carefully considered, and have been found to be worthwhile. To me, that means that such projects have in fact been subjected to a rigorous form of merit review, and have passed the test. In these circumstances, I am not about to second-guess the appropriations subcommittees, and neither should the Senate. Let me repeat: A vote for such projects is not a vote for pork or for mediocrity; it is a vote for science and for research and for education; it is a vote for a broadened and expanded and more diverse scientific research infrastructure in this country; it is a vote in the national interest.

## TRIBUTE TO CHARLES MARION COOPER

Mr. BOREN. Mr. President, on Tuesday of this week, those of us in the Oklahoma congressional delegation lost a valued friend and colleague—Charles Marion Cooper. For the last 6 years of his life, Charley Cooper faithfully served as a member of Representative WES WATKINS' staff. As Representative WATKINS said in his floor tribute to Charley, however, "He was more than a staffer, he was a trusted personal friend."

Words somehow seem inadequate to describe the contributions that Charley made to his State and Nation during his 63 years. He was a kind man, and had an unassuming, easy-going manner that quickly won over all those he met. Charley's good humor and commonsense approach to life were a source of inspiration and encouragement to us all.

We will all miss our friend, Charley Cooper. Our heartfelt prayers and sympathy go out to his wife, Allene. Together, they worked tirelessly on behalf of rural America. The contributions they have made will remain as a living legacy to Charley—a testimony to the good one person can accomplish during the time we each have allotted us on this Earth.

## CONCLUSION OF MORNING BUSINESS

The PRESIDENT pro tempore. Morning business is closed.

## CATASTROPHIC INSURANCE REFORM

The PRESIDENT pro tempore. The Senate will now proceed to the consideration of S. 1726, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1726) to repeal medicare catastrophic coverage provisions effective in years after 1989 and the supplemental medicare premium, and for other purposes.

The Senate proceeded to consider the bill.

The PRESIDENT pro tempore. Under the order, the Senator from Arizona [Mr. MCCAIN] is recognized.

Mr. MCCAIN. Mr. President, under provisions of the previous agreement, I send a modification to the desk at this time and ask for its immediate consideration.

The PRESIDENT pro tempore. The modification will be received.

The modification is as follows:

S. 1726

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

SECTION 1. REPEAL OF MEDICARE CATASTROPHIC COVERAGE PROVISIONS EFFECTIVE IN YEARS AFTER 1989 AND SUPPLEMENTAL MEDICARE PREMIUM.

(a) GENERAL REPEAL.—

(1) IN GENERAL.—The following provisions of the Medicare Catastrophic Coverage Act of 1988, as amended by the Technical and Miscellaneous Revenue Act of 1988, are hereby repealed, and the Social Security Act shall be applied and administered as if such provisions (and the amendments made by such provisions) had not been enacted:

(A) Section 201.

(B) Subsections (i), (j), and (k) of section 202.

(C) Section 211(c)(3).

(D) Section 212 (other than subsection (b)(2)).

(E) Section 213.

(2) EFFECTIVE DATE.—The repeals made by this subsection shall take effect as if included in the Medicare Catastrophic Coverage Act of 1988.

(b) GENERAL DELAY.—

(1) Section 1834(d)(2) of the Social Security Act, as added by section 203(c)(1)(F) of the Medicare Catastrophic Coverage Act, is amended by striking "1990" and inserting "1991".

(2) Section 203(c)(2) of the Medicare Catastrophic Coverage Act is amended by striking "1991" and inserting "1992".

(3) Section 1835(a)(2)(G) of the Social Security Act, as inserted by section 203(d)(1)(C) of the Medicare Catastrophic Coverage Act, is amended by striking "1993" and inserting "1994".

(4) Section 1154(a)(16) of the Social Security Act, as amended by section 203(d)(2) of the Medicare Catastrophic Coverage Act, is amended by striking "1993" and inserting "1994".

(5) Section 203(g) of the Medicare Catastrophic Coverage Act is amended by striking "1990" and inserting "1991".

(6) Section 1834(e) of the Social Security Act, as added by section 204(b)(2) of the Medicare Catastrophic Coverage Act, is amended—

(A) in paragraph (2)(B)(ii), by striking "1992" and inserting "1993",

(B) in paragraph (4)(A)(i), by striking "1990" and inserting "1991",

(C) in paragraph (4)(B), by striking "1991" and inserting "1992", and

(D) in paragraph (5), by striking "1990" and "1991" each place each appears and inserting "1991" and "1992", respectively.

(7) Section 204(3) of the Medicare Catastrophic Coverage Act is amended by striking "1990" and inserting "1991".

(c) SUPPLEMENTAL MEDICARE PREMIUM REPEAL.—

(1) GENERAL REPEAL.—Section 111 of the Medicare Catastrophic Coverage Act of 1988, as amended by the Technical and Miscellaneous Revenue Act of 1988, is hereby repealed, and the Internal Revenue Code of 1986 shall be applied and administered as if such provisions (and the amendments made by such provisions) had not been enacted:

(2) CONFORMING AMENDMENTS RELATING TO TRUST FUNDS.—

(A) FEDERAL HOSPITAL INSURANCE CATASTROPHIC COVERAGE RESERVE FUND.—Section 1817A of the Social Security Act (42 U.S.C. 1395i-1a) is amended by adding at the end thereof the following new subsection:

"(d) On November 1, 1989, the Secretary shall transfer any amount remaining in the Trust Fund (including interest) to the general fund.".

(B) SMI TRUST FUND.—Section 1841(a) of the Social Security Act (42 U.S.C. 1395t(a)) is amended by striking "which are attributable to the catastrophic coverage rate and which are not otherwise appropriated under section 1817A(a)(2) to the Federal Hospital Insurance Catastrophic Coverage Reserve Fund".

(3) EFFECTIVE DATES.—The repeal and amendments made by this subsection shall take effect as if included in the Medicare Catastrophic Coverage Act of 1988.

(d) MODIFICATION OF EXTENDED CARE SERVICES.—

(1) DURATION OF EXTENDED CARE SERVICES REDUCED TO 100 DAYS PER YEAR.—Section 1812 of the Social Security Act (42 U.S.C. 1395d) is amended by striking "150 days" in subsections (a)(2) and (b)(1) and inserting "100 days".

(2) POST-HOSPITALIZATION REQUIREMENT REINSTATED.—

(A) IN GENERAL.—Section 1812 of the Social Security Act (42 U.S.C. 1395d) is amended—

(i) in subsection (a)(2), as amended by paragraph (1), by striking "extended care services for up to 100 days during any calendar year" and inserting in lieu thereof "(A) post-hospital extended care services for up to 100 days, and (B), to the extent provided in subsection (f), extended care services that are not post-hospital extended care services";

(ii) in subsection (b)(1), by inserting "post-hospital" before "extended care";

(iii) in subsection (e), by inserting "post-hospital" before "extended care"; and

(iv) by adding at the end thereof the following new subsections:

"(f)(1) The Secretary shall provide for coverage under clause (B) of subsection (a)(2) of this section, of extended care services which are not post-hospital extended care services at such time and for so long as the Secretary determines, under such terms and conditions (described in paragraph (2)) as the Secretary finds appropriate, that the inclusion of such services will not result in any increase in the total of payments made under this subchapter and will not alter the acute care nature of the benefit described in subsection (a)(2) of this subsection.

"(2) The Secretary shall provide—

"(A) for such limitations on the scope and extent of such services described in subsection (a)(2)(B) of this section, and on the categories of individuals who may be eligible to receive such services, and

"(B) notwithstanding sections 1814, 1861(v), and 1886 of this title for such restrictions and alternatives on the amount and methods of payment described in such subsection,

as may be necessary to carry out paragraph (1).

"(g) For a definition of 'post-hospital extended care services' and definitions of other terms used in this part, see section 1861 of this title.".

(B) MISCELLANEOUS AND CONFORMING AMENDMENTS.—

(i) Section 1811 of such Act (42 U.S.C. 1395c) is amended by inserting "post-hospital" before "extended care".

(ii) Paragraphs (2)(B) and (6) of section 1814(a) of such Act (42 U.S.C. 1395f(a)) are each amended by inserting "post-hospital" before "extended care" each place it appears.

(iii) Section 1861(e) of such Act (42 U.S.C. 1395x(e)) is amended—

(I) in the matter before paragraph (1), by inserting "and, subsection (i) of this subsection," after "and paragraph (7) of this subsection";

(II) in the second sentence, by inserting ", and subsection (i) of this section" after "and section 1814(f)(2)";

(III) in the fourth sentence, by inserting "except for purposes of subsection (a)(2)" after ", such term shall not"; and

(IV) by inserting after the first sentence the following new sentence: "For purposes of subsection (a)(2) of this section, such term includes any institution which meets the requirements of paragraph (1) of this section.".

(iv) Section 1861 of such Act (42 U.S.C. 1395x) is amended by inserting after subsection (h) the following new subsection:

"(i) The term 'post-hospital extended care services' means extended care services furnished an individual after transfer from a hospital in which such individual was an inpatient for not less than 3 consecutive days before his discharge from the hospital in connection with such transfer. For purposes of the preceding sentences, items and services shall be deemed to have been furnished to an individual after transfer from a hospital, and such individual shall be deemed to have been an inpatient in the hospital immediately before transfer therefrom, if such individual is admitted to the skilled nursing facility—

"(A) within 30 days after discharge from such hospital, or

"(B) within such time as it would be medically appropriate to begin an active course of treatment, in the case of an individual whose condition is such that skilled nursing care would not be medically appropriate within 30 days after discharge from a hospital;

and an individual shall be deemed not to have been discharged from a skilled nursing facility if, within 30 days after discharge therefrom, such individual is admitted to such facility or any other skilled nursing facility.".

(v) Subsections (v)(1)(G)(i), (v)(2)(A), and (v)(3) of section 1861 of such Act (42 U.S.C. 1395x) are each amended by inserting "post-hospital" before "extended care" each place it appears.

(vi) Section 1861(y) of such Act (42 U.S.C. 1395x(y)) is amended

(I) by inserting "Post-Hospital" before "Extended Care" in the heading and by inserting "post-hospital" before "extended care" each place it appears, and

(II) in paragraph (1), by inserting "(except for purposes of subsection (a)(2))" after "Boston, Massachusetts, but only".

(vii) Section 1866(d) of such Act (42 U.S.C. 1395cc(d)) is amended by inserting "post-hospital" before "extended care".

(viii) Subsections (d)(1) and (f) of section 1883 of such Act (42 U.S.C. 1395tt) are amended by inserting "post-hospital" before "extended care" each place it appears.

(3) COINSURANCE MODIFIED.—

(A) AMOUNT.—Paragraph (3) of section 1813(a) of such Act (42 U.S.C. 1395e(a)) is amended to read as follows:

"(3) The amount payable for post-hospital extended care services furnished an individual shall be reduced by a coinsurance amount equal to one-eighth of the inpatient hospital deductible for each day (before the 101st day) on which he is furnished such

services after such services have been furnished to him for 20 days.

(4) USE OF EXCESS PREMIUM REVENUES.—Nothwithstanding any other provision of law, the Secretary of Health and Human Services shall use any excess revenues resulting from the amendments made by this section to—

(A) first, reimburse the Federal Hospital Insurance Trust Fund for any costs resulting from the provision of extended care services to individuals admitted before November 1, 1989, and

(B) second, to further reduce premiums imposed under section 1839 of the Social Security Act.

(5) STUDY.—The Secretary of Health and Human Services, or the Secretary's delegate, shall study the reasons for the unexpected increase in cost estimates of the extended care services benefit under title XVIII of the Social Security Act. The Secretary shall report to the Congress no later than February 1, 1990 the results of the study, including any recommendations for further modifications to such benefit appropriate during the consideration of the provision of long-term care benefits.

(6) EFFECTIVE DATE.—The amendments made by this subsection shall apply to admissions occurring after October 31, 1989, and shall apply to care and services furnished on or after such date.

(e) LIMITATION OF DRUG BENEFITS TO IMMUNOSUPPRESSANTS AND HOME IV DRUGS.—

(1) IN GENERAL.—Subparagraph (B) of section 1861(t)(3) of the Social Security Act (42 U.S.C. 1395x(t)(3)) is amended by striking "in 1990" and inserting "in years after 1989".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect as if included in the Medicare Catastrophic Coverage Act of 1988.

(f) ADJUSTMENT IN MEDICARE PART B PREMIUM.—

(1) IN GENERAL.—Section 1839(a) of the Social Security Act (42 U.S.C. 1395r(a)) is amended—

(A) in paragraph (1) by striking all after "(a)(1)" and inserting the following: "(A) The Secretary shall, during September of 1989 and of each year thereafter, determine the monthly actuarial basic rate and the monthly actuarial catastrophic illness rate for enrollees age 65 and over which shall be applicable for the succeeding calendar year.

"(B) The monthly actuarial basic rate determined under this paragraph for a calendar year shall be the amount the Secretary estimates to be necessary so that the aggregate amount for the calendar year with respect to those enrollees age 65 and over will equal one-half of the total of the benefits and administrative costs which he estimates will be payable from the Federal Supplementary Medical Insurance Trust Fund for services performed and related administrative costs incurred in such calendar year with respect to such enrollees (excluding benefits payable under section 1833(c)).

"(C) The monthly actuarial catastrophic illness rate determined under this paragraph for a calendar year shall be equal to the sum of—

"(i) the amount the Secretary estimates to be necessary so that the aggregate amount for the calendar year with respect to those enrollees age 65 and over will equal the total of the benefits and administrative costs which he estimates will be payable from—

"(I) the Federal Supplementary Medical Insurance Trust Fund for services performed and related administrative services costs incurred in such calendar year with respect to such enrollees under section 1833(c), and

"(II) the Federal Hospital Insurance Trust Fund, which are attributable to the Medicare Catastrophic Coverage Act of 1988, as amended, and

"(ii) the amount (if any) that the Secretary estimates to be necessary to offset any amount—

"(I) by which the monthly premiums otherwise payable under this section with respect to such enrollees for such calendar year (disregarding subsections (b) and (f)) are reduced by reason of the limitation imposed by subsection (f), and

"(II) that are attributable (as determined by the Secretary) to the portion of such monthly premiums that is determined under paragraph (3)(A).

"(D) In calculating the monthly actuarial rates under this paragraph, the Secretary shall include appropriate amounts for a contingency margin.",

(B) in paragraph (2) by striking "1983" and inserting "1989",

(C) in paragraph (3)—

(i) by striking "1983" in the first sentence and inserting "1989",

(ii) by striking the second sentence and inserting the following: "The monthly premium shall (except as otherwise provided in subsection (e)) be equal to the sum of—

"(A) a weighted average of the monthly actuarial catastrophic illness rate for enrollees age 65 and over, determined under paragraph (1) of this subsection, and that rate for disabled enrollees under age 65, determined under paragraph (4) of this subsection, for that calendar year, and

"(B) the smaller of—

"(i) the monthly actuarial basic rate for enrollees age 65 and over, determined according to paragraph (1) of this subsection, for that calendar year, or

"(ii) the monthly payment rate most recently promulgated by the Secretary under this paragraph, increased by a percentage determined as follows: The Secretary shall ascertain the primary insurance amount computed under section 215(a)(1), based upon average indexed monthly earnings of $900, that applied to individuals who became eligible for and entitled to old-age insurance benefits on November 1 of the year before the year of the promulgation. He shall increase the monthly premium rate by the same percentage by which that primary insurance amount is increased when, by reason of the law in effect at the time the promulgation is made, it is so computed to apply to those individuals for the following November 1.", and

(iii) by striking "amount of an adequate actuarial rate for enrollees age 65 and over as provided in paragraph (1)" in the third sentence and inserting "amounts of adequate actuarial rates for enrollees as provided in paragraphs (1) and (4)", and

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

"(4)(A) The Secretary shall also, during September of 1989 and of each year thereafter, determine the monthly actuarial basic rate and the monthly actuarial catastrophic illness rate for disabled enrollees under age 65 which shall be applicable for the succeeding calendar year.

"(B) The monthly actuarial basic rate determined under this paragraph for a calendar year shall be for the amount the Secretary estimates to be necessary so that the aggregate amount for the calendar year with respect to disabled enrollees under age 65 will equal one-half of the total of the benefits and administrative costs which he estimates will be payable from the Federal Supplementary Medical Insurance Trust Fund for services performed and related administrative costs incurred in such calendar year with respect to such enrollees (excluding benefits payable under section 1833(c)).

"(C) The monthly actuarial catastrophic illness rate determined under this paragraph for a calendar year shall be equal to the sum of—

"(i) the amount the Secretary estimates to be necessary so that the aggregate amount for the calendar year with respect to disabled enrollees under age 65 will equal the total of the benefits and administrative costs which he estimates will be payable from—

"(I) the Federal Supplementary Medical Insurance Trust Fund for services performed and related administrative services costs incurred in such calendar year with respect to such enrollees under section 1833(c), and

"(II) the Federal Hospital Insurance Trust Fund, which are attributable to the Medicare Catastrophic Coverage Act of 1988, as amended, and

"(ii) the amount (if any) that the Secretary estimates to be necessary to offset any amounts—

"(I) by which the monthly premiums otherwise payable under this section with respect to such enrollees for such calendar year (disregarding subsections (b) and (f)) are reduced by reason of the limitation imposed by subsection (f), and

"(II) that are attributable to the portion of such monthly premiums that is determined under paragraph (3)(A) (as determined by the Secretary).

"(D) In calculating the monthly actuarial rates under this paragraph, the Secretary shall include appropriate amounts for a contingency margin.".

(2) CONFORMING AMENDMENTS.—

(A) Section 1839 of the Social Security Act (42 U.S.C. 1395r) is amended—

(i) by striking "the Medicare Catastrophic Coverage Account) in the last sentence of subsections (a)(1) and (a)(4) and inserting "the amendments made by the Medicare Catastrophic Coverage Act of 1988",

(ii) by striking "(b), (e), and (g)" in subsection (a)(2) and inserting "(b) and (e)",

(iii) by striking "subsections (f) and (g)(6)" in subsection (b) and inserting "subsection (f)",

(iv) by striking "monthly premium" in subsection (e)(1) and inserting "portion of the monthly premium otherwise determined under subsection (a)(3)(B)",

(v) by inserting "basic" in subsection (e)(1) after "actuarial", and

(vi) by striking subsection (g).

(B) Section 1840 of such Act (42 U.S.C. 1395s) is amended by adding at the end thereof the following new subsection:

"(i) Notwithstanding the previous provisions of this subsection, premiums collected under this part which are attributable to the monthly actuarial catastrophic illness rate established under subsections (a)(1)(C)(i)(II) and (a)(4)(C)(i)(II) of section 1839 shall, instead of being transferred to (or being deposited to the credit of) the Federal Supplemental Medical Insurance Trust Fund, be transferred to (or deposited to the credit of) the Federal Hospital Insurance Trust Fund.".

(C) Subsection (a) of section 1844 of such Act (42 U.S.C. 1395w) is amended by striking the last sentence.

(D) Subsections (a)(1)(A)(i) and (a)(1)(B)(i) of section 1844 of such Act (42 U.S.C. 1395w) are each amended by striking "twice the dollar amount of the actuarially adequate rate" and inserting "the sum of the dollar amount of the actuarially adequate catastrophic illness rate and twice the dollar amount of the actuarially adequate basic rate".

(E) Section 1876(a)(5) of such Act (42 U.S.C. 1395mm(a)(5)) is amended—

(i) in the matter preceding subparagraph (A), by striking "200 percent of", and

(ii) in subparagraphs (A)(ii) and (B)(ii), by striking "monthly actuarial rate" and inserting "the sum of the monthly actuarial catastrophic illness rate and twice the monthly actuarial basic rate".

(3) EFFECTIVE DATES.—

(A) The amendments made by paragraph (1) of this subsection shall apply to monthly premiums for months beginning after October 1989.

(B) The amendments made by paragraph (2) of this subsection shall take effect on or after November 1, 1989.

(g) REVISION OF MEDIGAP REGULATIONS.—(1) Section 1882 of the Social Security Act (42 U.S.C. 1395ss), as amended by section 221(d) of the Medicare Catastrophic Coverage Act of 1988, is amended—

(A) in the third sentence of subsection (a) and in subsection (b)(1), by striking "subsection (k)(3)" and inserting "subsections (k)(3), (k)(4), and (m);

(B) in subsection (k)—

(i) in paragraph (1)(A), by inserting "except as provided in subsection (m)," before "subsection (g)(2)(A)", and

(ii) in paragraph (3), by striking "subsection (l)" and inserting "subsections (l), (m)"; and

(C) by adding at the end the following new subsections:

"(m) In the case of an insurer which had in effect, as of December 31, 1988, a medicare supplemental policy with respect to an individual, for which the individual terminated coverage as of January 1, 1989 (or the earliest renewal date thereafter), no medicare supplemental policy of the insurer shall be deemed to meet the standards in subsection (c) unless the insurer—

"(1) provides written notice, by January 15, 1990, to the individual (at the most recent available address) of the offer described in paragraph (2), and

"(2) offers to the individual, during the period beginning on January 1, 1990, and ending on March 1, 1990, continuation of coverage under such a medicare supplemental policy (with coverage effective as of January 1, 1990), under the terms respecting treatment of pre-existing conditions and group rating of premium which are at least favorable to the individual as such terms as existed with respect to the policy as of December 31, 1988.".

(2) SENSE OF CONGRESS.—It is the sense of Congress that States should respond, at the earliest practicable date after the date of enactment of this Act, to requests by insurers for review and approval of riders and premium adjustments for medicare supplemental policies in order to comply with the amendments made by paragraph (1).

(3) ADJUSTMENT OF CONTRACTS WITH PREPAID HEALTH PLANS.—Section 222 of the Medicare Catastrophic Coverage Act of 1988 is amended by inserting "and before January 1, 1990," after "December 31, 1988," each place it appears.

(4) NOTICE OF CHANGES.—The Secretary of Health and Human Services shall provide, in the notice of medicare benefits provided under section 1804 of the Social Security Act of 1990, for a description of the changes in benefits under title XVIII of such Act made by the amendments made by this section.

(5) MISCELLANEOUS TECHNICAL CORRECTION.—Section 221(g)(3) of Medicare Catastrophic Coverage Act of 1988 is amended by striking "subsection (f)" and inserting "subsection (e)".

(6) EFFECTIVE DATE.—The provisions of this subsection shall take effect January 1, 1990, except that the amendment made by paragraph (5) shall be effective as if included in the enactment of Medicare Catastrophic Coverage Act of 1988.

(h) SPELL OF ILLNESS REINSTATED FOR SNFF.—

(1) IN GENERAL.—Section 1813 of the Social Security Act is amended by striking "in any calendar year" and "during the year" in subsection (a)(3)(A) and inserting "during any spell of illness".

(2) CONFORMING AMENDMENTS.—

(A) Section 1832(b) of such Act is amended by inserting " 'spell of illness'," after "For definitions of".

(B) Section 1861 of such Act is amended by inserting before subsection (b) the following new section:

"(a) The term 'spell of illness' with respect to any individual means a period of consecutive days—

"(1) beginning with the first day (not included in a previous spell of illness (A) on which such individual is furnished extended care services, and (B) which occurs in a month for which he is entitled to benefits under part A, and

"(2) ending with the close of the first period of 60 consecutive days thereafter on which he is not an inpatient of a skilled nursing facility.".

(i) ADJUSTMENT TO AVERAGE PER CAPITA COSTS.—The Secretary of Health and Human Services shall adjust the per capita rate payment announced on September 7, 1989, pursuant to section 1876(a)(1)(A) of the Social Security Act (42 U.S.C. 1395mm(a)(1)(C)) to delete payment for catastrophic benefits modified by this bill. These adjusted rates shall be announced in a manner intended to provide notice to interested parties as soon as possible prior to the beginning of the calendar year.

(j) ADJUSTMENT TO THE ADJUSTED COMMUNITY RATE.—Organizations with a contract under section 1876(g) of the Social Security Act shall revise their proposed adjusted community rates submitted pursuant to section 1876(e)(3) of such Act to reflect the payment adjustments in subsection (i) as soon as possible prior to the beginning of the calendar year.

The PRESIDENT pro tempore. Under the order, a point of order is now to be made.

Mr. McCAIN. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his parliamentary inquiry.

Mr. McCAIN. It is my understanding that the unanimous-consent agreement allowed for 1 hour debate on the bill to be equally divided at any time. I request to be allowed 6 or 7 minutes of my 30 minutes at this time to discuss the bill before the point of order is made.

The PRESIDENT pro tempore. Is there objection? The Chair hears none. The Senator is recognized for 8 minutes.

Mr. McCAIN. I thank the Chair.

Today at this session I think those who have followed the work of Congress for years would recognize that this is a moment of some import in that clearly this body will act to either dramatically restructure or repeal a benefit which was passed into law just a year ago.

On only two occasions that I know of, on rather obscure bills that entailed benefits or entitlements, has the Congress acted to either repeal or dramatically modify. We all know of the action of the House of Representatives a couple of days ago. Mr. President, I think what we are doing today, which will result in a dramatic restructuring or a fundamental change in the catastrophic illness insurance program, should be viewed and debated with great care and consideration, because as we fix a problem that we created, I think it is of utmost importance that we not create another problem which a year from now we may have to come back and repair.

Mr. President, my modification basically contains the following provisions which I will briefly run through and we will be debating and discussing at length later on.

The benefits that are retained are the core catastrophic benefits; long-term hospitalization protection, spousal impoverishment protection, Medicaid buy-in, and the pregnant mothers and infants program. It retains other benefits such as the blood deductible, home health, respite, mammography screening, a 1-year delay in implementation—the so-called Mitchell drugs, which is 1-year delay in implementation, and hospice. It repeals skilled nursing facility benefits, which would return to its form prior to the passage of the Medicare Catastrophic Coverage Act of 1988, and for those stays after November 1. For those stays prior to November 1, they would receive the benefit under the terms of the Medicare Catastrophic Coverage Act of 1988. The terms of the prior law were 3-day prior hospitalization, beneficiary copayment from day 21 until the end of coverage, and a 100-day limit on coverage.

This legislation instructs the Secretary of Health and Human Services to study what led to the problem with the skilled nursing benefit costs and report to Congress by March 1, 1990, its findings as well as any recommendations for future changes of this benefit.

This legislation also repeals the outpatient drug prescription program beyond the so-called Mitchell drugs and the part B out of pocket. It re-

tains the existing flat part B premium and it repeals the surtax.

Mr. President, it repeals the surtax. The surtax is the object of the anger and ire of seniors in America. I believe they deserve catastrophic illness coverage, they deserve protection against spousal impoverishment and they deserve other programs that we could provide them with the $4.90 that they are presently paying in Medicare part B.

Mr. President, this is not underfunded. I repeat, this is not underfunded and we have CBO numbers which I would be glad to provide to any Member of this body that indicate that is the case.

Also, the administration's position on this bill will be as follows. This is in a letter that I received from Mr. Dick Darman yesterday, and it says that the administration has no, repeat no, position on this issue. I will quote:

> Nothing in this letter should be construed as an expression for or opposition to one catastrophic illness substantive amendment as opposed to another. Indeed, the administration is not taking an official position in favor of any one of the competing catastrophic illness health insurance substantive amendments as opposed to the others.

He also states that because of several technical changes that have taken place as of October 1, the administration will not advise that that will trigger sequester.

Mr. President, there is one major difference between what I have presented at the desk and every other amendment that will be before this body today, one major crucial difference, and that is this legislation is supported by every single seniors organization in America with the exception of one, and that is the AARP, which we all know is involved in the prescription drug business, which has clearly a vested interest in this legislation. I repeat, this modification is supported by every senior citizens organization in America, and, Mr. President, I strongly urge my colleagues not to repeal this legislation. Let us save some benefits for seniors that they can pay for with their $4.90 that they are presently paying.

For goodness sake, let us retain the surtax because if we retain the surtax with the dramatic growth in the escalation of the cost in the programs they will be right back in the same box we placed them in just a short time ago.

Mr. DOMENICI. Mr. President, will the Senator yield for a question?

Mr. McCAIN. I am glad to yield to my good friend from New Mexico.

Mr. DOMENICI. When the Senator said his proposal was not underfunded, I assume what he means is the law is on the books that he intends to modify substantially here and repeal portions of that. According to CBO, with all the taxes including the surtax, it is $600 million short in 1991, it is $3.5 billion short in 1992, and $3.9 billion short in 1993.

Frankly, the Senator from New Mexico thinks those are low but when the Senator from Arizona says his is not underfunded, he is saying in these years and future years his bill is crafted where the same people that estimate this deficiency, this deficit, these red lines go away and his program pays for itself.

Is that essentially what is "being funded" means?

Mr. McCAIN. The Senator from New Mexico is correct.

By the way, those are numbers which should be viewed by everyone as to the dramatic cost escalations.

I say to my friend from New Mexico that under my proposal the difference between revenues and costs for the year 1991 would be a surplus of $927 million, for 1992 it would be $1.5 billion, and for 1993 it would be $1.8 billion as opposed to that the Senator from New Mexico is reading there.

Mr. DOMENICI. Mr. President, I thank my friend from Arizona.

Mr. McCAIN. Mr. President, I will reserve the remainder of my time.

But let me say briefly that I hope my colleagues will pay close attention to the votes today, and the amendments because we cannot make the same mistakes we made a year ago. We owe it to the seniors of this country to address this.

I am very pleased that we have the opportunity to view a wide variety of options in order that we might give full ventilation to all points of view.

I reserve the remainder of my time.

Mr. CONRAD. Mr. President, will the Senator yield for a question?

Mr. McCAIN. Yes. I yield to my friend from North Dakota.

Mr. CONRAD. I thank the Senator.

I read in the paper this morning that Mr. Sullivan, the Health and Human Services Secretary, had endorsed the proposal by Senator DURENBERGER.

I just raise that question so we can get a clarification.

I heard the Senator from Arizona indicate that the administration, through a letter from OMB Chief Richard Darman, had indicated that the administration had not taken that position. But in this morning's Washington Post it indicates that Sullivan endorsed a proposal by Senator DURENBERGER to save most of the major benefits. To quote, in a letter to Senator BENTSEN, Sullivan said:

> I believe the House action yesterday will be regretted. * * * It is critical that we preserve a catastrophic program that offers financial protection to the millions of Americans who do not have this protection. I am ware that Senator DURENBERGER has a compromise that incorporates our mutual priorities.

Mr. McCAIN. Mr. President, I am glad to respond to my friend from North Dakota, who has been heavily involved in this issue. I am deeply appreciative of all of his involvement, and concern in this area.

The letter from Darman was in direct response to what Sullivan did. He told me on the phone that Sullivan was speaking for himself, and he sent me this letter within an hour that said indeed the administration—not Mr. Darman—the administration is not making an official position in favor of any one of the competing CHI substantive amendments as opposed to the others.

Mr. President, I ask unanimous consent that this letter be made a part of the RECORD.

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

OFFICE OF MANAGEMENT AND BUDGET,
*Washington, DC, October 5, 1989.*

Hon. JOHN MCCAIN,
*U.S. Senate,*
*Washington, DC.*

DEAR SENATOR MCCAIN. We understand that you intend to offer an amendment to legislation pending in the Senate that would modify the Catastrophic Health Insurance (CHI) program.

You have provided us a copy of your amendment (description attached) and asked whether or not adoption of your amendment would yield a revised G-R-H deficit estimate that would require sequester. As we approach the crucial October 15 deadline, there are several new elements in the calculus that I would call to your attention. The DOD paydate shift, which had been a subject of dispute, has now been overtaken by events. It has already taken place. In addition, the House includes Medicare scoring language, which we did not support but which is now moving forward in the reconciliation bill. If enacted, this language would direct us to score certain shifts in Medicare payments between fiscal years that we would otherwise be prohibited from scoring. And if the emerging reconciliation bill, including the language dealing with the scoring of Medicare payment shifts, is enacted, our current estimate of the G-R-H baseline deficit would be reduced by approximately $12 billion. This would then yield a revised G-R-H deficit estimate that could accommodate your amendment without triggering sequester.

Let me be clear: This CHI amendment would unquestionably have a serious adverse effect on the actual fiscal year 1990 deficit. But in view of the scoring issues I've noted, it is now the case that your CHI amendment would not trigger a sequester if reconciliation, including the Medicare payment shift language, continues on its present course, and is passed by the Congress and signed by the President before October 16th.

I write this letter in response to your inquiry on this matter. Nothing in this letter should be construed as an expression of support for or opposition to one CHI substantive amendment as opposed to another. Indeed, the Administration is not taking an official position in favor of any one of the competing CHI substantive amendments as opposed to the others. The purpose of this letter is to report on the relationship of scoring issues to a possible sequester—as currently estimated—and to clarify that we

are not officially choosing among the competing CHI substantive amendments.

With best regards,

RICHARD G. DARMAN.

Mr. McCAIN. Mr. President, I reserve my time.

Mr. CONRAD. I thank the Senator from Arizona.

Mr. DURENBERGER. Mr. President, will the Senator from Arizona yield for a question?

Mr. McCAIN. I would like to do that later. I am running out of my 30 minutes. I will be glad to do it under the point of order that is going to be raised to waive the Budget Act. We can discuss it at that time.

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

Mr. ROCKEFELLER addressed the Chair.

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

Mr. ROCKEFELLER. Mr. President, in accordance with the consent agreement on this bill, I make a point of order that the bill violates section 311(a) of the Budget Act.

Several Senators addressed the Chair.

The PRESIDENT pro tempore. Under the order, either Mr. DOMENICI or Mr. McCAIN will be recognized to move to waive.

Mr. DOMENICI. Mr. President, pursuant to section 904 of the Congressional Budget Act, I move to waive titles III and IV for purposes of consideration of the pending bill and all amendments under the unanimous-consent agreement of October 5, 1989.

The PRESIDENT pro tempore. The question is on agreeing to the motion to waive the Budget Act. There is 1 hour.

Mr. DOMENICI. Mr. President, I ask for the yeas and nays on the motion.

The PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Mr. President, parliamentary inquiry: under the order how much time is allotted for the consideration of the motion to waive?

The PRESIDENT pro tempore. 1 hour.

Mr. DOMENICI. Under whose control is the 1 hour?

The PRESIDENT pro tempore. The mover and the manager in opposition.

Mr. DOMENICI. Mr. President, I want to say I do not intend to take very long. On the other hand there may be others who would like to argue on this side.

I ask unanimous consent that control of my motion when I am finished be given to the distinguished Senator from Arizona who is managing the bill.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, the Budget Act of the United States is intended to protect the budget not just in 1 year but over the long run. Over the long run the catastrophic health law which we in the U.S. Senate today, the McCain amendment and other amendments that might be considered, including repeal, seek to modify, change, or repeal, a catastrophic health insurance law on the books of the United States, essentially will cost the Treasury of the United States untold billions of dollars over the years 1991, 1992, 1993, and for as far out as I can see.

Inquiring of the Senator from Arizona, Senator McCAIN, as to what he meant when he said his bill pays for itself, I used a very simple chart to explain to the Senate why we should grant a waiver and consider repeal or significant modification of the catastrophic health insurance law which is now the law of the land.

It is simple. If you have reason to use the budget law, you ought to use it to help the budget of the United States reduce its deficits, and not use it to protect a law which increases the deficit. In addition, if it is bad policy, you ought to be given an opportunity to waive the Budget Act, and consider making the policy better. We have both causes here.

These red bar graphs in this Senator's opinion—I have been at this work for awhile—are minimal explanations because I believe each of these bars will exceed CBO's estimates dramatically. And if you go out a couple more years, it will truly be a dramatic charge to the U.S. budget, thus adding to the deficit.

Interestingly enough, Mr. President, the only reason the point of order is being made is because there was an up front surplus in this catastrophic insurance that yielded unused revenues in the first year. Everybody has been counting those. So when you seek to get rid of those, you affect the budget thus needing a budget waiver. But if these three red bar graphs are anywhere close to true, and I think they are true on the low side, why should we not waive the Budget Act to try to save money for the taxpayers and the Treasury over the years 1991, 1992, and 1993, which under this very minimal estimate would be the sum total of $600 million, $3.5 and $3.9 billion. This one is going to get much bigger in 1994, so essentially, I say to my fellow Senators, if ever there was a reason to waive the Budget Act and consider a new catastrophic health bill or a modification to one or a repeal of one, it is when the law on the books of the United States spends enormous amounts of money in future years.

Why should we use the Budget Act to break the budget? Why should we use the Budget Act to not let the U.S. Senate, without a super majority, consider making a law better as to the budget?

Now, we can decide the policy, but the policy cannot get decided without 60 votes, unless you waive the Budget Act. I do not think, in my 17 years, and my 6 as chairman of the Budget Committee, the remainder, or the last year and a half as ranking member, that I have ever seen a case which cries out for using the waiver processes more than this one.

I repeat, if you use the Budget Act to cause the U.S. Senate to fail to consider modifications to an existing law, which will indeed save taxpayers dollars in the ensuing years, 1991, 1992, 1993, then of what purpose is a Budget Act?

Is a Budget Act to be so construed that it causes us to spend more money, rather than less, even when the U.S. Senate wants an opportunity to vote for less? That is the issue. I do not intend to speak any longer. Obviously, there is time on this. This is a critical vote.

If the U.S. Senate does not want to waive, we are not going to hear any policy change measures on the floor of the U.S. Senate, not only policy changes which the seniors of America want, but policy changes which will indeed help with the deficit reduction efforts, for which the Budget Act was created.

Mr. President, my last remark, and I say this because I, just 5 or 6 days ago, came to the floor of the Senate and asked the United States Senate to waive the Budget Act with reference to the reparations to the Japanese Americans who were treated improperly during the Second World War.

Well, over 60 Senators—I do not recall the number, but perhaps as many as 72 or 74, 76 U.S. Senators—voted to waive the Budget Act and create a new entitlement, because they wanted to be fair to the Japanese Americans who had been denied compensation and might be denied, unless we waived the Budget Act.

Mr. President, I joined in that because I thought it was fair and that the Budget Act should not be an instrument to be used capriciously and arbitrarily, to never grant a waiver. I say that if 70-plus Senators can waive the Budget Act for that cause, 90 Senators ought to waive the Budget Act for this cause.

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

Mr. DOMENICI. Let me just finish.

The senior citizens of this country, interestingly enough, are saving the taxpayers of this country substantial amounts of money. I cannot believe we are going to turn this down, having granted other waivers; that, from the standpoint of helping with budget issues, is as dramatic as this and one

where so many millions of senior citizens are asking us to change this law.

I am finished as far as my remarks, and I am going to yield the remainder of my time to be managed by the distinguished Senator from Arizona.

I am pleased to answer a question that the distinguished Senator from Minnesota might have.

Mr. DURENBERGER. Thank you. I address my questions to my colleague because of the respect we all have for him as the Budget Committee chairman. I am glad that he added the latter point relative to his personal feelings about the policy. Obviously, the Senator, and probably the majority of the people in this Chamber, believe that the current catastrophic legislation is not the best public policy we could enact. The Senator's particular vote on that particular issue reflects the Senator's position.

Mr. DOMENICI. Yes.

Mr. DURENBERGER. As long as we have known each other, am I not correct, that with your budget hat on, so to speak, that whatever you have to say to us here has not been colored in one way or other by your individual judgment on the policy, that if you speak to the issue of the red ink or the surplus, he does that on the basis of fact and not on the basis of the Senator's particular judgment about the policy; is that true?

Mr. DOMENICI. I am human, I have a conscience, and I think I am able to make judgments in my mind. So I cannot say that every time I have either asked that you waive or ask that you not waive, in my capacity as the Senator from New Mexico and chairman or ranking member of the Budget Committee, that I did not also have some policy ideas in my mind.

But, essentially, if the Senator wants to know, I believe that the time has come to reform the health care system of this country. I am not speaking now just of Medicare. I frankly do not believe the United States of America can remain a vibrant economic force in the world for a number of reasons. But strangely enough, I would put very high on the list, continued escalation of cost of health care, which are now up near 12 percent of gross national product, three times as much as the gross national product of Japan, twice as much as Canada—not quite twice, but at least 60 to 70 percent more than any of the free industrial nations—and growing at 13 to 15 percent a year. I do not believe we can maintain economic prosperity and have that kind of escalating health cost program in the country.

So I believe we certainly should remove, as soon as we can, a program which adds this kind of additional cost, that is not paid for, but rather, comes out of a general treasury, adds to the inflationary cost of health care. So that is a matter of policy, but it also is budgetary in that sense.

Mr. DURENBERGER. Mr. President, may I ask another question? I asked the Senator that question not to begin debate on the health policy but to clarify the facts to the extent that the ranking member of the Budget Committee can recall them on whether or not current law as represented by the Medicare catastrophic bill creates deficits.

Now, my impression is that at the time we voted on this bill there was nobody standing up with charts such as yours, saying you have created deficit, am I correct?

The PRESIDENT pro tempore. Will the Senators please address each other in the third person through the Chair in accordance with the rules.

Mr. DURENBERGER. Am I correct in my recollection of the facts that when this bill passed the U.S. Senate, it was fully funded?

Mr. DOMENICI. I might say to the distinguished Senator from Minnesota, I actually made a statement. I did not make a big to do about it, but I can go dig it up. I voted for it, but I said I have some very strong suspicions that we are underestimating the costs and that, probably, we are going to find out later that the costs exceed the moneys coming into the Treasury. But other than that, the Senator is correct; I might say, nobody knew it. At least if they knew it, nobody talked about it.

Mr. DURENBERGER. Will my colleague yield for a further question?

Mr. DOMENICI. Might I say that it is not that I do not want to answer the questions, but we want to be fair on the time. I prefer to yield the floor now. I am hoping that you can get some additional time before those who want to speak on the other side.

Mr. DURENBERGER. If you will yield for a question, you are the expert——

The PRESIDENT pro tempore. Please address each other in the third person.

Mr. DURENBERGER. Will the Senator from New Mexico yield on the basis that he is the only one of whom I can ask these questions?

Mr. DOMENICI. I will answer one additional question. I really must say that I am being called by the Republican leader.

Mr. DURENBERGER. I thank my colleague. Again, I do not need the editorial comment. All I need is a yes or no, if that is possible.

Does my colleague recall that at the time that he voted for the passage of this bill, that the legislative authorization would fund this bill because of its construct, flat premium plus a supplemental premium, that if you follow it out until the end of this program a thousand years ago, you followed out legislative authority in that bill, that it would be fully funded, despite the concerns about the politics of it expressed by the Senator from New Mexico?

Mr. DOMENICI. That was the assumption under which it was adopted. I must just repeat that we have never been right in our assumptions with reference to the cost of the health care program.

Mr. DURENBERGER. I thank my colleague.

Mr. DOMENICI. I indicate that initially Medicare was going to cost $700 million. It is now $60 billion, the same program.

Mr. CONRAD. Mr. President, will the Senator yield for a brief question before he leaves?

Mr. DOMENICI. Yes, I will. If it is possible, make this the last one. I guess it is. So I will stop yielding.

Go ahead.

Mr. CONRAD. I appreciate that.

If the Senator from New Mexico will just answer, what are the budget implications for fiscal 1990 on the McCain proposal? Does the Senator have that available?

Mr. DOMENICI. I think the Senator from Arizona might have it. My recollection is it is a negative $2 billion in the first year. I believe the Senator from Minnesota will modify the number to have a current number. I think that is about right.

Mr. CONRAD. Is it correct that that would put us closer to sequester?

Mr. DOMENICI. It means $2 billion we expected to come into the Treasury as advanced funding for this program will not be there. Whether it gets us closer to a sequester depends on a lot of other things, I say to my friend.

Mr. CONRAD. I thank the Senator from New Mexico.

The PRESIDENT pro tempore. The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, the Senator from West Virginia yields himself 7 minutes.

The PRESIDENT pro tempore. The Senator from West Virginia is recognized for 7 minutes.

Mr. ROCKEFELLER. Mr. President, this is all very interesting and very important. It is a matter of great debate and enormous introspection. We are, as the Senator from New Mexico indicated, at a very important point.

The Medicare Catastrophic Coverage Act, the people need to understand, is the most sweeping expansion of benefits in the history of the Medicare Program, and it is now, and we are participating in what will happen to the future of this program.

Will it be repealed, as we watched the House virtually repeal the bill earlier this week, although we in this body, mindful of our responsibilities to seniors as well as to the budget process try to pick out a package of benefits in which we search for what is best in

this program and then make in fact a constructive effort to go ahead with that?

I really want to remind people what this program is all about and why the Congress passed it, why President Reagan created it with such enthusiasm and less than 2 years ago. The catastrophic program provides coverage for unlimited hospitalization, unlimited physician services after a catastrophic deductible, important long-term care benefits, including skilled nursing home care and home health and home respite care, all important coverages, new coverages for outpatient prescription drugs, the first preventive care benefit ever and that is mammography screening for breast cancer.

These benefits were enacted because millions of citizens could not afford to buy private insurance. That is the fact of life in our country. That is what the Pepper Commission, which I have the honor to chair, is all about, trying to help people with serious fundamental and life-threatening gaps in their health insurance coverage.

Millions have purchased on top of that inadequate policies, often multiple policies, not really being sure what they have purchased, which do not meet basic minimum Federal standards.

Yes, there are some retirees fortunate enough to purchase the kind of health insurance they want and it covers all kinds of things; and I am happy for them. For these few the catastrophic bill also provided protections against double coverage so that nobody would be forced to buy duplicative insurance. In fact, most of the public debate that has taken place over this bill has been on the financing and has not been on the benefits, the benefits to the beneficiaries of our country.

Yes, we have heard from numerous aging groups and numerous labor unions recently saying do not repeal.

Is the tide turning? I suggest it is. Do not repeal these benefits. If these benefits go down, if you repeal, if you just strip this thing absolutely clean, we understand that the seniors of our country are going to be exposed out in the cold, and that was the whole point of what we are trying to do less than 2 years ago to give them protection.

In addition to the harm repeal would do to the seniors, including those who are already hospitalized and dependent on the new coverage, people who are in effect receiving the benefits of the catastrophic bill that we have already passed, it would establish in this Senator's judgment a horrible precedent.

In this area of uninsured and underinsured we should not be wholesale repealing catastrophic. Let us take another look at the financing. The supplemental premium which was intended to be fair, progressive in its nature, and indeed it is, which is the way things have been done in this country, is perceived by many as too burdensome. The maximum premium amount and amounts well below the maximum amount which is $800 has been criticized. So in good faith we have gone back to the drawing board.

The Finance Committee has labored for weeks. I do not know how many hours we have spent in there looking at various options, trying to adjust catastrophic financing in a way which would relieve the burden and yet protect benefits, so that there is this initial concern about eliminating the entire catastrophic package because of a misunderstanding, because we did not communicate well enough about the $800 supplemental premium that come next April, when people discover that only 5.5 percent of Americans would be paying that premium if the current catastrophic bill passed they would then understand that we really have lost major protection.

So on behalf of the committee I can say that this task has not been easy and it has not been taken lightly. Now we face the range of options for modifying the catastrophic program in a manner that will be acceptable. And we will have amendments before us today; many of them will have merit with people in good faith trying to preserve benefits. I commend all of my colleagues who offer these amendments that try to preserve benefits for seniors who need these benefits as my colleagues will be offering these amendments in order to preserve benefits. And, yes, they will be adjusting financing but they will also be preserving various ranges of benefits and that is so important for coverage for senior citizens.

So, we must strengthen the Medicare Program. We must take the steps necessary to meet the elderly's unmet needs, gigantic gaps in health coverage in this country. So I hope as the day progresses my colleagues will seriously consider these various amendments and look particularly at benefits that are being protected.

Mr. President, I yield the floor while reserving the remainder of my time.

The PRESIDENT pro tempore. Who yields time?

Mr. McCAIN. Mr. President, I yield 5 minutes to the Senator from Texas [Mr. GRAMM].

The PRESIDENT pro tempore. The Senator from Texas [Mr. GRAMM] is recognized for 5 minutes.

Mr. GRAMM. Mr. President, our dear friend from West Virginia reminds me of the Boy Scout who sees a little old lady standing on the corner who happened to be going the other way but he decided he is taking her on across the street whether she wants to go or not. I think in the case of this bill she has decided that she does not want to go.

Mr. President, in the catastrophic coverage bill, the free-spending policies of the 1960's and 1970's ran head on into the fiscal realities of the 1980's. Under a mandated system of deficit control measures the Finance Committee attempted to write a catastrophic coverage bill that paid for itself and, as a result, for the first time in American history we provided an entitlement that people paid for directly, and the net result is that they hate it. I think we have proven that under any semblance of fiscal restraint we have reached the limits of collectivism in America and we are here today to go back and try to set things right.

I am here speaking in favor of a budget waiver. I wanted to speak on this subject with my dear friend, Senator DOMENICI from New Mexico, because some people might think it unusual that I am here, as the Gramm of Gramm-Rudman, normally busy doing the Lord's work in the Devil's City, trying to balance the budget by voting to waive the Budget Act.

Well, Mr. President, we put into the budget law waivers to deal exactly with the kind of circumstance we have here. The budget waiver is being used as a vehicle to prevent debates on legitimate business of the U.S. Senate.

By voting to waive the Budget Act, it is true that in fiscal year 1990 the deficit goes up by $3.6 billion, and that is a lot of money. But it is also true by this waiver, if, for example, we should adopt the amendment of the distinguished Senator from Arizona, that the deficit goes down by $600 million in 1991, $3.8 billion in 1992, $4.4 billion in 1993, and $4.8 billion in 1994.

So with this budget waiver, the adoption, for example, of the proposal of the distinguished Senator from Arizona, we are saving $10 billion under current estimates over the next 5 years.

Mr. President, I remind my colleagues, we have never had a medical entitlement that did not turn out to be three or four times as expensive as we initially estimated. So in voting to waive the budget here to get around a technicality that is preventing us from righting a terrible wrong in catastrophic coverage, under current estimates we are saving almost $10 billion. My guess is that we are preventing the American taxpayer from falling into a huge fiscal hole that will cost $20 or $30 billion of which to try to dig out.

So I want to urge my colleagues to right this wrong, to make this budget waiver to allow us to reduce, bring under control, and make rational a terrible mistake that the Congress made in adopting the catastrophic coverage bill.

So I urge my colleagues, no matter what option they prefer, whether they prefer to repeal catastrophic outright, whether they prefer adopting a modification which preserves the surtax of this bill, or whether they intend to adopt the proposal of the distinguished Senator from Arizona, all of those actions require a waiver.

But the waiver itself, over the next 5 years, gives us the possibility of saving $10 billion. I can assure you in strengthening these waivers and raising them to 60 votes, it was not my intent that they be used as a vehicle to stop us from saving money. It was my intent that they be used as a vehicle to save money; $10 billion, even in the Federal city, is a lot of money.

Undoing the wrong and unfairness of the catastrophic coverage bill goes far beyond money. It goes to the very heart of what is right and wrong. I yield back the remainder of my time.

Mr. ROCKEFELLER. Mr. President, I yield the senior Senator from Massachusetts 7 minutes.

The PRESIDENT pro tempore. The Senator from Massachusetts [Mr. KENNEDY] is recognized for 7 minutes.

Mr. KENNEDY. Mr. President, later in this debate, I intend to offer an amendment to preserve the key drug benefits for the elderly in the Medicare Catastrophic Coverage Act.

When Medicare was passed in 1965, it was the most important step forward for our Nation's senior citizens since the enactment of Social Security more than a half century ago. It is difficult to remember today that in the dark days before Medicare, every illness was catastrophic for senior citizens—because a single hospitalization could wipe out the savings of a lifetime.

Medicare was a health care bill of rights for every elderly American. But it was a bill of rights with fundamental gaps that were apparent from the day Medicare was enacted. Medicare did not cover very long hospital stays; it placed no limit on the potential liability for copayments for hospital bills; it did not cover outpatient prescription drugs; and it did not cover home care or nursing home care except on a restricted and temporary basis.

In the years subsequent to Medicare's enactment, a strong private insurance market has grown up around the solid base that Medicare provides. Eighty percent of senior citizens have either Medicaid or private Medigap coverage. When that private coverage is not provided through an employer group plan, it is often grossly overpriced. Indeed when a senior citizen buys an individual Medigap policy, he will often pay an insurance company markup that is equal to 40 percent of benefit costs—compared to Medicare's administrative costs of just 2 or 3 percent. But despite the fact that senior citizens have to pay too much for the Medigap coverage they buy, the coverage does fill some of Medicare's most glaring holes.

Virtually all private policies cover hospital deductibles, copayments, and extended stays. Coverage of copayments for physician care is almost always covered and is also often overpriced. But it does provide essential protection against hospital and doctor's bills.

The two great health insurance needs that neither private insurance nor Medicare covers are long-term care and prescription drugs. Last year's catastrophic legislation covered the latter but not the former, and it is important to understand why that decision was made, since it is an important issue in the present debate.

For three-quarters of the elderly population, prescription drugs represent the largest out-of-pocket health care expense they face. The inability to pay for prescription drugs is particularly tragic because these drugs often represent the difference between disability and death and a reasonably healthy old age. For those who can manage to pay for prescription drugs to treat long-term, chronic illness, the cost of the drugs often represents the difference between a comfortable life and perpetual poverty. No senior citizen should have to face the choice between living in pain or living in poverty.

Reasonable protection for prescription drugs is an affordable expansion of Medicare in our present budget situation. The protection will cost $3 billion a year when fully implemented, and we are serving the elderly badly if we repeal it.

Long-term care is the other vast need of the elderly, but it is also vastly expensive. The potential financial devastation that long-term care can bring, whether it is provided in a nursing home or a senior citizen's own home, is more feared by senior citizens and their families than virtually any other threat to their security.

The elderly need insurance protection against the high cost of long-term care today just as much as we needed Medicare a generation ago. But long-term care insurance under Medicare would be vastly expensive—costing tens of billions of dollars a year if reasonable protection is to be provided. It will require significant new broad-based revenues to finance it. Even if we were to enact a program of long-term care insurance tomorrow, the elderly would still need protection from the high cost of prescription drugs today.

The amendment I am proposing repeals the surtax that so many of the wealthy elderly find objectionable and that has caused the present controversy. To mix the metaphor, we should not let this firestorm throw out the baby with the bath water. It would be irresponsible for Congress to repeal the entire catastrophic program because of the surtax. There are essential benefit expansions that can and must be preserved, and that can be financed fairly.

My amendment keeps the most important coverage that the catastrophic bill provided—the provisions for prescription drugs. It delays the implementation of the benefit for 1 additional year, so that the program will begin in 1992. This benefit affects a larger proportion of the elderly than any other element of catastrophic coverage. It is also the only major benefit that is unavailable on the private insurance market.

The amendment also retains the expanded part A coverage of hospital services. The failure of Medicare to cover the hospital costs associated with long stays and repeated admissions is a serious problem. No decent private policy for the nonaged population fails to provide this coverage.

Finally, the amendment retains some of the important but less costly coverage provided by the catastrophic bill—hospice care, home health care, respite care, and mammography screening.

The amendment pays for these benefits in two ways. First, it retains the modest increase in the flat rate premium that has been accepted by the elderly and is not controversial. Second, it extends the tying of the premium to 25 percent of program costs, beginning in 1992. As program costs go up, the premium will go up too.

I hope that every Senator who is tempted to vote to repeal all of what we enacted last year will have a second thought. This is the role the Senate is intended to play under the Constitution. We are supposed to be able to stand up to ill political winds better than the House.

A recent poll of the elderly showed that 70 percent do not want the catastrophic program repealed. And there is no justification for repealing it. It is broke, so we have to fix it. We do not have to destroy it in order to save it. For the sake of millions of low- and middle-income Americans who desperately need assistance in meeting the high cost of prescription drugs, let us act responsibly and do the right thing.

The PRESIDENT pro tempore. Who yields time?

Mr. HATCH. Will the Senator yield some time?

Mr. McCAIN. Mr. President, I yield 3 minutes to the Senator from Utah [Mr. HATCH].

The PRESIDENT pro tempore. The Senator from Utah [Mr. HATCH] is recognized for 3 minutes.

Mr. HATCH. Mr. President, I again rise in support of the bill offered by the distinguished Senator from Arizo-

na to change many of the provisions of the Medicare Catastrophic Coverage Act of 1988. I believe that we in Congress must respond now to the firestorm of discontent among our seniors. And, we must put forth an alternative that will include some part of the current catastrophic law.

It has been almost 2 months since we offered a bill to delay implementation of provisions in the catastrophic act that have not already been implemented. The problem remains that seniors want a change in this law and they want it now. We are all still receiving letters and phone calls from angry seniors. These seniors, from all around this country, are opposed to the act for three reasons. First, they do not like the cost and the financing of the plan. Second, they do not like the particular benefits that Congress has dictated that the plan include. And, third, and perhaps most important, they do not like the Federal Government mandating participation in this new program.

Today, we will begin a deliberate and meaningful debate on the 1988 catastrophic law. The debate will revolve around three issues:

First, should we maintain any part of the catastrophic program or merely support an outright repeal;

Second, should we retain the basic program including the supplemental premium and just reduce some benefits because of cost; or

Third, should we keep the flat $4 premium and provide seniors with the benefits that $4 will cover.

Mr. President, I support the third option, which is embodied in the McCain bill, because it retains those benefits which can be paid for by the small flat premium. For a small flat premium, seniors will continue to receive their core catastrophic benefits: the long-term hospitalization protection; the spousal impoverishment protection; the Medicaid buy-in; and the pregnant mothers and infants program. This bill reverts back to prior law the skilled-nursing facility benefit, but makes the following modifications: it will provide those receiving a skilled nursing facility benefit prior to November 1, with coverage under the existing law. This bill will also retain the home health care benefit, the blood deductible, the respite care, the mammography screening, some limited drug benefits, and the hospice benefit. It will retain these benefits at a flat premium cost of under $5 in the first year. Finally, this bill will permit a lowering of the flat premium if the costs of the benefits do not require the full revenues provided by the flat premiums.

I believe this is a workable proposal that we in the Senate should support. Over the past few months, a great number of experts have been revisiting the act to try and find answers to the concerns raised by our Nation's seniors. The Joint Center on Taxation, the Congressional Budget Office, and even Secretary Sullivan have been reexamining the projected revenues and expenses associated with the act in an effort to respond to concerns about financing. During the recent Finance Committee hearing, the Congressional Budget Office released new projections which suggest that the previous estimates of an $8 to $10 billion surplus over 4 years have now been reduced to a $5 billion surplus. So, in just a few months, the CBO estimates of what the existing program will cost have increased by $3 billion. Mr. President, that is not just a rounding error. Clearly, a high degree of uncertainty continues to surround this act. And, I am fearful that if we do not put the brakes on those parts that have not been implemented, and refine the existing benefits, we will find ourselves with even more difficulties.

Mr. President, I only wish that this benefit would be optional for all seniors in America. But when I talk abut voluntary participation, I do not mean merely attaching it to voluntary participation under part B.

This proposal is a way to dupe our seniors into believing that this will make the catastrophic program voluntary. It will be voluntary only if you close your eyes and ignore the big stick above your head. They say seniors may opt out of catastrophic, but they will also lose their part B benefits. Let us face it: in reality this claim is simply a false political promise to our Nation's senior citizens. Part B benefits are subsidized at 75 percent of the cost. Part B benefits provide seniors with services they need like physician visits and outpatient services. The so-called voluntary approach is misleading, and I, for one, am not willing to lead seniors on by telling them this really gives them a true option. Our colleague from Wyoming has a proposal which makes the catastrophic program truly voluntary. This is what we should be doing—not merely making another illusory promise to placate our senior constitutents.

Also, we should make these changes proposed by Senator McCain because we are overly taxing our seniors in America. There are concerns that we will have a $4.7 billion shortfall by enacting this bill, but let us be honest. If we do not change our law, we are taxing the senior citizens of America to finance the deficit. It makes our balance sheet look better so we will not have to make tough choices in other areas of Federal spending. We will not have to tighten the belts on other spending programs. Mr. President, I will not balance the budget on the backs of seniors, and I urge my colleagues to join me.

I believe the McCain bill is sound health policy and is a package of catastrophic benefits that seniors will be willing and able to purchase at an affordable cost. The protest against the current Medicare Catastrophic Coverage Act by our Nation's seniors has been long and loud. We in Congress can take a positive step to demonstrate our willingness and ability to respond to these constituents through passage of this bill. I urge all of my colleagues to vote for the McCain bill.

Mr. President, I would also like to make a statement in favor of waiving the budget point of order.

I rise in support of Senator Domenici's proposal to waive the budgetary point of order. I entirely agree with his assertion that we must look at two things in making the decision about waiving the budget:

First, its long-term impact on the budget;

Second, who it will affect.

First, it has a long-term impact of increasing the Federal debt $6 billion over the next 5 years. Yes, if we just look at the first year, fiscal year 1990, we have a $2 billion net deficit. But in 1991, there is a $0.6 billion ($600 million) revenue loss; in fiscal year 1992 a $3.5 billion revenue loss; and in fiscal year 1993 a $3.9 billion revenue loss, adding up to a $6 billion net deficit over 5 years. So the long-term budget impact is costly to the budget.

Second, the current catastrophic proposal is opposed by seniors in America. They do not want this plan and we should not force it upon them.

The PRESIDENT pro tempore. Who yields time?

Mr. McCAIN. Mr. President, I yield 3 minutes to the Senator from Washington [Mr. Gorton] and inquire how many minutes I have remaining.

The PRESIDENT pro tempore. The Senator has 5 minutes and 54 seconds of which he will yield 3 minutes to the Senator from Washington [Mr. Gorton].

Mr. GORTON. Mr. President, we are now debating whether or not to grant a budget waiver, which will allow us to debate either the repeal or the amendment of the Catastrophic Health Care Act.

I find it most impressive that the single individual, the Senator from Texas [Mr. Gramm] responsible for the Gramm-Rudman Act which requires a budget waiver to get 60 votes, has spoken so forcefully in favor of this waiver, together with Mr. Domenici, who perhaps has been more responsible than any other individual in seeing to the implementation of the Gramm-Rudman law.

They have spoken in favor of this waiver because, of course, while technically this bill will add to the deficit in fiscal year 1990, it will in fact save some $10 billion over the course of the next 10 years if we grant the waiver and pass the proposal suggested by my

friend, the Senator from Arizona. As a result, I am convinced that the budget waiver will carry and will carry handsomely and substantially.

The substantive issue before us is whether or not we will continue to follow the leadership of the distinguished Senator from Arizona, due to whose efforts we are here today.

There are some, now that we are finally debating this bill, who feel that it can be repaired with just little cosmetic changes of one kind or another. I believe, Mr. President, they are wrong. There are those who think the only way to save this patient is with an ax, killing the patient entirely and starting all over again. I believe, Mr. President, they are wrong.

The distinguished Senator from Arizona has proposed surgery which will rid this bill of the single element, the surtax, which is most objectionable to most people at the cost of the least popular or least desired of all of the benefits arising out of the bill. At the same time, he does propose to save what is actually the title of the bill, catastrophic health care.

I hope and I trust this body will grant this waiver, will look carefully at each of the amendments with which we will deal today, and will finish by approving the bill introduced by the Senator from Arizona after so much time, so much patience, and so much sensitivity toward senior groups who have supported him and led us to this point today.

Mr. DURENBERGER. Will my colleague yield to me on the time of the Senator from West Virginia?

Mr. GORTON. I am not capable of yielding to the Senator on the time of the Senator from West Virginia. Perhaps he will.

Mr. ROCKEFELLER. The Senator from West Virginia will be glad to yield to the Senator from Minnesota. How many minutes?

Mr. DURENBERGER. I need 2 minutes to ask a question of the Senator from Washington.

Mr. ROCKEFELLER. If my colleague would, I am pleased to have him proceed on my time.

The PRESIDENT pro tempore. How much time does the Senator from West Virginia yield? How much time?

Mr. ROCKEFELLER. For 2 minutes.

The PRESIDENT pro tempore. The Senator may proceed for 2 minutes.

Mr. DURENBERGER. Mr. President, this is the second time now we have heard the figure $10 billion in deficit savings used. I am curious to know where this comes from, since the current authorizing legislation fully funds the current program. We have been hearing this figure $10 billion that we are saving by voting for this waiver. I am curious; does the Senator know where that comes from?

Mr. GORTON. I say to my friend, the Senator from Minnesota, that the figures I have in front of me are from the Congressional Budget Office. They list, from 1990 through 1994, the amounts of revenues to the Federal Treasury which will be lost by repealing the surtax. They begin with the figure $7 billion in 1990 and end with a figure of $8.5 billion in 1994, for a total of $37.1 billion.

The repeal benefits in the McCain bill begin with only $3.4 billion in 1990 and end up at $12.3 billion in 1994 for a total of $45.2 billion. The difference is $9.9 billion. I beg the indulgence of the Senator from Minnesota, having rounded that in my speech to $10 billion.

Mr. DURENBERGER. I thank my colleague from Washington.

Will the Senator from West Virginia yield an additional 5 minutes to me?

The PRESIDENT pro tempore. The Senator from Minnesota [Mr. DURENBERGER] is recognized for 5 minutes.

Mr. DURENBERGER. Mr. President, I am grateful to our colleague from West Virginia, and also our colleague from Washington who explained the figure that is being used for a rationale, both for waiving the budget and a rationale, apparently, for support of the McCain legislation.

I would like my colleagues to understand that the $10 billion deficit problem is not created by the Medicare Catastrophic Act. The $10 billion deficit problem is created by those who would repeal the catastrophic bill. Whether it is the McCain repeal or the Roth-Danforth repeal or someone else's repeal, it is the efforts on this floor to repeal or substantially amend the Medicare catastrophic bill that is creating the problem of the deficit, because the current catastrophic bill is fully funded.

Yes, the costs may be going up more rapidly in some areas than people expected. Yes, it may be that politicians, like the Senator from Texas and others, who always had their doubts about our ability to contain these costs within the benefiting generation, will say that it might fall apart and fall on the taxpayer.

But the reality is, not one nickel has fallen on any general tax, on any payroll tax or on anybody else. The problem of the deficit impact is the problem created by Members on the floor of the Senate, by people with proposals like those of the Senator from Arizona and the others who propose to repeal the surtax, in particular, or some parts of the flat premium. They are creating the problem of the deficit.

So you can support waiver as proposed by my colleague from Arizona and my colleague from New Mexico, and I may well supprt the waiver as well. But it is only for purposes of making sure that whatever amendment that is on the consent list to be acted on can be acted on without requiring 60 votes. It has nothing to do with curing a deficit created by the Medicare catastrophic bill because that bill does not create any deficit whatsoever.

Mr. GRAHAM. Will the Senator yield?

Mr. DURENBERGER. I yield back whatever time I have.

Mr. ROCKEFELLER. The Senator from West Virginia has the floor.

Mr. GRAHAM. I was asking if the Senator from Minnesota would yield for a question.

Mr. DURENBERGER. I will be pleased to yield.

Mr. GRAHAM. The Senator stated that the deficit problem is created by people like the Senator from Arizona who are advocating reform in this legislation; is that correct?

Mr. DURENBERGER. I do not want to say it is created by the Senator but it will be created by the effect of the adoption of this amendment; that is correct.

Mr. GRAHAM. Would it not be more correct to say the deficit problem is created by a more fundamental problem, and that is the fact that we have improperly mixed the general revenue deficit of the Federal Government with the surpluses of various trust funds, including Social Security, in order to create an artificially lower deficit than, in fact, exists?

Mr. DURENBERGER. No, the deficit is a deficit, and I cannot acknowledge that. There is no deficit under the current legislation.

Mr. GRAHAM. The Senator does not see there is a fundamental element of fraud in having this program which was intended to provide additional health services for the elderly which was provided with a reserve in the early years in order to prepare for long-term financing of those services, and then using that reserve as a means of artificially lowering Federal general revenue deficit?

Mr. DURENBERGER. My colleague is bringing up another issue. The issue of the Federal deficit reduction caused by a surplus, either in the Social Security, OASDI trust fund which is running a current surplus in the neighborhood of $60, $70, or $80 billion a year, or in the trust fund created for catastrophic, is a very different issue from the one I raised on the floor here today. It has nothing to do with the $10 billion that is being bandied around here.

Mr. GRAHAM. I beg to differ with the Senator from Minnesota, and I ask if he does not believe that by focusing on this skin rash of the effect of adopting the proposal of the Senator from Arizona or any other proposal and saying that is the problem and ignoring the tumor that lies beneath that rash, which is the fact we have

improvidently mixed trust funds with general revenue for the specific purpose of understating the extent of our national deficit, that that is the real fundamental problem and that we should not allow that to keep us from making intelligent public policy in terms of health of senior Americans?

The PRESIDENT pro tempore. The time yielded to the Senator from Minnesota has expired. The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, I have to note, not without understanding, but with some regret that all the conversation virtually that has gone back and forth has been related simply to the matter of budget and simply to the matter of how much are we going to be causing ourselves to getting close to triggering Gramm-Rudman and the rest of it.

I have not heard a lot of discussions about benefits. I continue to think that it is quite clear that the original catastrophic bill is going to be amended. The cost of it is going to go down sharply; that the benefits accruing to it will go down sharply because of the reduction in the costs. But the benefits are part of what we are here for.

The seniors in West Virginia are interested in benefits and, yes, they are concerned about costs and we are going to accommodate one way or another today their concerns about costs. We will do it fairly; we will do it wisely, presumably.

But people ought to remember that there are already in skilled nursing facilities people who are at the point of death and who are being fed intravenously, kept alive by various machinery. And then if we repeal all of this and there is none left, we are going to be seeing them wheeled out desperately sick. The television cameras, I hope, and the networks would be sure to cover that because that is part of the lesson of what we are about today—if we repeal benefits and that is what we are here to do—trying to help people.

If we repeal all of these benefits we are, and I think the Senator from Arizona would agree with this, looking at a backlash of incredible proportions. Benefits are part of our conversation. They ought to be more of our conversation, not just simply the matter of the budget.

I reserve the remainder of my time. Mr. President, I yield the floor in so doing.

The PRESIDENT pro tempore. Who yields time?

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

The PRESIDENT pro tempore. The Senator controls 2 minutes, 50 seconds under the waiver. The Senator from West Virginia controls 6 minutes and 50 seconds.

Mr. McCAIN. Will the Senator from West Virginia yield 3 minutes to the Senator from Montana?

Mr. ROCKEFELLER. I will be delighted to.

The PRESIDENT pro tempore. The Senator from Montana [Mr. BURNS] is recognized for 3 minutes.

Mr. BURNS. Mr. President, I speak today as an original cosponsor of Senator McCAIN's bill to reform the Medicare Catastrophic Coverage Act of 1988—and a strong supporter of his efforts to respond to the concerns of senior citizens on this issue.

I want to commend Senator McCAIN, and his staff, for the work they have done. I have done so many times before when we were fighting to get his delay bill, S. 335, passed. I thought that we should address the criticism of the Catastrophic Act head on. I made a comparison to section 89, and called on my colleagues not to take the seniors of this country on the same roller coaster ride that we took the small business owners on. The 1-year delay provided for in S. 335 would have given Congress time to reach a consensus on this controversial law in the most rational way.

Unfortunately, we are reaching the end of the year, and the seniors' concerns have not yet been addressed. The deadlock on this issue forced Senator McCAIN to raise it again on the Defense appropriations bill, thus bringing us to where we are today.

It also forced him to come up with a reform package. It has not been an easy road, but he has stuck to his guns and come up with the most workable solution.

I support this bill over the other options—including total repeal—for a number of reasons.

No. 1. It addresses the concerns of a majority of seniors. I have heard from thousands of senior citizens in my State just like every other Member of this body. And the No. 1 message carried to me through those letters was "get rid of the surtax." We are doing just that.

No. 2. It is solid health care policy. The McCain proposal retains the benefits that have already been implemented, retains the most meritorious benefits, repeals the benefits for which seniors have little need, and retains the principle that seniors should help pay for the costs of these benefits.

I think that it makes good sense to retain the benefits that have already gone into effect, and not to rip the rug out from under those who are already receiving these benefits. It also just so happens that those benefits are some of the best benefits in the bill.

The spousal impoverishment protection and expanded Medicaid buy-in provisions for poverty level Medicare beneficiaries and pregnant women and infants have been supported by everyone—even those who support total repeal. In fact, the spousal impoverishment provision has been hailed as a much needed long-term care reform.

In recent polls, seniors also rated as "highly important" the expanded hospitalization benefit and the mammography screening benefit which are retained in the McCain bill.

The home health, hospice, respite, and home IV therapy benefits address—to a certain extent—the need for expanded home health care coverage. These benefits either provide directly for home health care or provide services which help relatives and loved ones care for chronically or terminally ill people at home. In the case of home IV therapy, the American Society of Hospital Pharmacists states that:

> These programs have enabled patients to complete their drug treatment in their homes safely and effectively while decreasing real health care costs.

Now, that is the kind of program that deserves our support.

The benefits that are repealed are the prescription drug benefit and the part B out-of-pocket cap—the two benefits that few seniors support. Two separate polls—one done by the Wirthlin Group for the Coalition for Affordable Health Care and one done by Cooper & Secrest Associates for the National Committee To Preserve Social Security and Medicare—found that these two benefits were regarded by seniors as the least valuable benefits included in catastrophic.

The final change that I want to mention pertains to the skilled nursing facilities benefit. The McCain proposal retains this benefit, but scales it back to the way it was before the Catastrophic Act. This benefit is rated as "highly important" by seniors, but the expanded coverage under catastrophic was exceeding original cost estimates by 543 percent. The McCain proposal recognizes the importance of this benefit, while at the same time recognizing that we must be fiscally responsible, which leads me to my final point.

No. 3. This proposal is fiscally responsible and even conservative. It is financed by maintaining the part B premium increase as passed in the Catastrophic Act. Seniors in both of the polls I mentioned above indicated a willingness to help pay for additional benefits, if they were benefits they wanted. I think that this reform bill responds to that message.

The financing proposal is conservative in my opinion because it allows for a cushion each year—accumulating to a $4.5 billion cushion over the next 5 years. We have seen time and time again how Medicare benefit costs tend to get out of hand. We saw it most recently in the skilled nursing facilities benefit. This proposal recognizes that fact, and makes allowances for it.

There is also a provision in the bill that allows the Secretary of HHS to scale back the premium if the costs do

stay in line. Therefore, we are not just collecting extra revenue to hide the deficit. We are doing it to make sure we can pay for the benefits that we are promising the senior citizens of this Nation.

I know that many will argue that we should scrap catastrophic in order to start with a clean slate and to avoid piecemeal health care policy. They will say that we need overall Medicare reform. Well, I agree with them about the need for reform, but I do not think that scrapping catastrophic is the answer.

I do hope that Congress will look at Medicare reform in the near future. This program consumed 7.5 percent of the Federal budget in 1988, and is expected to consume 10.6 percent in 1993. There is no doubt that the current Medicare system does not distribute this amount of money very efficiently.

I support looking for ways to reform Medicare. I especially support looking for ways that it could help seniors with their No. 1 concern which is long-term care. I hope that Congress will undertake this task soon, but I hope no one thinks we are undertaking that task now.

Mr. President, I want to restate my support for the McCain proposal, and urge my colleagues to do the same.

In summary, Mr. President, I rise today in support of the McCain amendment, but I think what we are talking about here is the action of waiving the budget. After listening to this and seeing many graphs and bars that tell us the direction that we should be going, it would be interesting to see how many of those graphs and bars hold true 3 and 4 and 5 years later.

I think we are concerned that this started the terrible fire storm out there and we, as mortal politicians, reacted to that.

I compliment Senator McCain of Arizona for taking a piece of legislation already a law, that is already on the books and reworking it to where it is acceptable both to our elder community and to our budget process. Of course, that remains to be played out. I say, again, very seldom do we see those figures be the same 2 and 3 years later.

This does address the needs of our senior citizens. I think when I first came here in January, I did not think anybody else could write letters other than our senior citizens. That is all I received by the buckets full. So we knew we had to come up with some sort of a plan to revamp this thing called catastrophic health.

It does what I think the senior citizens want, and that is what I am being told every time I go back to Montana. So I support the McCain approach. I think repeal does nothing for us. In fact, if we start all over again, we may be in worse shape than we already are. I think they want the spousal impoverishment; I think they want skilled nursing care. And one day we are going to have to look at long-term care. That will be addressed at a later date.

So I congratulate the managers of this particular legislation and look forward to its passage. I urge my colleagues to support it and also support waiving the budget. Mr. President, I want to thank you and I yield my time.

Mr. KOHL. Mr. President, I support waiving the Budget Act point of order against the McCain legislation on the Castastrophic Health Care Program. The Senate should move past this obstacle and debate the merits of the bill.

I support this waiver despite my strong concern that we not take any action to aggravate our deficit. The budget point of order lies against the bill because the Catastrophic Health Care Program actually generates extra revenues during its first year of implementation. Thus, catastrophic actually eases our deficit for fiscal year 1990. Therefore, repealing or modifying the laws called for in the McCain legislation and the pending amendments will worsen our deficit during the first year.

However, focusing only on the first year of implementation is artificially narrow, Mr., President. Whether you favor or oppose continuation of the Catastrophic Health Care Program, all must admit that will cost the Government billions more than it will generate over the long term. While sustaining the budget point of order would therefore ease our deficit problems for 1 year, it would perversely aggravate our deficit in all succeeding years.

The long-term impact of legislation on the deficit should be our concern. I therefore support waiving the budget act point of order. The issues surrounding this legislation are vexing. The bill's budget impact, however, should not be an obstacle to addressing these issues.

Mr. GRASSLEY. Mr. President, I will not be able to support the amendment of my colleague from Massachusetts [Mr. KENNEDY].

As I understand the proposal, it would retain the prescription drug benefit and the hospital catastrophic protections as well as a number of smaller benefits. In fact, I have but a couple of observations on the prescription drug benefit, Mr. President. In the first place, they are expensive. Furthermore, the original estimates by the Congressional Budget Office grossly underestimated the cost of the prescription drug benefit. I must confess to harbouring a lingering doubt about the current estimates we have from CBO. How much will we find these benefits to cost when we get CBO's next estimate, or when the true costs begin to come in?

In the second place, at least with respect to the prescription drug benefit, I do not believe that this benefit is one of those most desired by Medicare beneficiaries, at least insofar as the polls taken on the Catastrophic Program represent what our constituents are thinking. The polls show that the prescription drug benefit is not one of those seen by Medicare beneficiaries as one of the more valuable benefits in the bill.

I would just also observe that, in the mail I am getting on this subject, my constituents do not appear to be demanding preservation of this benefit.

The PRESIDENT pro tempore. Who yields time?

Mr. McCAIN. Mr. President, I yield myself whatever time is remaining.

The PRESIDENT pro tempore. The Senator from Arizona is recognized for 2 minutes 29 seconds.

Mr. McCAIN. Mr. President, first, I would like to associate myself with the remarks of my friend from West Virginia concerning the benefits for seniors and the result of what we do today.

I hope a lot more of our debate will center around what benefits seniors need and want and deserve. So I appreciate his refocusing this debate on that very critical part of the issue. But since my friend from Minnesota raised several points about the budget I would like to point out that in the same letter which was recently included as part of the RECORD from Mr. Darman, the Director of the Office of Management and Budget, he described several things that happened in the budget process. He says:

> And if the emerging reconciliation bill, including the language dealing with the scoring of medicare payment shifts, is enacted our current estimate of the G-R-H baseline deficit would be reduced by approximately $12 billion. This would then yield a revised G-R-H deficit estimate that could accommodate your amendment without triggering sequester.

So the administration is now saying, as they have not in the past, that if my legislation is passed it will not trigger sequester.

Let me remind my friend from Minnesota of what we are talking about here as far as $10 billion and other billions of dollars. First of all, the cost of this legislation as passed has already gone from an initial estimate of $31 billion to $45 billion and it continues up. We know where that money, due to the nature of this legislation, has to be paid, out of the surtax, which means that the surtax would continue to skyrocket.

Perhaps my friend from Minnesota does not agree that by repealing certain benefits, then certain taxes will not be raised, but that is the case. Between 1990 and 1994, because of the

repealed surtax, there would be a $37 billion loss in revenue to the Treasury. Because of the reduced outlays, because of repealed benefits, there would be a $46 billion increase in moneys that will not be spent, thereby leaving $9.9 billion which is the basis of the comments of Senator GRAMM and the Senator from Washington [Mr. GORTON].

The PRESIDENT pro tempore. The time of the Senator from Arizona has expired.

PRIVILEGE OF THE FLOOR

Mr. ROCKEFELLER. Mr. President, I ask unanimous consent that Margaret Van Amringe, who is on detail to Senator MITCHELL's office from the Department of Health and Human Services, be permitted privileges of the Senate floor during consideration of the pending catastrophic insurance reform measure.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROCKEFELLER. Mr. President, I wish to use the remainder of the time.

The PRESIDENT pro tempore. The Senator is recognized for 3 minutes.

Mr. ROCKEFELLER. Mr. President, I am going to vote for this Budget Waiver Act. I am going to do it reluctantly, and I am going to do it because we simply are where we are. We have no choice. The only responsible thing to do, it seems to me, if we want to protect benefits and help seniors who desperately need help, is to waive the Budget Act in order to allow these various amendments to come before us which very in their approach to both benefits and cost.

I say, as strongly as I can summon myself, catastrophic health care and the several billions of dollars that are associated with it is just a tiny part of what it is that this body, this Congress, this Nation, and its people are going to have to face up to and make choices about in the very near future.

Let us say catastrophic ends up at $2 or $3 billion or $4 billion, depending upon what we pass. I suggest that we have 37 million uninsured Americans in this country. They have no insurance whatsoever. Twenty-five percent of them are children. That is going to be tens of billions of dollars. We cannot be a civilized nation and have people without health insurance. I suggest that there are millions of seniors and nonelderly who do not have long-term care coverage. When I am talking about nonelderly, I am saying that because when we talk about long-term care we tend to think of seniors, and indeed they are a major part of that, but we have hundreds of thousands of youngsters, of teenagers, people in their thirties and forties who have various crippling disabilities or diseases who need long-term care. It is an issue for all America. I know of no proposal that would cost less than $40 or $60 billion in addressing that program. So you have $40 billion to $60 billion for long-term care which we have to face up to on a moral basis, a human basis, and in responsibility to this Nation. We have the uninsured. You are talking about tens of billions of dollars and we are going through absolutely an orgy of destruction and agony on a relatively minor cost in a very important bill called catastrophic health care.

I urge my colleagues on both sides of the aisle to vote for this budget waiver because it is where we are and because it is what we have to do in order to protect benefits for seniors who need those benefits.

I yield the remainder of my time, Mr. President, and I am prepared to go to a vote.

The PRESIDENT pro tempore. All time has expired.

The question is on the motion to waive the Budget Act. The yeas and nays are ordered. The clerk will please repeat the responses as they are made. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii [Mr. MATSUNAGA] is necessarily absent.

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

The result was announced—yeas 96, nays 3, as follows:

[Rollcall Vote No. 233 Leg.]

YEAS—96

| | | |
|---|---|---|
| Adams | Garn | McClure |
| Armstrong | Glenn | McConnell |
| Baucus | Gore | Metzenbaum |
| Bentsen | Gorton | Mikulski |
| Biden | Graham | Mitchell |
| Bingaman | Gramm | Moynihan |
| Bond | Grassley | Murkowski |
| Boren | Harkin | Nickles |
| Boschwitz | Hatch | Nunn |
| Breaux | Hatfield | Packwood |
| Bryan | Heflin | Pell |
| Bumpers | Heinz | Pressler |
| Burdick | Helms | Pryor |
| Burns | Hollings | Reid |
| Chafee | Humphrey | Riegle |
| Coats | Inouye | Robb |
| Cochran | Jeffords | Rockefeller |
| Cohen | Johnston | Roth |
| Conrad | Kassebaum | Rudman |
| Cranston | Kasten | Sanford |
| D'Amato | Kennedy | Sarbanes |
| Danforth | Kerrey | Shelby |
| Daschle | Kerry | Simon |
| DeConcini | Kohl | Simpson |
| Dixon | Lautenberg | Specter |
| Dodd | Leahy | Stevens |
| Dole | Levin | Symms |
| Domenici | Lieberman | Thurmond |
| Durenberger | Lott | Wallop |
| Exon | Lugar | Warner |
| Ford | Mack | Wilson |
| Fowler | McCain | Wirth |

NAYS—3

| | | |
|---|---|---|
| Bradley | Byrd | Sasser |

NOT VOTING—1

Matsunaga

So the motion was agreed to.

The PRESIDENT pro tempore. The remaining time on the bill is as follows: 21 minutes under the control of Mr. MCCAIN; 3 minutes under the control of Mr. ROCKEFELLER. Under the order, the first amendment to be called up is by the Senator from Massachusetts [Mr. KENNEDY].

Mr. MCCAIN. Mr. President, parliamentary inquiry.

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield for that purpose?

Mr. KENNEDY. I am glad to yield for that purpose.

Mr. MCCAIN. I was under the impression that the unanimous-consent agreement was 15 minutes each side. Am I incorrect in that?

The PRESIDENT pro tempore. On the amendment by Mr. KENNEDY there is 30 minutes equally divided. The Chair was stating the time remaining on the bill.

Mr. MCCAIN. Thank you, Mr. President.

The PRESIDENT pro tempore. The Senate will be in order before the time starts running against the Senator from Massachusetts.

The Senator from Massachusetts.

AMENDMENT NO. 985

Mr. KENNEDY. Mr. President, I send an amendment to the desk on behalf of myself and the Senator from Pennsylvania [Mr. HEINZ] and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY], for himself and Senator HEINZ, proposes an amendment numbered 985.

Mr. KENNEDY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Medicare Catastrophic Revision Act of 1989".

TITLE I—PROVISIONS RELATING TO PART A OF MEDICARE PROGRAM AND SUPPLEMENTAL MEDICARE PREMIUM

SEC. 101. REPEAL OF SUPPLEMENTAL MEDICARE PREMIUM AND FEDERAL HOSPITAL INSURANCE CATASTROPHIC COVERAGE RESERVE FUND.

(a) IN GENERAL.—Sections 111 and 112 of the Medicare Catastrophic Coverage Act (hereafter in this Act referred to as "MCCA") are repealed and the provisions of law amended by such sections are restored or revived as if such sections had not been enacted.

(b) DELAY IN STUDY DEADLINE.—Section 113(c) of MCCA is amended by striking "November 30, 1988" and inserting "May 31, 1990".

(c) DISPOSAL OF FUNDS IN FEDERAL HOSPITAL INSURANCE CATASTROPHIC COVERAGE RESERVE FUND.—Any balance in the Federal Hospital Insurance Catastrophic Coverage Reserve Fund (created under section 1817A(a) of the Social Security Act, as in-

serted by section 112(a) of MCCA) as of January 1, 1990, shall be transferred into the Federal Hospital Insurance Trust Fund and any amounts payable due to overpayments into such Trust Fund shall be payable from the Federal Hospital Insurance Trust Fund.

(d) CONFORMING AMENDMENT.—Section 201(i)(1) of the Social Security Act (42 U.S.C. 401(i)(1)) is amended by striking "Federal Hospital Insurance Catastrophic Coverage Reserve Fund,".

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in this subsection, the provisions of this section shall take effect January 1, 1990.

(2) REPEAL OF SUPPLEMENTAL MEDICARE PREMIUM.—The repeal of section 111 of MCCA shall apply to taxable years beginning after December 31, 1988.

SEC. 102. REVISION OF EXPANSION OF MEDICARE PART A BENEFITS.

(a) IN GENERAL.—

(1) GENERAL RULE.—Except as provided in paragraphs (2), (3), and (4), sections 101, 102, and 104(d) (other than paragraphs (2)(C) and (7)) of the Medicare Catastrophic Coverage Act of 1988 (Public Law 100-360) (in this Act referred to as "MCCA") are repealed, and the provisions of law amended or repealed by such sections are restored or revived as if such section had not been enacted.

(2) EXCEPTION FOR INPATIENT HOSPITAL SERVICES.—

(A) The repeal of section 101(1) shall not apply insofar as such section amended paragraph (1) of section 1812(a) of the Social Security Act (relating to inpatient hospital services).

(B) The repeal of section 102(1) of MCCA shall not apply insofar as such section amended paragraph (1) of section 1813(a) of the Social Security Act (relating to the inpatient hospital deductible).

(3) EXCEPTION OF BLOOD DEDUCTION.—The repeal of section 102(1) of MCCA shall not apply insofar as such section amended paragraph (2) of section 1813(a) of the Social Security Act (relating to a deduction for blood).

(4) EXCEPTION FOR HOSPICE BENEFIT CHANGES.—The repeal of section 101 of MCCA shall not apply insofar as such section—

(A) amended paragraph (4) of subsection (a) of section 1812 of the Social Security Act (relating to hospice care benefits), and

(B) amended subsection (d) of such section (relating to a subsequent extension period of an election).

(b) TRANSITIONS FOR EXTENDED CARE SERVICES.—

(1) In the case of an individual who on December 31, 1989, is receiving extended care services for which payment may be made under part A of title XVIII of the Social Security Act, this Act shall not apply to the provision of extended care services under such part during a continuous period of stay in 1990, but—

(A) the number of days of coverage under this subsection shall not exceed 150 less the number of days for which benefits for extended care services were payable under such for the individual in 1989, and

(B) coinsurance shall be applicable under section 1813(a)(3) of such Act only for those days (if any) in 1990 before the 9th day in which the individual was furnished extended care services in 1989 and 1990.

(2) In applying sections 1812 and 1813 of the Social Security Act, as restored by subsection (a)(1), with respect to extended care services provided on or after January 1, 1990, except as may be provided under paragraph (1)—

(A) no day before January 1, 1990, shall be counted in determining the beginning (or period) of a spell of illness; and

(B) the limitation of coverage of extended care services to post-hospital extended care services shall not apply to an individual receiving such services from a skilled nursing facility during a continuous period beginning before (and including) January 1, 1990, until the end of the period of 30-consecutive days in which the individual is not provided inpatient hospital services or extended care services.

(c) EFFECTIVE DATE.—The provisions of this section shall take effect January 1, 1990, except that the amendments made by subsection (c) shall be effective as if included in the enactment of MCCA.

## TITLE II—PROVISIONS RELATING TO PART B OF THE MEDICARE PROGRAM

SEC. 201. REPEAL OF LIMITATION ON MEDICARE PART B COST-SHARING; 1-YEAR DELAY IN IMPLEMENTATION OF OUTPATIENT DRUG BENEFIT.

(a) IN GENERAL.—

(1) REPEAL OF LIMITATION ON COST-SHARING.—Section 201 of MCCA is repealed, and the provisions of law amended or repealed by such section are restored or revived as if such section had not been enacted.

(2) 1-YEAR DELAY IN OUTPATIENT DRUG BENEFIT.—Section 1861(t)(3)(B) of the Social Security Act (42 U.S.C. 1395x(t)(3)(B)) is amended by striking "in 1990" and inserting "in 1990 or 1991".

(b) INCREASE IN THE CATASTROPHIC DRUG DEDUCTIBLE AMOUNT FOR 1992.—

(1) IN GENERAL.—Section 1834(c)(1)(C)(i)(III) of the Social Security Act (42 U.S.C. 1395m(c)(1)(C)(i)(III)) is amended by striking "1992 is $652" and inserting "1992 is $950".

(2) GAO REPORT.—Section 1834(c)(1)(C)(iii) of such Act (42 U.S.C. 1395m(c)(1)(C)(iii)) is amended by inserting after the first sentence the following: "The Comptroller General shall report to Congress, not later than 60 days after the date of publication of such proposed regulation, on the accuracy of the Secretary's proposed amount of the catastrophic drug deductible for that following year.".

(c) MODIFICATION OF COINSURANCE PERCENTAGE FOR COVERED OUTPATIENT DRUGS FOR 1993.—Section 1834(c)(2)(C)(ii) of the Social Security Act (42 U.S.C. 1395m(c)(2)(C)(ii)) is amended—

(1) by striking "and" at the end of subclause (II), and

(2) by striking subclause (III) and inserting the following:

"(III) in 1993 is 30 percent, and

"(IV) in 1994 or a succeeding year is 20 percent.".

(d) CONFORMING AMENDMENTS.—

(1) Section 1834(e)(1) of such Act (42 U.S.C. 1395m(e)(1)) is amended by striking "(except as provided in section 1833(c))".

(2) Section 1861(11)(4) of such Act (42 U.S.C. 1395×(11)(4)) is amended—

(A) in the first sentence, by striking "either" and all that follows through the end of such sentence and inserting "has become entitled to have payments made for covered outpatient drugs under section 1834(c).",

(B) in the second sentence, by striking "subparagraph (A) or (B)" and inserting "the previous sentence",

(C) in the third sentence, by striking "a buyout plan (as defined in section 1833(c)(5)(D)) or", and

(D) in the third sentence, by striking "subparagraphs (A) and (B), respectively," and inserting "the first sentence of this paragraph".

(e) EFFECTIVE DATE.—The provisions of this section shall take effect January 1, 1990.

SEC. 202. REVISION OF MEDICARE PART B MONTHLY PREMIUM AND FINANCING.

(a) CONSOLIDATION OF CATASTROPHIC MONTHLY PREMIUM.—

(1) IN GENERAL.—Section 1839(g)(1) of the Social Security Act (42 U.S.C. 1395r(g)(1)) is amended—

(A) in subparagraph (A)—

(i) by striking "paragraphs (4) and (5)" and inserting "paragraph (3)",

(ii) by striking "the sum of the catastrophic coverage monthly premium and the prescription drug monthly premium" and inserting "the catastrophic coverage monthly premium",

(iii) by striking "paragraphs (2) and (3)" and inserting "paragraph (2)",

(iv) in the column in the table relating to the catastrophic coverage monthly premium, by striking "$5.46", "$6.75", and "$7.18" and inserting "$7.40", "$9.20", and "$10.20", respectively, and

(v) by striking the column in the table relating to the prescription drug monthly premium; and

(B) by striking subparagraphs (B) and (D) and redesignating subparagraph (C) as subparagraph (B);

(2) UPDATE IN MONTHLY PREMIUM.—Section 1839(g)(2) of such Act is amended—

(A) subparagraph (A), by striking "or (1)(C)",

(B) in subparagraph (B)(i), by inserting "for years beginning with 1998," after "(i)",

(C) in subparagraph (C)(i)(I), by stiking "catastrophic outlays" and inserting "prescription drug outlays",

(D) in subparagraph (D)(i), by striking "or (1)(C)",

(E) in subparagraph (D)(ii), by striking "37 percent" and inserting "100 percent",

(F) in subparagraph (D)(iii)(I), by striking" "20 percent" and inserting "the percent specified in clause (iv)",

(G) in subparagraph (D)(iii)(II), by striking "or section 59B(e) of the Internal Revenue Code of 1986", and

(H) by adding at the end of subparagraph (D) the following new clause:

"(iv) For purposes of clause (iii)(I), the percent specified in this clause for 1994 is 75 percent, for 1995 is 50 percent, for 1996 and for 1997 is 25 percent, and for 1998 and each succeeding year is 20 percent.".

(3) ELIMINATION OF SEPARATE PRESCRIPTION DRUG MONTHLY PREMIUM.—Section 1839(g) of such Act is further amended by striking paragraph (3).

(4) TREATMENT OF RESIDENTS OF PUERTO RICO AND TERRITORIES.—Section 1839(g)(4) of such Act is amended—

(A) in subparagraph (A), by striking "(4)" and inserting "(3)",

(B) in subparagraph (A), by striking "the sum of" and all that follows through the end and inserting "the catastrophic coverage monthly premium determined under subparagrah (B).",

(C) in subparagraph (B)(ii), by striking "$3.56" and "$5.78" and inserting "$1.37" and "$2.22",

(D) in subparagraph (B)(ii), by striking "and" at the end,

(E) in subparagraph (B)(iii), by striking "catastrophic outlays" each place it appears and inserting "prescription drug outlays",

(F) by redesignating clause (iii) of subparagraph (B) as clause (iv), and

(G) by inserting after clause (ii) of subparagraph (B) the following new clause:

"(iii) in 1991 is $1.92 for a resident of Puerto Rico and $3.10 for a resident of another U.S. commonwealth or territory; and", and

(H) by striking subparagraph (C).

(5) CONFORMING AMENDMENTS.—Section 1839 of such Act is further amended—

(A) in the second sentence of subsections (a)(1) and (a)(4), by striking "the amendments made by the Medicare Catastrophic Coverage Act of 1988" and inserting "covered outpatient drugs",

(B) in the last sentence of subsections (a)(1) and (a)(4), by striking ", but shall not" and all that follows up to the period,

(C) in subsection (b), by striking "(g)(6)" and inserting "(g)(4)",

(D) by striking paragraph (5) of subsection (g),

(E) in subsection (g)(6), by striking "(6)(A)" and inserting "(4)" and by striking subparagraph (B),

(F) in subsection (g)(7), by striking "(7)(A)" and inserting "(5)(A)" and, in subparagraph (B), by striking "paragraph (4)" and inserting "paragraph (3)", and

(G) in subsection (g)(8)—

(i) by striking subparagraphs (A), (D), and (F),

(ii) in subparagraph (B)(ii), by striking "part A" and inserting "part B", and

(iii) by redesignating subparagraph (B), (C), and (E) as subparagraphs (A), (B), and (C), respectively.

(b) FEDERAL CATASTROPHIC DRUG INSURANCE TRUST FUND.—Section 1841A of such Act (42 U.S.C. 1395t-1) is amended—

(1) in subsection (a), by striking "(a)(1)" and inserting "(a)", by striking "or under paragraph (2)", and by striking paragraph (2),

(2) in subsection (d)(1)(B), by striking "prescription drug" and inserting "catastrophic coverage", and

(3) in subsection (d)(2), by striking "and under section 59B of the Internal Revenue Code of 1986".

(c) MODIFICATION OF MEDICARE CATASTROPHIC COVERAGE ACCOUNT.—Section 1841B of such Act (42 U.S.C. 1395t-2) is amended—

(1) in subsection (a)—

(A) in the first sentence, by striking "and section 59B of the Internal Revenue Code of 1986,", and

(B) in the second sentence, by striking "and for purposes of section 59B of the Internal Revenue Code of 1986";

(2) in subsection (b)(1)—

(A) by amending subparagraph (A) to read as follows:

"(A) credited for receipts of the Federal Supplementary Medical Insurance Trust Fund attributable to (i) premiums under section 1839(g), or (ii) the additional premium amounts under section 1839 that are attributable to section 1839(e) applying during 1991, 1992, and 1993, and subsequent years", and

(B) by striking subparagraph (3) and redesignating subparagraph (C) as subparagraph (B);

(3) in subsection (b)(4), by striking ", those receipts which are also receipts of the Federal Hospital Insurance Catastrophic Coverage Reserve Fund,"; and

(4) in subsection (c)(2), by striking "and under section 59B of the Internal Revenue Code of 1986".

(d) SETTING BASIC PREMIUM AT 25 PERCENT FOR 1991, 1992, 1993, AND 1994 AND SUBSEQUENT YEARS.—Section 1939(e) of the Social Security Act (42 U.S.C. 1395r(e)) is amended by striking "1990" each place it appears and inserting "and subsequent years".

(e) MISCELLANEOUS CONFORMING AMENDMENTS.—

(1) The seventh sentence of section 1817(b) of such Act, inserted by section 212(c)(3) of the Medicare Catastrophic Coverage Act of 1988, is amended by striking "and those outlays" and all that follows and inserting a period.

(2) Section 1840(i) of such Act (42 U.S.C. 1395s(i)) is amended by striking "a prescription drug monthly premium established under".

(3) Section 1841(a) of such Act (42 U.S.C. 1395t(a)) is amended by striking the sentences added by section 212(b)(2) of the Medicare Catastrophic Coverage Act of 1988.

(4) Section 1844(a) of such Act (42 U.S.C. 1395w(a)) is amended by striking "or section 59B of the Internal Revenue Code of 1986" and inserting "or additional premium amounts under section 1839 for months after December 1990 attributable to section 1839(e) applying during 1991, 1992, 1993, and 1994 and subsequent years".

(f) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1990.

SEC. 302. REVISION OF MEDIGAP REGULATIONS; OTHER AMENDMENTS RELATING TO MEDICARE CATASTROPHIC COVERAGE ACT.

(a) REVISION OF MEDIGAP REGULATIONS.—

(1) Section 1882 of the Social Security Act (42 U.S.C. 1395ss), as amended by section 221(d) of the Medicare Catastrophic Coverage Act of 1988, is amended—

(A) in the third sentence of subsection (a) and in subsection (b)(1), by striking "subsection (k)(3)" and inserting "subsections (k)(3), (k)(4), (m), and (n)";

(B) in subsection (k)—

(i) in paragraph (1)(A), by inserting "except as provided in subsection (m)," before "subsection (g)(2)(A)", and

(ii) in paragraph (3), by striking "subsection (1)" and inserting "subsections (l), (m), and (n)"; and

(C) by adding at the end the following new subsections:

"(m)(1)(A) If, within the 90-day period beginning on the date of the enactment of this subsection, the National Association of Insurance Commissioners (in this subsection and subsection (n) referred to as the 'Association') amends the amended NAIC Model Regulation (referred to in subsection (k)(1)(A) and adopted on September 20, 1988) to reflect the changes in law made by the Medicare Catastrophic Revision Act of 1989, subsection (g)(2)(A) shall be applied in a State, effective on and after the date specified in subparagraph (B), as if the reference to the Model Regulation adopted on June 6, 1979, were a reference to the amended NAIC Model Regulation (referred to in subsection (k)(1)(A)) as amended by the Association in accordance with this paragraph (in this subsection and subsection (n) referred to as the 'revised NAIC Model Regulation').

"(B) The date specified in this subparagraph for a State is the earlier of the date the State adopts standards equal to or more stringent than the revised NAIC Model Regulation or 1 year after the date the Association first adopts such revised Regulation.

"(2)(A) If the Association does not amend the amended NAIC Model Regulations, within the 90-day period specified in paragraph (1)(A), the Secretary shall promulgate, not later than 60 days after the end of such period, revised Federal model standards (in this subsection and subsection (n) referred to as 'revised Federal model standards') for medical supplemental policies to reflect the changes in law made by the Medicare Catastrophic Revision Act of 1989, subsection (g)(2)(A) shall be applied in a State, effective on and after the date specified in subparagraph (B), as if the reference to the Model Regulation adopted on June 6, 1979, were a reference to the revised Federal model standards.

"(B) The date specified in this subparagraph for a State is the earlier of the date the State adopts standards equal to or more stringent than the revised Federal model standards or 1 year after the date the Secretary first promulgated such standards.

"(3) Notwithstanding any other provision of this section (except as provided in subsection (n))—

"(A) no medicare supplemental policy may be certified by the Secretary pursuant to subsection (a),

"(B) no certification made pursuant to subsection (a) shall remain in effect, and

"(C) no State regulatory program shall be found to meet (or to continue to meet) the requirements of subsection (b)(1)(A),

unless such policy meets (or such program provides for the application of standards equal to or more stringent than) the standards set forth in the revised NAIC Model Regulation or the revised Federal model standards (as the case may be) by the date specified in paragraph (1)(B) or (2)(B) (as the case may be).

"(n)(1) Until the date specified in paragraph (4), in the case of a qualifying medicare supplemental policy described in paragraph (3) issued in a State—

"(A) before July 1, 1990, the policy is deemed to remain in compliance with the standards described in subsection (b)(1)(A) if the insurer issuing the policy complies with the transition provision described in paragraph (2), or

"(B) on or after July 1, 1990, the policy is deemed to be in compliance with the standards described in subsection (b)(1)(A) if the insurer issuing the policy complies with the revised NAIC Model Regulation or the revised Federal model standards (as the case may be) before the date of the sale of the policy.

"(2) The transition provision described in this paragraph is—

"(A) such transition provision as the Association provides, by not later than December 15, 1989, so as to provide for an appropriate transition to reflect the changes in benefits under this title made by the Medicare Catastrophic Revision Act of 1989, or

"(B) if the Association does not provide for a transition provision by the date described in subparagraph (A), such transition provision as the Secretary shall provide, by January 1, 1990, so as to provide for an appropriate transition described in subparagraph (A).

"(3) In paragraph (1), the term 'qualifying medicare supplemental policy' means a medicare supplemental policy which has been issued in compliance with this section as in effect on the date before the date of the enactment of this subsection.

"(4)(A) The date specified in this paragraph for a policy issued in a State is—

"(i) the first date a State adopts, after the date of the enactment of this subsection, standards equal to or more stringent than the revised NAIC Model Regulation (or re-

vised Federal model standards), as the case may be, or

"(ii) the date specified in subparagraph (B), whichever is earlier.

"(B) In the case of a State which the Secretary identifies, in consultation with the Association, as—

"(i) requiring State legislation (other than legislation appropriating funds) in order for medicare supplemental policies to meet standards described in subparagraph (A)(i), but

"(ii) having a legislature which is not scheduled to meet in 1990 in a legislative session in which such legislation may be considered,

the date specified in this subparagraph is the first day of the first calendar quarter beginning after the close of the first legislative session of the State legislature that begins on or after January 1, 1990. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

"(5) In the case of a medicare supplemental policy in effect on January 1, 1990, the policy shall not be deemed to meet the standards in subsection (c) unless each individual who is entitled to benefits under this title and is a policy holder under such policy on such date is sent a notice in any appropriate form by not later than January 31, 1990, that explains—

"(A) the changes in benefits under this title effected by the Medicare Catastrophic Revision Act of 1989, and

"(B) how these changes affect the benefits contained in such policy and the premium for the policy.

"(6) In the case of an insurer which had in effect, as of December 31, 1988, a medicare supplemental policy with respect to an individual, for which the individual terminated coverage as of January 1, 1989 (or the earliest renewal date thereafter), no medicare supplemental policy of the insurer shall be deemed to meet the standards in subsection (c) unless the insurer—

"(A) provides written notice, by January 15, 1990, to the individual (at the most recent available address) of the offer described in subparagraph (B), and

"(B) offers to the individual, during the period beginning on January 1, 1990, and ending on March 1, 1990, continuation of coverage under such a medicare supplemental policy (with coverage effective as of January 1, 1990), under the terms respecting treatment of pre-existing conditions and group rating of premium which are at least as favorable to the individual as such terms as existed with respect to the policy as of December 31, 1988.".

(2) It is the sense of Congress that States should respond, at the earliest practicable date after the date of the enactment of this Act, to requests by insurers for review and approval of riders and premium adjustments for medicare supplemental policies in order to comply with the amendments made by paragraph (1).

(b) ADJUSTMENT OF CONTRACTS WITH PREPAID HEALTH PLANS.—Section 222 of MCCA is amended by inserting "and before January 1, 1990," after "December 31, 1988," each place it appears.

(c) NOTICE OF CHANGES.—The Secretary of Health and Human Services shall provide, in the notice of medicare benefits provided under section 1804 of the Social Security Act for 1990, for a description of the changes in benefits under title XVIII of such Act made by the amendments made by this Act.

(d) TECHNICAL CORRECTIONS RELATING TO MEDICARE CATASTROPHIC COVERAGE ACT OF 1988.—

(1) CORRECTIONS RELATING TO CATASTROPHIC DRUG BENEFIT.—

(A) DEFINITION OF COVERED OUTPATIENT DRUGS.—Section 1861(t)(3)(A) of the Social Security Act, as added by section 202(a)(2)(C) of the Medicare Catastrophic Coverage Act of 1988 (in this subsection referred to as "MCCA"), is amended—

(i) by redesignating clauses (iv) through (xiii) as clauses (vi), (vii), (viii), (ix), (x), (xii), (xiii), (xiv), (xvi), and (xviii), respectively;

(ii) by inserting after clause (iii) the following:

"(iv) Diagnostic services under subsections (s)(2)(C) and (s)(3).

"(v) X-ray, radium, and radioactive isotope therapy under subsection (s)(4).";

(iii) by inserting after clause (x), as so redesignated, the following:

"(xi) Parenteral nutrition nutrients under subsection (s)(8).";

(iv) by inserting after clause (xvi), as so redesignated, the following:

"(xv) Partial hospitalization services (as defined in subsection (ff)).''; and

(v) by inserting after clause (xvi), as so redesignated, the following:

"(xvii) Qualified psychologist services (as defined in subsection (ii)).".

(B) COVERED HOME IV DRUGS.—Section 1861(t)(4)(A) of such Act (42 U.S.C. 1395x(t)(4)(A)) is amended by striking "dispensed" and inserting "furnished by a qualified home intravenous drug therapy provider".

(C) REFERENCES TO CATASTROPHIC DRUG DEDUCTIBLE AMOUNT.—Section 1834(c) of the Social Security Act, as added by section 202(b)(4) of MCCA, is amended—

(i) in paragraph (1)(C), by striking "Subject to subparagraph (D), the" and inserting "The,

(ii) in paragraph (2)(A), by striking "under paragraph (1)(A) and except as provided in subparagraph (C)" and inserting "under paragraph (1)"; and

(iii) in paragraph (8)(E), by striking "paragraph (1)(A)" each place it appears and inserting "paragraph (1)";

(D) PAYMENT FOR ELECTRONIC EQUIPMENT FOR PHARMACIES.—Section 1842(o)(2) of the Social Security Act, as added by section 202(c)(1)(C) of MCCA, is amended—

(i) in subparagraph (B)—

(I) by inserting ", software," after "electronic equipment", and

(II) by inserting ", or reimbursement for such equipment or software modifications," after "telephone service)";

(ii) by adding at the end the following:

"Any reimbursement under subparagraph (B) shall be contingent upon a pharmacy's system meeting the requirements specified in the contracts between the Secretary and carriers and shall not exceed the reasonable cost of the modifications or, if less, the cost of a point-of-sale terminal (as defined in such contracts).".

(E) INTERIM FUNDING OF CATASTROPHIC DRUG EXPENSES.—(i) Section 202(m)(5) of MCCA is amended by striking "January 1, 1990" and inserting "April 1, 1990".

(ii) Section 1841A(c) of the Social Security Act, as inserted by section 212(a) of MCCA, is amended by striking "and administrative costs" and inserting "(and on or after April 1, 1990, for administrative costs)".

(F) EXPANSION OF IDENTIFIERS TO NONPHYSICIAN PRACTITIONERS.—The Secretary of Health and Human Services shall expand the identifier system established under section 9202(g) of the Consolidated Omnibus Budget Reconciliation Act of 1985 to provide unique identifiers to each nonphysician practitioner (physician assistants, nurse practitioners, and certified registered nurse anesthetists) who is authorized to prescribe or dispense covered outpatient drugs for which payment may be made under title XVIII of the Social Security Act.

(2) SCREENING MAMMOGRAPHY.—

(A) APPLICATION OF PARTICIPATING PHYSICIAN DIFFERENTIAL.—Section 1834(e)(4) of the Social Security Act, as added by section 204(b)(2) of MCCA, is amended by adding at the end the following new subparagraph:

"(D) APPLICATION OF PARTICIPATING PHYSICIAN DIFFERENTIAL.—In applying the limit under subparagraph (A) with respect to a nonparticipating physician, the limit applied shall be the applicable percent (as defined in the second sentence of section 1842(b)(4)(A)(iv)) of the limit otherwise established in that subparagraph.".

(B) FREQUENCY OF SCREENING.—Section 1834(e)(2)(A) of the Social Security Act, as added by section 204(b)(2) of MCCA, is amended—

(i) in clause (iii)(I), by striking "the 11 months of a previous screening mammography" and inserting "11 months following the month in which a previous screening mammography was performed",

(ii) in clause (iii)(II), by striking "the 23 months of a previous screening mammography" and inserting "23 months following the month in which a previous screening mammography was performed",

(iii) in clause (iv), by striking "11 months of a previous screening mammography" and inserting "23 months following the month in which a previous screening mammography was performed",

(iii) in clause (iv), by striking "11 months of a previous screening mammography" and inserting "11 months following the month in which a previous screening mammography was performed", and

(iv) in clause (v), by striking "23 months of a previous screening mammography" and inserting "23 months following the month in which a previous screening mammography was performed".

(3) ROUNDING OF PART B PREMIUM.—Section 1839 of the Social Security Act, as amended by section 211(c)(1)(E) of MCCA, is amended—

(A) in the first sentence of subsection (b) (as amended by section 202(a)(5)(C) of this Act), by striking "subsections (f) and (g)(4)" and inserting "subsection (f)",

(B) in subsection (b), by inserting after the first sentence the following new sentence: "If the resulting monthly premium is not a multiple of 10 cents, such premium shall be rounded to the nearest multiple of 10 cents.", and

(C) in subsection (c), by striking "the foregoing provisions of this section" and inserting "subsection (a)(3) or (e)".

(4) MISCELLANEOUS.—

(A) Clause (iii) of section 1814(a)(7)(A) of the Social Security Act, as added by section 104(d)(2)(C)(iii) of MCCA, is amended by moving its alignment 2 ems to the left so its alignment is the same as that of clause (ii) of such section.

(B) Section 1842(p)(3)(B) of the Social Security Act, as added by section 202(g) of MCCA, is amended by striking "section

1842(j)(2)(A)" and inserting "subsection (j)(2)(A)".

(C) Section 221(g)(3) of MCCA is amended by striking "subsection (f)" and inserting "subsection (e)".

(D) Section 1842(h)(5)(B)(iv) of the Social Security Act, as added by section 223(b)(4) of MCCA, is amended by striking "paragraph (2)(A)" and inserting "paragraph (2)".

"(e) MISCELLANEOUS TECHNICAL CORRECTION.—Section 221(g)(3) of MCCA is amended by striking "subsection (f)" and inserting "subsection (e)".

"(f) EFFECTIVE DATE.—The provisions of this section shall take effect January 1, 1990, expect that the amendment made by subsection (d) shall be effective as if included in the enactment of MCCA.

Mr. KENNEDY. Mr. President, I yield myself 5 minutes on this amendment.

The PRESIDENT pro tempore. The Senator from Massachusetts is recognized for 5 minutes.

Mr. KENNEDY. Mr. President, as I mentioned earlier the two greatest concerns of our senior citizens in our Nation today are, one, for home health care or long-term nursing care; and second, the issue of prescription drugs.

There are various coverages for individuals, for hospitalization and doctors' care, and so many of our elderly take advantage of those particular programs. But there is virtually no coverage for our seniors for prescription drugs, and when we are talking about the catastrophic nature of medical bills, it is in this area more than any other area that our seniors are affected.

There are 5.4 million people every year who have catastrophic health expenses just because of prescription drugs, 1.3 million for inpatient hospital benefits, and 2.3 million for physician benefits, so there is really an area of public policy of greatest concern.

No. 1, there are not available to our seniors the availability of purchasing insurance programs to deal with that. No. 2, they virtually do not exist.

No. 3, this amendment will provide for the prescription drugs for our seniors.

As indicated in this legislation, we have eliminated the surtax. We only maintain the continuation of the drug benefit portion that already exists in the legislation which is extremely modest which is included in the McCain proposal. And we fund this proposal with the savings, the difference between the 25-percent payments of seniors under the Medicare Program and the cost-of-living increase.

In 1972, because of the rise of health costs, the Congress wisely limited the increase in premiums for our elderly to what the consumer price index was going to be, recognizing that the seniors themselves could not control increasing health care costs and the seniors were not responsible for the deficit. Those were congressional actions. So the seniors should only have to pay the increase in the consumer price index.

In 1982, that policy was changed to include that the seniors were going to have to pay 25 percent of all the costs, and that amount is being used today for deficit reductions.

The seniors in our country on Medicare are paying a disproportionate amount for deficit reduction. All we are doing now is recapturing that which has been basically described as a temporary measure and has even been included in the reconciliation provision as a temporary measure just for this year. We are saying after the reconciliation of this year, we are going to go back to the wise policy up to 1982 for our seniors and use those savings to fund the drug package.

This program which we have I think of all the various programs that are going to be voted on today is the more expansive with that particular issue in mind, the prescription drug issue, and that is why I have been very hopeful that this would be an added feature to the McCain proposal.

Finally, I just say I welcome the strong support of the Senator from Pennsylvania. Senator HEINZ has been a real leader in the Senate for a number of years on the whole question of out-of-hospital prescription drugs and is one of the most knowledgeable individuals in the Senate on this issue. Having his support is, I think, very important and I am very appreciative.

Mr. President, I yield 5 minutes to the Senator from Pennsylvania.

The PRESIDENT pro tempore. The Senator from Pennsylvania [Mr. HEINZ] is recognized for 5 minutes.

Mr. HEINZ. Mr. President, I say at the outset I thank the Senator from Massachusetts for taking the leadership on his side of the aisle in bringing this before the Senate. To my mind it is an absolutely essential and vital amendment in the Senate today.

I really worry about the fact that because there are flaws, deep flaws, some would say, in some circumstances, I would agree with the legislation that we enacted last year, that we throw the baby out with the bath water.

There are many good provisions in the catastrophic coverage bill, but we are all aware that the financing was, until we changed it, deeply flawed. It caused 40 percent of the people to pay 82 percent of the cost of the progrm. That is unfair and outrageous, and we heard a lot about that outrage and unfairness.

There are benefits in the legislation we passed last year that are duplicative, and in retrospect we were not smart to include benefits that people did not feel they needed or wanted

What the Senator from Massachusetts and I propose to do is very simple. It is to address every single one of those issues that is of great unfairness; namely, we eliminate the supplemental premium, the surtax, the tax on the tax, as some people call it, and we get rid of the part B cap, so-called, and we keep the benefits that the people of this country, our senior citizens, and their children know are absolutely essential to staying out of the nursing home, to avoiding institutionalization.

I am referring to the long-term care benefit for home health, the preventiative care mammography. I am referring to hospital catastrophic. But above all, Mr. President, I am referring to the fact that the Kennedy-Heinz amendment retains coverage for prescription drugs.

It was just about a year ago that I was privileged to come before the Senate on the 27th of October and offer on behalf of myself and the majority leader of today, Senator MITCHELL then, an amendment to include prescription drug coverage under the Catastrophic Act.

By a vote of 88 to 9, the Senate put itself on record in favor of covering prescription drugs under the Catastrophic Act.

Mr. President, I think our reasons for doing so now are as valid as they were then, and the reason we did it then is the very simple fact that there are some 5 million senior citizens who today are experiencing out-of-pocket costs of prescription drugs in excess of $1,400.

Mr. President, the average senior citizen receives from Social Security—make no mistake about it, the average senior citizen only has Social Security to get by on—the average senior citizen gets about $500 a month in Social Security; $500 a month.

What does $1,400 a year mean if you spend $120 a month out of pocket for prescription drugs to stay active, to deal with arthritis, hypertension, and high cholesterol levels, and that is because a 25-percent chunk of their income goes for some 5 million senior citizens to just pay the cost to stay functioning, to stay independent, to stay out of needless institutionalization.

That is what the Senator from Massachusetts and I are giving the Senate a choice on in our amendment. We get rid of the surtax. Our amendment is fiscally responsible. The numbers meet. We will meet the baseline, but we keep those benefits that really touch the largest number of senior citizens and that do them the most good.

Mr. President, it would be a tragedy if we were to simply cut and run on the notion of helping senior citizens. A number of us in this body, the Senator from Minnesota, the Senator from Massachusetts, and others, serve on the Pepper Commission. Our job on

the Pepper Commission—I see Senator ROCKEFELLER, the chairman on the floor, our job on the——

The PRESIDENT pro tempore. The Senator's time has expired.

Mr. HEINZ. May I have 30 additional seconds?

Mr. KENNEDY. I yield time.

The PRESIDENT pro tempore. The Senator is yielded time.

Mr. HEINZ. Our job on the Pepper Commission is to move forward on long-term. Unless we take positive steps and resist repeal for senior citizens, we are not only taking a step back on long-term care; we may be set back so far we may not be able to take a step forward irrespective of what we might want to do on the Pepper Commission.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

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

The PRESIDENT pro tempore. The Senator has remaining 4 minutes and 20 seconds.

Mr. KENNEDY. I thought I would retain that time to respond to some of the points in opposition.

Mr. HEINZ. Mr. President, parliamentary inquiry. Is the Senator speaking for or against?

Mr. DURENBERGER. I am going to be speaking against.

Mr. HEINZ. Who has the time in opposition, Mr. President?

The PRESIDENT pro tempore. The Senator from West Virginia controls the time in opposition if he opposes the amendment.

Mr. ROCKEFELLER. Parliamentary inquiry. If the Senator from West Virginia is not in opposition to the bill, speaking as the Senator from West Virginia, not representing the Finance Committee——

The PRESIDENT pro tempore. The minority leader or his designee, Mr. MCCAIN, controls the time.

Mr. MCCAIN. Mr. President, I think there has been some confusion here. In an attempt to clarify it, I ask unanimous-consent that I be allowed to control the time in opposition to amendments, the logic being the bill is my bill. I find no objection from my friend from West Virginia and that way I think it makes it a much more clean and efficient debate.

The PRESIDENT pro tempore. That is not according to the usual form, but the Senator makes a unanimous-consent request. Is there objection?

Mr. ROTH. Reserving the right to object, I ask that if the change is made, those of us also in opposition be assured the right that we have an opportunity to comment.

The PRESIDENT pro tempore. Does the Chair understand that the Senator makes the request with respect to this amendment only or with respect to all amendments?

Mr. MCCAIN. All amendments that are under the unanimous-consent agreement. I assure my colleague that he would control the required amount of time.

Mr. ROTH. I also want to ensure that we have a right to comment on the other proposals.

The PRESIDENT pro tempore. Is there objection to the request? The Chair hears no objection. It is so ordered.

Mr. MCCAIN. Mr. President, I yield 5 minutes to the Senator from Minnesota.

The PRESIDENT pro tempore. The Senator from Minnesota is recognized for 5 minutes.

Mr. DURENBERGER. I thank the Chair and I thank my colleagues and I thank particularly the Senator from Arizona for clarifying his very difficult role with regard to all these amendments.

Mr. President, I rise in opposition to this amendment with some regret, particularly because, while in the beginning of the creation of catastrophic, the genesis of this wonderful plan, we did not contemplate adding the drug benefit, I think the drug benefit is a good benefit. I do not think there is any question about it. I compliment my colleagues from Massachusetts and Pennsylvania for doing what they can to try to hang onto this benefit.

So there is no doubt about my particular position on this bill, I agree with the Secretary of Health and Human Services and the previous Secretary of Health and Human Services and the previous President of the United States, who said that the catastrophic bill, despite its financing mechanism, is a very good piece of work for the elderly and disabled of America.

The Senator from Massachusetts and the Senator from Pennsylvania are trying to say to us one of those elements, the drug benefit, is a very good benefit and we ought to try to hang onto it. I rise only to suggest that there are better ways to provide drug protection or protection for prescription drugs for the elderly of this country than the proposal of my colleagues.

The amendment before us preserves part A of the catastrophic—as do most of the amendments, other than the repealers—preserves home health care, mammograms, and so forth, in addition to drugs. I believe many of the amendments also we will hear today do that. I know that my own amendment does that, preserves part A, preserves home health, preserves mammograms, preserves spousal impoverishment and the like.

The question, very simply, is what do you lose by voting for this amendment? One of the main things that you lose is part B coverage. It does not do much good to pick up part A coverage for 60 days and the 61st through the 365th day in the hospital you lose all your coverage for doctor bills. Those are the people who are in hospitals for a long period of time who also have very large medical bills. And to say that we are going to hang on to part A, but part B we are going to reject is to leave all these same people totally exposed, either personally or to the so-called supplemental market to having to pick up all of those costs.

So I oppose this amendment because it rejects part B, which is the real, genuine, needed by the elderly, by the poor, by the disabled of this country, part of this amendment.

I would also suggest, on the basis of all of the time we have spent in the Finance Committee dealing with the issue of drugs, that now is probably not the best time to adopt a drug amendment. We now know about the drug authorization in the catastrophic bill that would cost somewhere between 30 and 40 percent to administer.

I think we all know from our experience what that means: that if we do not change this drug benefit, if we keep it as a program that is going to cost 30 to 40 percent to administer, sooner or later either the premiums go off the wall so that most elderly cannot afford it or they start opting out of part B and we have not accomplished what we should accomplish.

We need a good drug program. I compliment my colleagues for wanting to hang on to what we have. I would suggest that we can do this prescription drug program better in the future, and I hope the other alternative amendments that do not have the drug benefit in it will be looked at for those of you who want to preserve the good that is in the catastrophic bill.

Mr. KENNEDY. Mr. President, just in terms of the time, we have about 4 minutes left. I would like to retain that. Would the Senator answer one or two questions on his time?

The PRESIDENT pro tempore. Who yields time?

Mr. MCCAIN. Mr. President, I yield, hoping that my friend from Massachusetts would exercise restraint.

The PRESIDENT pro tempore. How much time does the Senator yield?

Mr. MCCAIN. Three minutes.

Mr. KENNEDY. I must say I was almost prepared to yield 2 minutes for the first 2 minutes of the statement of the Senator from Minnesota, but resisted doing so after that.

What percent of the elderly people do have stopgap insurance for part B? As I understand, it is about 66 percent of the Medicare. And if you include Medicaid, that is about 80 percent of our seniors have some additional coverage other than part B. I agree it is a difficult thing to try and balance one

particular benefit versus another. But, we find that you have 2.3 million if we retain the coverage that would have the benefit, while ours, as the Senator from Minnesota said, is about 5.4. We are talking about out-of-pocket expenses.

So will the Senator address that Medigap and the other private insurance?

Mr. DURENBERGER. I will do it very briefly. I think the figures are approximately 60 percent of the Medicare recipients buy supplemental and Medicare picks up part of the gap.

When I came to this body, which was long after the Senator from Massachusetts did, about 10 years ago, that total figure was up somewhere in the neighborhood of 97 percent. The problem is that you cannot buy just catastrophic. You have to buy a lot of other things. And people, in particular poor people, low-income people, people who have disabling injuries and diseases, people who live in rural America, those people cannot afford to buy catastrophic insurance in this current market. And that number keeps getting larger by the hundreds of thousands each year; much quicker than the people who have catastrophic drugs. So those are the people who need catastrophic, that large number that is growing every year that cannot afford to buy these policies in that market.

Mr. KENNEDY. Mr. President, I yield on my own time.

In response, I would say, Mr. President, that there are no comparable programs out there now like Medigap in the area that you have prescription drugs. It does not exist. I would agree with my good friend from Minnesota that there is this gradually escalating problem, certainly of importance to me, that we are going to have to agree to down the road.

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

Mr. ROCKEFELLER. Mr. President, the Senator from West Virginia asks if he could be yielded 2 minutes.

Mr. KENNEDY. Yes.

Mr. ROCKEFELLER. Mr. President, I emphasize again that in general terms I am managing the bill, but I am speaking now as the junior Senator from West Virginia. As I go through all of these amendments, as I understand them to this point, I am inclined to be in favor, in fact I am a cosponsor, of the Durenberger amendment which is yet to be before us.

But I am going to vote for the Kennedy proposal because I think the Kennedy proposal accomplishes a lot of things that would be very satisfactory to our people in West Virginia and across the country. He does, in fact, repeal the supplemental premium. That has been the primary, perhaps, cause of dissatisfaction. He is exactly right when he says drug prescription is not covered under Medigap. He puts it in. He delays it for a year.

That was done before. They were doing that anyway in the original catastrophic bill. And there is the very important aspect of protecting the benefit in the skilled nursing facilities. He grandfathers in those who were already there.

That means the problem of the escalating costs that worries us all so much is not addressed. But he grandfathers and protects those who were there, so people who are in life-threatening situations are not going to be simply pulled out of nursing homes and cast into the cold.

I think there is much to recommend this and I, speaking as the junior Senator from West Virginia, do feel it retains substantial benefits while eliminating the supplemental premium and, therefore, would include myself as one who would be pleased to vote for it.

Mr. HEINZ. Will the Senator from Massachusetts yield for 30 seconds?

Mr. KENNEDY. How much time do we have, Mr. President?

The PRESIDENT pro tempore. The Senator has 2 minutes and 15 seconds.

Mr. KENNEDY. I will yield a minute and I will take a minute.

Mr. HEINZ. I will take 30 seconds.

Mr. President, I want to make one thing clear. There are a lot of amendments we are going to be voting on. This amendment does more any way you look at it, more in terms of the amount of benefits quantitatively, more in terms of the amount of people helped, than any other benefit we are voting upon. I think it is fair to say, therefore, that a vote against the Kennedy-Heinz amendment is a vote against helping aged families stay together, stay independent, and a vote for pushing them into poverty and institutionalization.

The PRESIDENT pro tempore. Who yields time?

Mr. McCAIN. I yield myself 3 minutes.

The PRESIDENT pro tempore. The Senator from Arizona.

McCAIN. Mr. President, I applaud my friend from Massachusetts for recognizing the surtax is a crucial issue here. His amendment does eliminate that. I also applaud him for proposing the level of beneficiary responsibility for part of the part B program not fall below 25 percent. I think those are excellent proposals.

However, obviously a centerpiece of this amendment is the prescription drug part of the bill. I think it is of interest to know that several polls, including the Wirthlin poll recently taken, showed only 25 percent of the seniors in America rated drugs as an important provision.

Also I think it is important to reiterate what my friend from Minnesota pointed out, that the dramatic escalation in the cost of prescription drugs indicates that this proposal will pay for it, if at all, for a very short time.

I have a question for my friend from Massachusetts, to ask if he has a CBO estimate of the costs of this amendment and are parts of it already paid for out of general revenues? I think that is an important factor in evaluating this legislation.

Also, I would like to remind my colleagues that an amendment, the Stark-Gradison-Waxman amendment that was proposed in the House, was their only alternative to total repeal. Basically the centerpiece of that was prescription drugs and that was resoundingly defeated in the House of Representatives.

So I applaud my colleague from Massachusetts for his efforts in particularly some parts of this amendment. I believe it should be overall rejected.

I yield 2 minutes to my colleague from Delaware.

The PRESIDENT pro tempore. The Senator from Delaware is recognized for 2 minutes.

Mr. ROTH. Mr. President, there is no area with more soft data as to cost than the prescription drug benefit.

Let me point out that at the time of passage, according to CBO, prescription drugs were set in at $600, 17 percent of the beneficiaries were supposed to be eligible, at a cost of $6 billion.

Recent estimates say that instead of 17 percent, 33 percent of beneficiaries would be eligible and it would cost $12 billion.

Frankly, nobody has any idea as to how much this program is going to cost.

For example, it is estimated that there could be something like $700 million in claims made under this proposal each year. Whereas we have only $500 million in claims a year under Medicare.

I point out the administrative expenses of this program are tremendous because for each claim, the druggist will be paid $4.50. That means almost $2 billion a year would be paid for administrative expenses.

But the real point is the data is soft. There is a need here but it should be part of a broader study.

I yield the floor.

The PRESIDENT pro tempore. Who yields time?

Mr. KENNEDY. I yield 30 seconds to the Senator from West Virginia.

The PRESIDENT pro tempore. The Senator is recognized for 30 seconds.

Mr. ROCKEFELLER. I want to make the point that polls may say that seniors do not want prescription drug benefits. I am not sure the polls reflect how much it is that we have communicated to seniors about prescription drugs. But I know when I

was having hearings 3 years ago, there were two things that stood out from seniors.

One was, we need help and we want help in terms of being helped with medical catastrophe; and the other was, we want prescription drugs.

Mr. KENNEDY. Mr. President, I will take the last minute.

One is to ask to have the CBO estimates incorporated in the RECORD. The CBO estimates, even with our funding mechanism, would indicate it would be over a $3 billion surplus in the next 4 years, more than a $3 billion surplus.

Second, as has been pointed out we eliminated the surtax.

Third, we maintained the drug benefit.

Fourth, this proposal is supported by the AARP.

Finally, it is fiscally responsible. We put the CBO figures in there.

Mr. President, there will be no other package considered on the floor today that will meet these criteria.

I ask unanimous consent to have the CBO estimates printed in the RECORD.

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

KENNEDY CATASTROPHIC PROPOSAL—SPENDING

[By fiscal year, in millions of dollars]

| | 1990 | 1991 | 1992 | 1993 | 4 yr |
|---|---|---|---|---|---|
| Current law benefits: | | | | | |
| Part A benefits: | | | | | |
| Hospital | 1,293 | 1,401 | 1,522 | 1,659 | 5,875 |
| Home health | 129 | 183 | 194 | 208 | 714 |
| Hospice | 1 | 1 | 1 | 1 | 4 |
| Blood deductible | 9 | 10 | 11 | 12 | 42 |
| Part B benefits: | | | | | |
| Respite care | | 1 | 112 | 227 | 340 |
| Mammography screening | 75 | 123 | 138 | 147 | 483 |
| Administration | 119 | 183 | 597 | 840 | 1,739 |
| Revised benefits: | | | | | |
| Drugs: | | | | | |
| Home IV and immunosuppressive | 76 | 162 | 184 | 225 | 647 |
| Others | | | 1,155 | 2,638 | 3,793 |
| Total spending | 1,702 | 2,064 | 3,914 | 5,957 | 14,697 |
| Revenue sources: | | | | | |
| Flat part B premium | 1,847 | 2,732 | 3,586 | 4,147 | 12,312 |
| Part B 25 percent rule | | 875 | 1,793 | 2,779 | 5,447 |
| Total revenue | 1,847 | 3,607 | 5,379 | 6,926 | 17,759 |
| Surplus | 145 | 1,543 | 1,465 | 969 | 3,062 |

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

The PRESIDENT pro tempore. The Senator has 4 minutes 30 seconds.

Mr. McCAIN. Would the Senator from Massachusetts like to have some more time?

Mr. KENNEDY. No. I thank my friend.

Mr. McCAIN. Mr. President, I yield to myself for the time being.

The PRESIDENT pro tempore. The Senator is recognized for 4 minutes and 30 seconds.

Mr. McCAIN. I will not take that amount of time. I want to say briefly, it is important to emphasize that every major seniors organization in America supports the McCain bill except the AARP.

Mr. President, in all due respect for that outstanding organization, I think it is well to point out the AARP is in the prescription drug business, and stands to make millions of dollars if prescription drugs are part of this legislation. I do accuse them of anything except the appearance of a conflict of interest on this issue.

Also, although the CBO estimates may indicate a $3 billion surplus, I find it hard to imagine, with the dramatic cost escalation of these drugs, that that could hold true for very long.

I yield the remainder of my time.

Mr. KOHL. Mr. President, I rise in support of the amendment offered by our distinguished colleague from Massachusetts.

His amendment addresses one of the greatest weaknesses of the alternative proposals to reform the catastrophic bill—the need to extend Medicare coverage to prescription drugs. Only 3 out of every 10 American elderly have coverage for outpatient prescription drugs and if current trends continue there is no reason to believe that number will increase. As our colleague noted in his introductory remarks, this benefit will proportionally serve more elderly than any other component of the catastrophic health care plan.

Compared with other Americans, older persons consume a disproportionately large percentage of prescription drugs. According to the Food and Drug Administration, more than 480 million prescriptions were written for the elderly in 1986. Those elderly who are fortunate enough to be living at home take between two and four prescription drugs daily. And according to the Congressional Budget Office, the average cost of a prescription in 1988 was $17.88. That cost can be expected to rise. In a recent Special Committee on Aging hearing chaired by our distinguished colleague from Arkansas, it was made clear that drug prices have risen faster than other consumer prices. In fact, from January 1980 through 1986, drug prices rose almost 80 percent—250 percent faster than the increase in consumer prices in general.

While we have a responsibility to control the growth of costs in pharmaceuticals, we also have a responsibility to assure that senior citizens have access to those therapeutics. As prices soar, the need for Medicare reimbursement for outpatient prescription drugs becomes even more severe for those millions of American elderly living on fixed incomes. There are few things as tragic as the thought of an elderly patient refusing to fill a much needed prescription simply because of inability to pay. And that denial of appropriate care can only cost us more in the long run.

So I commend my colleague from Massachusetts for his leadership with this amendment. It is this Senator's opinion that as we struggle to balance the needs for these benefits against the costs, that we must do all that we can to salvage those benefits that will provide the most assistance and will be of the greatest value to the largest number of American elderly. And in the case of this amendment, we can do that without dependence on the surtax which has proven to be so unacceptable to so many seniors.

I urge my colleagues' support of the amendment.

The PRESIDENT pro tempore. All time is yielded back.

The question is on the adoption of the amendment of the Senator from Massachusetts.

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

The PRESIDENT pro tempore. Is there a sufficient second?

Obviously, there is a sufficient second.

The yeas and nays were ordered.

The PRESIDENT pro tempore. There being no further debate, the question is on agreeing to the amendment of the Senator from Massachusetts. The yeas and nays have been ordered. The clerk will please repeat the responses. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii [Mr. MATSUNAGA] is necessarily absent.

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

The result was announced—yeas 35, nays 64, as follows:

[Rollcall Vote No. 234 Leg.]

YEAS—35

| | | |
|---|---|---|
| Adams | Heinz | Nunn |
| Burdick | Hollings | Pell |
| Byrd | Inouye | Pressler |
| Cranston | Kennedy | Pryor |
| Daschle | Kerry | Riegle |
| DeConcini | Kohl | Rockefeller |
| Dodd | Leahy | Sarbanes |
| Exon | Levin | Sasser |
| Fowler | Lieberman | Simon |
| Glenn | Metzenbaum | Specter |
| Gore | Mikulski | Wirth |
| Harkin | Moynihan | |

NAYS—64

| | | |
|---|---|---|
| Armstrong | Domenici | McCain |
| Baucus | Durenberger | McClure |
| Bentsen | Ford | McConnell |
| Biden | Garn | Mitchell |
| Bingaman | Gorton | Murkowski |
| Bond | Graham | Nickles |
| Boren | Gramm | Packwood |
| Boschwitz | Grassley | Reid |
| Bradley | Hatch | Robb |
| Breaux | Hatfield | Roth |
| Bryan | Heflin | Rudman |
| Bumpers | Helms | Sanford |
| Burns | Humphrey | Shelby |
| Chafee | Jeffords | Simpson |
| Coats | Johnston | Stevens |
| Cochran | Kassebaum | Symms |
| Cohen | Kasten | Thurmond |
| Conrad | Kerrey | Wallop |
| D'Amato | Lautenberg | Warner |
| Danforth | Lott | Wilson |
| Dixon | Lugar | |
| Dole | Mack | |

NOT VOTING—1

Matsunaga

So the amendment (No. 985) was rejected.

The PRESIDING OFFICER. Under the previous order, the Senator from Wyoming [Mr. WALLOP], is to be recognized at this time for the purpose of proposing an amendment.

Mr. WALLOP. Mr. President, it is almost 2 years to the day that the Senate first voted for the Medicare catastrophic benefit legislation. This was the first step toward the passage of what was believed to be a much needed and valuable health benefit for our senior citizens. However, this legislation has been surrounded with controversy since that vote 2 years ago. Many senior citizens have besieged us with petitions, letters, and phone calls in opposition to the program. When I held a town meeting in Sundance, WY, several weeks ago, the major issue among my constituents was the Catastrophic Health Program.

The reason for their displeasure is simple. Senior citizens do not support the method used to finance the benefit. More than one-half of the program's costs are to be funded by a special income-based surtax on seniors. They have looked at the benefits, and decided that an $800 surtax—the maximum rate—was too much. This was the starting point for the debate.

But the debate has not served us well. There has been much misinformation and disinformation involving this program. And we, the Congress, have responded to this confusion with efforts to repeal or restructure the catastrophic benefit.

Beyond the precedent of repealing a major social insurance benefit, I have a concern about the message we may be sending on funding Federal social programs. When we passed the catastrophic health coverage, we decided that those who benefit from the coverage must pay the cost. The day is long gone when we can provide new promises, new benefits without worrying how to finance them.

We have no excess general revenues. We do have a $3 trillion deficit. Taxpayers strongly oppose new general taxes. If we are going to enact new social insurance programs, then the users must pay.

The Roosevelt Group, the National Committee to Preserve Social Security and Medicare, has led the attack on this benefit. They have not always been accurate, and that has been unfortunate for this debate. They did recently conduct a poll of senior citizens on this issue. About two-thirds of the respondents said they opposed the catastrophic surtax. But, they also supported the benefits provided by the program and did not want to pay more than the flat premium. This flat premium only funds 40 percent of the program costs. We cannot possibly provide these benefits with just a flat premium, so we would have to resort to general revenues. We are being driven in a dangerous direction.

The current situation is that while we think we know what senior citizens want in the way of catastrophic health benefits, we have no idea about how to pay for whatever benefits we legislate. At some point in the not too distant future, we will be asked to provide a long-term care benefit for the elderly. I frankly do not know how we are going to resolve that issue after the fiasco involving this catastrophic benefit.

I voted for the catastrophic benefit twice, though my second vote was certainly reluctant. The benefit does make sense in concept, but we erred in adopting too much of the House language relative to financing and to mandatory coverage. The Senate had directed us toward a voluntary program with a reasonable financing procedure. During the Senate debate, I offered a proposal to make the catastrophic care benefit a separate, voluntary election by senior citizens.

I have no doubt that if my proposal had been adopted, we would not be here today. The uproar we are now trying to quell is a response to the surtax. Many elderly are not convinced that the package of benefits they receive is worth the cost. At the same time, many senior citizens poorly understand the program.

Last year, I surveyed Wyoming senior citizens. The survey outlined the benefits and provided a worksheet to calculate individual premium and surtax costs. The 65 percent of my senior constituents who responded, support the program. And, they approved of the proposal to make it voluntary. My voluntary approach has always been the obvious solution.

The Part B Program is already voluntary. It is funded by a premium, as is the catastrophic benefit. Ninety-five percent of the elderly participate in part B. I would expect a similar participation rate for the catastrophic benefit. I have sought a cost estimate of my proposal, and have just been informed that the analysis of voluntary options has not been completed. So, we cannot argue numbers at this point.

Beyond cost, the other objection to my proposal is that seniors will engage in adverse selection. That is, they will not participate in the program until they need the benefit. But, adverse selection could be settled by prohibiting participation once an individual elected not to participate.

I will not offer my amendment to make the catastrophic health benefit voluntary. We should have approved it 2 years ago. We would not be here today if we had done so.

Mr. McCAIN. Mr. President, on behalf of Senator WALLOP, I ask unanimous consent to withdraw his amendment at this time.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

Under the previous order, the Senator from Florida [Mr. GRAHAM] is now recognized for the purpose of introducing an amendment.

Mr. GRAHAM. Mr. President, I have two amendments listed. The first relates to a comprehensive proposal.

I ask unanimous consent to waive the offering of amendment No. 3 on the unanimous-consent list.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

Mr. GRAHAM. Amendment No. 4, Mr. President, is in the nature of a perfecting amendment at such time as we reach an amendment which would retain a portion of the surtax. In looking at the amendments that are available presently, the only amendment that meets that standard is the amendment that will be offered by the Senator from Minnesota.

So I ask unanimous consent that my amendment No. 4 be reordered to come immediately after the amendment of the Senator from Minnesota.

The PRESIDING OFFICER. Is there objection?

Mr. McCAIN. Reserving the right to object, if I could have the attention of the Senator from Nebraska [Mr. EXON], who is in the Chamber, Mr. President, I wonder if the Senator is aware of the request being propounded by the Senator from Florida [Mr. GRAHAM], since I know he had great concern last night about the order of amendments.

Mr. President, pending approval of that unanimous-consent request, until I have a chance to talk to Mr. ROTH and Mr. DANFORTH, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCAIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. McCAIN. Mr. President, a parliamentary inquiry: Is the time elapsing now being taken off my time on the bill?

The PRESIDING OFFICER. The time elapsing on the quorum call is normally charged to the Senator who requested it. However, the unanimous-consent request obviated that need. In this case, the time has not been subtracted, I say to the Senator from Arizona.

Mr. McCAIN. Thank you, Mr. President.

I wonder if the Senator from Florida is ready to proceed.

Mr. GRAHAM. I am ready, Mr. President.

The PRESIDING OFFICER. The Senator from Florida is recognized. The Chair advises the Senator that he has a pending unanimous-consent request.

Mr. GRAHAM. Mr. President, if I could restate the nature of the amendment that I will offer, which is inferred by the statement in the unanimous consent, which states that if there is no repeal, then it establishes a condition for voluntary opting out.

So my amendment is not a free-standing amendment but rather would be only relevant if we were to adopt as a basic position a financing plan which included a surtax on income tax, as does the current alternative.

Since the only alternative that has now a provision is the one being offered by the Senator from Minnesota, I am asking unanimous consent that I be placed in a position in the order after the Senator from Minnesota and, based on conversations with others who have an interest in this, apparently the most appropriate place would be immediately after the Danforth-Roth amendment.

So my specific request would be to allow this amendment to be taken up immediately after the Danforth-Roth amendment.

The PRESIDING OFFICER. Is there objection?

Mr. DURENBERGER. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. GRAHAM. Given that, I intend to offer the amendment to the bill of the Senator from Arizona. I am frankly befuddled as to why it could not be offered at an appropriate place but that is not for me to decide.

AMENDMENT NO. 986

(Purpose: To provide modified benefit package for individuals having private insurance)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM] proposes an amendment numbered 986.

Mr. GRAHAM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. MODIFIED BENEFIT PACKAGE FOR INDIVIDUALS HAVING PRIVATE INSURANCE.

(a) IN GENERAL.—Subtitle C of title XVIII is amended by adding at the end thereof the following new section:

"MODIFIED BENEFIT PACKAGE FOR INDIVIDUALS HAVING PRIVATE INSURANCE

"SEC. 1893. (a) Upon request made by an individual, in such manner and including such information as the Secretary may require, the Secretary shall determine whether such individual is entitled to hospital insurance benefits and supplementary medical insurance benefits under any benefit plan other than this title, which are equal to or greater than the benefits added by the Medicare Catastrophic Coverage Act of 1988, as amended. If the Secretary makes an affirmative determination with respect to such individual, such individual shall not be entitled under this title to such benefits, and shall not be required to pay the premium under section 59B of the Internal Revenue Code of 1986 and the premium under section 1839(g) of this title, for so long as such individual continues to be entitled to such benefits under such other plan.

"(b) An individual may request the Secretary to determine whether such individual has ceased to be entitled to such benefits under such plan, or the Secretary may make such a determination on the Secretary's own motion. If such a determination is made, such individual shall thereafter be entitled to such benefits, and shall be required to pay the premium determined under section 59B of the Internal Revenue Code of 1986 and the premium under section 1839(g) of this title.".

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to items and services furnished in, and premiums payable for, months beginning on or after November 1, 1989.

Mr. GRAHAM. Mr. President, the purpose of this amendment is to provide an option through which individuals who currently have coverage which is essentially equivalent to that which will be provided under the plan, speaking to the plan as proposed by the Senator from Arizona, would have a means of opting out.

It essentially states that upon request by an individual in such manner, including such information as the Secretary of HHS may require, the Secretary shall determine whether such individual is entitled to hospital insurance benefits and supplementary medical insurance benefits under any benefit plan other than that provided in this title which are equal to or greater than the benefits added by this title.

If he makes such an affirmative determination, then that individual would be in a position to make a voluntary election to opt out of both benefits and payments under this plan.

At the present time, under employer-paid insurance, 11 percent of the plans in force have a fully employer-paid set of retirement benefits which would meet the test of being substantially equivalent to or greater than the benefits which are offered under the current law. So by definition they would meet the standards offered by the Senator from Arizona since his benefits are somewhat less than the current law.

Twelve percent have benefits which are partially paid by the employer, and 6 percent have employer-based plans but in which the employee makes the full payment.

It has been estimated that up to 5 to 7 million of the persons covered by the current catastrophic care plan already have, either through their previous employment or by private action, a plan which would meet the test of being essentially equivalent to that which has been provided under the 1988 catastrophic care plan.

I want to anticipate an argument, and that is the argument of adverse selection, that you are going to have people who are the healthiest, wealthiest, opt out of the plan, leaving the least able and the greatest in need to have to carry the load.

This is not an opt out plan that can be done on one's individual initiative. You have to meet the first threshold of demonstrating that you already have in place coverage that is essentially equivalent or greater than coverage which is being provided under this title. I believe that is the protection relative to the adverse selection argument.

I also underscore that, in most of these instances, these are plans which were provided for while a person was prior to retirement, while they were still in their working years, whether they were working for a private employer, or many government agencies, including the Federal Government, which have programs that provide for this type of coverage after retirement.

So the decision was not based on a health condition or an income condition at the time of retirement, but rather was made at a much earlier stage of life. Therefore, there is no reason to believe that the pool of people who will be eligible to opt out are essentially a different pool of people than the general population that will be covered by this catastrophic program, whatever form it finally takes.

Mr. President, I urge the consideration of this, what I think is just a basic fairness principle of not requiring people who have already paid to have to pay again.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arizona.

Mr. McCAIN. I yield 5 minutes to the Senator from Minnesota.

Mr. DURENBERGER. Mr. President, first, I want to say to my colleague from Florida that I did not object to the consideration of this because I have no respect for him. I think the issue can be dealt with, and the great concern for those of us, who were here at midnight last night trying to put this in order, is that if we agreed to one change, we may be here all afternoon agreeing to similar changes.

I have a great deal of respect for his judgment about health insurance matters in general, not only because of the State that he represents, but because of the work he did as a Governor.

I want to say two or three things about this. First, this debate we engaged in last year when we had the catastrophic before us, because there were other proposals similar to the proposal by the Senator from Florida that we provide opt out in the catastrophic part of this bill.

At that time, we had before us a rather large volume of actuarial information, which I do not presently have available to me, providing why, given the existing insurance market, both the employer-based retiree market that the Senator from Florida has talked to us about, the Medigap or supplemental market, and the current Medicare Program, the so-called adverse selection problem was a very real problem.

So on that ground alone, I think this amendment should fall. I would like to make an additional comment, and I hope that it would be a reassuring comment to my colleague from Florida, that all of us on the Finance Committee and all the others who have dealt with this issue are deeply concerned about the problems of duplicate coverage.

When I look at the advertisement, or copy of the advertisement that our colleague from Arizona sent to us all yesterday from USA Today, this list of people who belonged to the Coalition of Affordable Health Care, it looks lke 75 to 80 percent of these associations have something to do with government employees.

These people have a real problem. It a very serious problem if you are retiree, and health benefits are guaranteed for you, and then you have to pay either a flat premiun or a flat premium plus a supplemental. So there is real concern on the part of these people.

As the Senator from Florida pointed out, there is another 10 or 11 percent of people in the private-sector employment who are guaranteed very generous retirement benefits, many of which have major medical and more catastrophic. So for that reason, my amendment, all of the amendments considered in the Finance Committee, none of which are yet before us, and I think most of the amendments that we will be talking about today, will have in them an opt-out feature, so that people are able to opt out of the part B side of this plan and go back to their regular plan, their regular plan of coverage.

I think that, at least to a degree, should provide some assurance to my colleague. I must say, beyond that, in my amendment, we will be looking at a flat premium, which is the current $4 premium, and we will be looking at a supplemental premium, which is about 400 percent reduced from the original premium that upset a lot of these people.

We are looking at a tax which, at the most, will be $200, $250 a year. I think with that in mind, plus the opt out feature that is contained in my amendment—and I believe it is in the amendment of the Senator from Arizona—that there is not going to be any reason to suggest to people in the United States that they ought to try to opt out just of the catastrophic portion of this plan, because they will find that that is not to their economic advantage.

I think we will find that those who do not find that out, who go the wrong way on the street, as the Senator from Texas was talking about earlier, their getting out of Medicare is going to raise the premiums for everybody else and create a substantial adverse selection problem.

So for that reason and, again, restating my respect for my colleague from Florida, I do believe that we should oppose this amendment, and I think as time goes on this afternoon, we will see that his concerns are addressed in other ways.

The PRESIDING OFFICER. Who yields time?

Mr. McCAIN. Mr. President, I yield 3 minutes to the Senator from West Virginia [Mr. ROCKEFELLER].

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROCKEFELLER. I thank the distinguished Senator from Arizona. I ask the Senator from Florida if he has checked with the Social Security Administration to find out if they think they can make these equivalency comparisons in sufficient time.

Mr. GRAHAM. I have not made any independent assessment of the Social Security Administration's ability to do this, but I cannot imagine that that is beyond their managerial capabilities.

The vast number of the people who will be covered by this have coverage from a relatively small number of insurance plans or prior employer-based plans. I do not believe that this is an undue administrative burden on the Social Security Administration, in order to save the burden of duplicative coverage for some 5 million to 7 million potential beneficiaries.

Here are people who have given up income during their working years, in order to have included in their retirement program this benefit, and now we are essentially telling them that that did not count, that your prudence in preparing for the future was wasted, because now we are going to make you pay a second time for a second and unnecessary level of coverage.

Mr. ROCKEFELLER. I understand what the distinguished Senator is saying. My understanding is that the Social Security Administration is not equipped, in terms of money and personnel, to do that at this point. That is what they tell us. I think beyond that, there is concern.

Let us say you are looking for or described what is equivalent, what is fair, and try to measure it. Federal employees already have that problem, and they either realize their situation or they do not. What if you had, let us say, two plans for home health care, but one plan had a few more days than another. What do you answer? Is that equivalent?

Mr. GRAHAM. I am not saying we need to repeal the standard of judgment. We are placing our faith in the Secretary of HHS to be able to develop some standards by which judgments will be made as to whether these plans were essentially equivalent or greater than the benefits that are to be provided under what is left of the catastrophic health care plan.

I do not think that is a space rocket type intellectual exercise to ask the Secretary to undertake.

The PRESIDING OFFICER. The time yielded to the Senator from West Virginia has expired.

Mr. McCAIN. How much time remains?

The PRESIDING OFFICER. The Senator from Arizona controls 6 minutes and 40 seconds; the Senator from Florida controls 10 minutes and 49 seconds.

Mr. McCAIN. Does the Senator from Florida care to make further use of his time?

Mr. DASCHLE. Mr. President, will the Senator from Florida yield for questions?

Mr. GRAHAM. I yield.

Mr. DASCHLE. I am sorry that I have not followed the text of the amendment as well as I should have.

What happens in the case where a person opts out and then, for whatever reasons, decides down the road also to get out of the plan that he is in, that he opts out of the voluntary plan as well and decides to have no coverage?

Mr. GRAHAM. Under section B of this proposal, if a person no longer meets the test of having such an equivalent or greater coverage, then he loses his opportunity to voluntarily opt out of the catastrophic health care.

Mr. DASCHLE. That is what I thought. If the Senator will yield, that is what I assumed. I would assume then that there is some device by which the Government would know that that person no longer has coverage. What device is that?

Mr. GRAHAM. It can be either through the individual coming to the Secretary and making a recommendation of coverage upon which my volun-

tary opt out had been predicated no longer exists, or the Secretary may make his own determination that there has been a failure of coverage. For instance, if coverage for a group of individuals—and I think this is a typical case—had been provided by a particular insurance company, and it is known to the Secretary of HHS that that insurance company is now in liquidation and is unable to make its financial commitments, then there would be the class where people whose ability to opt out have been predicated on that company's financial capability would no longer be eligible to opt out of the program.

Mr. DASCHLE. I would be very concerned, I suppose, about the responsibility that the insurance companies in this case would have.

Mr. GRAHAM. I really think, if I could say, that if the argument is that the Social Security Administration cannot administer a reasonable plan to avoid duplication of coverage, a situation in which some 5 to 7 million people find themselves, then that raises the fundamental question of whether they are capable of administering the much more complex provisions of the bill itself.

Mr. DASCHLE. If the Senator will yield on that I realize I may be speaking as someone in opposition to his amendment and he has no reason necessarily to yield to me, but the plan does deal with it in two ways.

First of all, it makes it clear that duplicate coverage is illegal when this plan is implemented entirely. That is No. 1. You are not allowed to offer duplicate coverage. And the second is, in those cases where Federal employees in particular paid in, there is a rebate provision. Each month those who have paid in are rebated whatever amount was paid in. It is $3 a month at this point.

So in my view it is probably as reasonable approach to duplicative coverage, either prospective or current, that I can think of and probably deals with the issue as effectively as one might expect under these circumstances.

Mr. GRAHAM. You can make duplicate coverage in the future illegal by saying thou shalt not buy or sell coverage that will duplicate what is currently available under this Government-mandated program. You may single out for special privileges Federal employees. But what do you do about those tens of thousands of people who were employees of the State of New York or of other large public employers or private employers?

Under the current part A some 27 or 28 percent of the American employees in their current benefits package every month are taking less salary so there can be funds placed in that for their benefits upon retirement.

As to those who were in that situation in the 1950's, 1960's, 1970's and 1980's, before this Government met, how do you go back and make the world fair to them? I believe the way you make the world fair to them is to give them an opportunity to come to the administrator of this program, the Secretary of HHS, and say, "Look, I have the same coverage I have already paid for; why are you making me pay twice?" And if they determine that that is in fact the case, let them make a voluntary judgment that they want to opt out.

Mr. DASCHLE. If the Senator will yield one last time, and he has certainly studied the issue thoroughly, you can do it at either end. You can either do it on the benefits side or the payments side. The current program has chosen to do it on the payments side.

It does allow, and I just clarified this with staff to insure I am right, not only Federal employees but all employees who have paid prospectively to be eligible for a rebate benefit on a monthly basis to ensure that they are not paying for duplicate coverage. They already paid it. Why should they have to pay now? That is the whole essence behind this rebate program.

If we can toughen it up in some way, let us try that as our option. We have one of two choices. Certainly from an insurance side, a coverage side, it makes more sense to do it on payment than it does on the benefit, given the fact, as the Senator has illustrated, there really is not any way of ensuring that once a person opts out he continues to retain the kind of benefits we are talking about here in the program originally.

Mr. GRAHAM. No. 1, I do not believe that the administrative complexities of this narrow opt-out provision are nearly the scale of the administration of the basic program that we are now determining whether it should be continued or not.

No. 2, I believe we are talking about an issue of fundamental fairness. These people want to opt out on both sides. Yes; they want to opt out having to pay a second time, but they are also prepared to opt out getting any benefits. They do not want a free ride. They just do not want to have to pay twice to get on the same bus.

The PRESIDING OFFICER. Who yields time,

Mr. McCAIN. Mr. President, I yield 3 minutes to the Senator from West Virginia.

Mr. ROCKEFELLER. I thank the distinguished Senator.

Mr. President, I have concern about this amendment because it seems to me it runs into several problems.

I am troubled, for example, by the language:

> If the Secretary makes an affirmative determination with respect to such an individual, such individual shall not be entitled under this title to such benefits.

That is a little bit more than asking about equivalency. That concerns me very much.

I also am concerned that the Feds are going to be getting into the business of setting standards with respect to insurance. I know that the Senator from Florida understands, having been a distinguished Governor for 8 years, that the Federal Government does not do that for private insurance. It is the States that do that. One can argue whether or not that is correct, but nevertheless it is the law. So that seems to me the general concern I would feel about the administrative cumbersomeness of all of this.

Second, it is, I think, much more restrictive and mandatory and tends perhaps not in the interest of the individual trying to consider what plan he might have or might want, and I also think that it is much too heavy handed, too much of Uncle Sam trying to move in, kind of a section 89 type problem, and for that reason, Mr. President, I oppose the amendment.

The PRESIDING OFFICER. Who yields time?

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

The PRESIDING OFFICER. The Senator has 4 minutes and 40 seconds remaining.

Mr. McCAIN. Mr. President, first of all, I thank the Senator from Florida [Mr. GRAHAM], who has been heavily involved in this issue. He has been extremely sensitive to the seniors of his State. He was one of the first to recognize that this legislation needed fundamental changing.

It has been a privilege for me to have an opportunity to work with him as we try to wend our way through this maze, and at least we are about halfway through at this time. That is why I regret opposing this amendment particularly on the grounds, as the Senator from Florida stated, it would have been far more appropriate and probably supportable if full repeal had been voted. I regret he was forced to propose this amendment at this particular time because in fact the mandatory nature of the act, if the legislation stands, is gone under the present bill, because the surtax would be eliminated and we would know that part B is indeed optional.

I wish to also point out that this amendment gives options to individuals who appeal to the Secretary of HHS to opt out of the catastrophic plan if they can demonstrate they already have retiree health benefits. This option does not address the core issue that is involved in today's debate; that is, the catastrophic act provides seniors the benefits they do not want with a financing plan they do not like, and they do not like the Government mandating participation in the program.

The Graham amendment, in some respects, given the state of the legislation at this point, just adds a new regulatory wrinkle. If a senior can demonstrate to the bureaucracy of HHS that they have a benefit, then the participant may get a waiver that will cost administratively, and I do not think it will provide a guarantee to seniors.

I say to the Senator from Florida, I do not know how the legislation today is going to come out. If it is total repeal, I suggest we are going to be back revisiting this issue again.

I suggest that at that time I would certainly support an amendment or a piece of legislation along these lines that the Senator from Florida is contemplating. Because if we do totally repeal, Mr. President, we will be revisiting this issue because there will be 60 percent of the seniors who do not pay a surtax at this time who will be outraged by the fact that they are going to be deprived the benefits.

So I say to my friend from Florida, I reluctantly oppose this amendment. I understand his thrust here. If there is total repeal, I look forward to joining him in reinitiating this kind of legislation, because I think at that point it would have great potency and persuasive power.

Mr. President, unless the Senator from Minnesota would care to speak I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Arizona has yielded back the remainder of his time.

The Senator from Florida has 4 minutes remaining.

Mr. GRAHAM. Mr. President, to close, I believe that the most significant aspect of the debate that we have heard on this relatively focused, narrow amendment is a frontal attack on this program in its totality.

If you are telling me that there can be serious questions as to whether the Secretary of HHS can be given the authority to make a determination as to whether an individual, who requests that he do so, holds equivalent insurance coverage from another source, there is that doubt about the Secretary's level of administrative competence to make that decision, how in the world can we even start the debate that indicates that he should be given the range of administrative responsibility which the current law and which most of the amendments that we are going to consider later today would provide?

Second, in response to the comments of the Senator from West Virginia, I would point out that the first phrase of that is "upon request made by an individual." So the process does not start until the individual makes the determination that they want it to start. This is not the Government coming in and putting its hands around the throat of an unwilling individual. In fact, it is a means by which the Government's hands are around the throats of people, who are unwilling because they have already paid, before they can be given some relief.

I do not consider it to be even intellectually credible to say that we are going to provide them relief by allowing them to opt out of part B.

Ninety-nine percent of older Americans make the election to be in part B, that is the portion of medicare which provides for basic physicians benefits. And to say that, in order to get out of this catastrophic plan because the person has already paid for that coverage, they then have to give up their physicians benefits program is no option at all. And clearly, it will be seen as that by senior Americans.

Mr. President, we are trying to fashion a program which balances some very difficult and maybe inherently contradictory features. It is a mandatory program. It is a program in which, whether one has previously provided for those benefits or not, is largely disregarded. It is a program which, within that mandatory framework, there is a considerable degree of income redistribution as to who will pay the cost.

It is the first time in American social policy that we have had such a program paid for totally by the beneficiaries and then made the beneficiaries internally redistribute for purposes of income inequities. Those are some very fundamental new concepts that have brought this legislation into such national disrepute.

I personally—and I am more persuaded of this position after having heard the low level of confidence of the administration in this program—I am even more inclined to vote for repeal. But if we do not repeal, at least we ought to let those people who have already paid once not be forced to pay again.

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

The PRESIDING OFFICER. All time has been yielded back.

The question now occurs on the amendment.

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

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question now occurs on agreeing to the amendment of the Senator from Florida [Mr. GRAHAM]. The yeas and nays have been ordered and the clerk will call the roll.

The bill clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii [Mr. MATSUNAGA], is necessarily absent.

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

The result was announced—yeas 25, nays 74, as follows:

[Rollcall Vote No. 235 Leg.]

YEAS—25

| | | |
|---|---|---|
| Adams | Johnston | Pressler |
| Biden | Levin | Riegle |
| Boren | Lieberman | Sanford |
| Bryan | Lugar | Sarbanes |
| Conrad | McConnell | Simon |
| DeConcini | Metzenbaum | Simpson |
| Exon | Mikulski | Wallop |
| Graham | Nickles | |
| Grassley | Nunn | |

NAYS—74

| | | |
|---|---|---|
| Armstrong | Ford | Lott |
| Baucus | Fowler | Mack |
| Bentsen | Garn | McCain |
| Bingaman | Glenn | McClure |
| Bond | Gore | Mitchell |
| Boschwitz | Gorton | Moynihan |
| Bradley | Gramm | Murkowski |
| Breaux | Harkin | Packwood |
| Bumpers | Hatch | Pell |
| Burdick | Hatfield | Pryor |
| Burns | Heflin | Reid |
| Byrd | Heinz | Robb |
| Chafee | Helms | Rockefeller |
| Coats | Hollings | Roth |
| Cochran | Humphrey | Rudman |
| Cohen | Inouye | Sasser |
| Cranston | Jeffords | Shelby |
| D'Amato | Kassebaum | Specter |
| Danforth | Kasten | Stevens |
| Daschle | Kennedy | Symms |
| Dixon | Kerrey | Thurmond |
| Dodd | Kerry | Warner |
| Dole | Kohl | Wilson |
| Domenici | Lautenberg | Wirth |
| Durenberger | Leahy | |

NOT VOTING—1

Matsunaga

So the amendment (No. 986) was rejected.

MOTION TO COMMIT WITH INSTRUCTIONS

Mr. HARKIN. Madam President, I send a motion to commit to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN], for himself, Mr. LEVIN, and Mr. METZENBAUM moves to commit to the Committee on Finance S. 1726 with instructions that the committee report the bill back to the Senate, within 20 days, with a committee amendment that does the following:

(1) Repeals the Supplemental Medicare Premium Surtax enacted in the Medicare Catastrophic Coverage Act of 1988.

(2) Extends the maximum marginal income tax rate of 33 percent to those very high income taxpayers who are currently paying a marginal income tax rate of 28 percent following the phase-out for them of the personal exemption and the 15 percent bracket.

(3) Retains the Medicare flat monthly premium as enacted in the Medicare Catastrophic Coverage Act of 1988.

(4) Retains the Medicaid benefits provided under the Medicare Catastrophic Coverage Act of 1988.

(5) Retains as many of the non-Medicaid benefits provided under the Medicare Catastrophic Coverage Act of 1988 as can be financed through subsections (2) and (3) provided that program costs do not exceed revenues generated through subsections (2) and (3).

Mr. HARKIN. Madam President, might I inquire, how much time is under my control?

The PRESIDING OFFICER. Under the unanimous-consent agreement, this amendment has 1 hour of debate equally divided among proponents and opponents. The Senator from Iowa controls one-half hour.

Mr. HARKIN. Madam President, I yield myself 10 minutes at the beginning.

I want to add that I send this motion to the desk on behalf of Senator LEVIN, Senator METZENBAUM, and myself.

Madam President, my colleagues in the Senate, I have met with and heard thousands of senior citizens in my State who have told me that they want the flawed financing of catastrophic benefits corrected. They have not been asking me to scope all of the benefits but they believe the way the benefits are financed is patently unfair.

Madam President, I could not agree more that the present financing mechanism is patently unfair and that is why we introduced a bill last July to take care of this. That legislation is a constructive solution to the dilemma we find ourselves in by allowing us to preserve the benefits and eliminate the surtax while not adding to the deficit over the long run.

Under our proposal, and the motion to commit that we have sent to the desk, senior citizens would still contribute substantially to the financing of the new benefits—about one-third of the total cost through the part B catastrophic premiums. However, the surtax would be eliminated and replaced by an extension of the 33-percent tax rate to the highest income taxpayers.

Madam President, we all know that under current law there is the anomaly of the so-called bubble where joint filing taxpayers pay a maringal tax rate of 33 percent on taxable incomes of $78,000 to $208,000, and single taxpayers pay 33 percent on taxable income of $47,000 to $109,000, but above that they only pay 28 percent. What that means is, the more you make, the less you pay. In other words, the 600,000 highest earning taxpayers pay a maximum of 28 percent marginal taxes no matter how much income they earn. This is unfair. Our proposal eliminates this unfairness and raises the revenue necessary to fund the catastrophic benefits.

It is unfair to require the senior citizens of this Nation to bear the full cost of the benefits they receive under the program. We do not do this to recipients of other Government programs. Farmers do not bear the full cost of the interest on their guaranteed student loans, and under the basic Medicare Program itself the elderly do not shoulder the entire cost of benefits. In all of these cases, we, the people of this country, have made a judgment that these are valuable benefits, benefits which all of us as taxpayers must have a hand in paying for, because in every way that you look at it we all benefit from these programs. Catastrophic coverage should be no different because we all benefit, not just the elderly.

I agree with those seniors who contend that we violated the traditional social insurance concept in this country when we heeded Ronald Reagan's dictum that he would only sign catastrophic care legislation if all of the benefits were paid for by the beneficiaries.

Madam President, I ask unanimous consent to insert at this point in the RECORD the Reagan administration's letter that was sent to the House minority leader, ROBERT MICHEL, saying that he would veto the catastrophic bill unless it was fully financed by the elderly.

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

THE WHITE HOUSE,
*Washington, July 21, 1987.*

Hon. ROBERT MICHEL,
*House Republican Leader, House of Representatives, Washington DC.*

DEAR MR. LEADER: H.R. 2470, the Medicare Catastrophic Protection Act of 1987, scheduled for House floor consideration this week, is totally unacceptable to the Administration. Unless the concerns discussed below are addressed in a satisfactory manner, we will recommend to the President that he veto this bill.

H.R. 2470 would undermine last year's historic tax reform by levying a new surtax on the nation's social security recipients. Unlike the Administration's simple premium approach, this series of income-related rates would substantially increase the tax burden and filing complexity for our Nation's elderly and disabled. With this surtax, and the premium increases in the bill, social security recipients would pay, on average, $700 in 1989 for Medicare coverage, a 150 percent increase. By the year 2000, a beneficiary's Medicare payment needed to finance the bill's benefit expansions would be in excess of $1,200 per social security recipient.

Morover, H.R. 2470 has become a vehicle for modifications and add-ons to Medicare. These major unrelated provisions go well beyond acute care, catastrophic coverage and jeopardize our mutual objective of assuring that social security recipients have catastrophic coverage.

The result: greatly increased future budget deficits and an unstable Medicare program. The substantial add-ons, combined with a lower out-of-pocket threshold that increases at a much slower rate than program costs, result in cost increases that quickly outpace the bill's financing. Estimates by the Medicare actuary and Treasury indicate that by the mid-1990s costs will begin to exceed revenues, with a shortfall of about $8 billion likely by the year 2000. Indeed by the year 2005, the total costs of the bill, including a drug benefit, would be close to $100 billion, adding $20 billion to the deficit.

H.R. 2470's shortfall would further threaten Medicare's solvency. The elderly and disabled will once again be faced with uncertainty regarding the solvency of their health insurance plan. This must—and can—be avoided. Any catastrophic insurance plan must be fully self-financed, such as the plan proposed by the President.

Our major concerns with the bill include the following:

A staggering long-term tax and premium increase on the middle income elderly and disabled;

Use of a complicated and unnecessary surtax in the income tax code as a means of financing the expansion of Medicare;

The outpatient Medicare prescription drug amendment. This major expansion of Medicare would prohibitively increase costs unrelated to financial catastrophes;

The inclusion of additional expansions of Medicare beyond acute care catastrophic coverage. For example, the addition of a respite (in-home) care benefit and the expansions of skilled nursing facility and outpatient mental health coverage will cause outyear costs to increase substantially;

Other changes unrelated to acute care protection such as requiring the States to pay Medicare deductibles, premiums, and copayments for elderly not now covered; and

The additional deficits, growing over time, because the bill is actuarially unsound.

If the bill in its current form is presented to the President, we would have no alternative but to recommend that he veto the measure. Acceptable catastrophic legislation must not involve a tax increase, must be self-financed on an actuarial and budgetary basis, and should be focused exclusively on acute care, catastrophic health costs.

Sincerely,

Otis R. Bowen, M.D., Secretary, Department of Health and Human Services; James C. Miller III, Director, Office of Management and Budget; James A. Baker III, Secretary, Department of the Treasury; William E. Brock III, Secretary, Department of Labor.

Mr. HARKIN. I also do not agree with those who believe the best solution is now to scrap the program entirely and go back to the drawing board. The benefits are worth preserving, and I find it quite disheartening that none of the proposals before us today will keep the benefits intact. All of the proposals in front of us today cut the benefits in one way or another.

Yes, I believe the surtax should be repealed, but it is also important to remember that 19 million of the elderly who will receive catastrophic benefits under the law will not pay any surtax. Another 4 million will pay under $100. I believe we must recognize that we have not heard hardly anything from those 23 million elderly, most of whom have relatively little in the way of resources to pay huge medical costs, but do need the benefits provided by the Catastrophic Coverage Act. I repeat, 23 million elderly Americans are either paying no surtax or paying less than $100 a year.

Madam President, the motion to commit the legislation with instructions is quite simple. It directs the Finance Committee to report back to the Senate legislation which would pre-

serve as many of the Catastrophic Coverage Act benefits as is possible and finance those benefits by raising the tax rate from 28 to 33 percent for the highest earning taxpayers of this country—600,000 taxpayers.

Madam President, preserving the benefits, I believe, in their totality will be possible by using this increase in taxes and looking at perhaps something else like delaying or raising the part B cap on out-of-pocket expenses.

Before concluding, I also want to note that our proposal was the first one to modify the financing of the catastrophic bill to receive the support of a large number of groups representing the elderly as well as workers and retired workers. These groups include the National Council of Senior Citizens, the Committee to Preserve Social Security and Medicare, the National Association of Letter Carriers, the National Council on the Aging, the United Auto Workers, the International Ladies Garment Workers' Union, the American Postal Workers Union, AFSCME, the Communications Workers of America, and the Grey Panthers. All support the motion that Senator LEVIN and I have sent to the desk. This offers us the opportunity to act in a straightforward, fiscally and socially responsible manner to resolve the problems caused by the self-financing mechanism of the catastrophic bill. It offers real tax relief to older Americans.

I know we are going to hear from some that this proposal raises taxes. Well, it is like looking at a glass of water that is half full. Is it half full or half empty? The fact is the proposal that Senator LEVIN and I have put forward reduces taxes for over 14 milion Americans—14 million elderly people who are now paying the highest marginal rates of any segment of our population. Elderly people, many of whom are out there working to make a few extra bucks to supplement their Social Security, are now paying marginal rates in excess of 40 percent and yet the Donald Trumps and others are paying marginal rates of 28 percent. This is patently unfair. What Senator LEVIN and I are saying in our motion to recommit is simply to extend the same tax rate middle-income Americans are paying to those 600,000 Americans that are making over $209,000 a year and at the same time reduce taxes for over 14 million Americans who are now in their retirement years.

I believe we have a responsibility to make sure that we are true to the ideals of social insurance, that it is broadly based. That is what this does, to make sure that we are fair to the elderly, to make sure we reduce their taxes, which this does, and to make sure that we keep as many of the benefits as possible that are now in the catastrophic care bill.

Madam President, how much time have I consumed?

The PRESIDING OFFICER. Eight minutes.

Mr. HARKIN. I reserve the remainder of my time.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. I yield myself 4 minutes.

I say there are several of my colleagues who said they wanted to speak on this amendment on this side. I urge them to come to the floor at this time, since we will be continuing with this amendment.

I would like to thank my friend from Iowa, Senator HARKIN, for all of the wonderful things he has done for seniors in the country, including our disabled American citizens; and his concern and his commitment is well known to all of us.

I believe this amendment, however, is one which could be described as extremely radical in that we would be basically abrogating the principle upon which the catastrophic insurance bill was passed. That was, as we all know, the beneficiary pays. In fact, that is the reason why we created the fire storm which has resulted in why we are here today.

I am not particularly academically or intellectually qualified to say whether that was a right policy decision or not. But that decision was made by the majority of both Houses of Congress and the administration, and was an integral and fundamental part of the Medicare Catastrophic Health Insurance Act of 1988.

So I suggest to my colleagues that in the form of a motion to commit which we are considering at this time we are basically repudiating the overriding philosophy of the financing of catastrophic health insurance for our senior citizens.

My point is I do not think we are prepared to make that decision on a motion to commit to the Finance Committee. Since a year ago at least the Finance Committee made clear the decision that it would be beneficiaries who pay for the benefits that would accrue from this program.

I think clearly it is a tax increase. I understand the logic of my friend from Iowa, that you are taking taxes from the elderly and putting them on rich Americans. But it also I think is clearly a tax increase.

It is one that again I say should probably be considered in a different format and a different forum than this one.

In point of fact, for taxpayers who have taxable income of $140,000 or less the average tax rate is 27.7 percent or less. In other words, middle-income taxpayers pay a lower average rate than high-income taxpayers, in my view.

I share the dilemma of my friend from Iowa, who states that the surtax is unacceptable. I agree with that, that the surtax indeed has to be eliminated, and I would also say that I share the view completely with my friend from Iowa and the cosponsor, Senator LEVIN who also strongly believed that benefits must be preserved.

I have said time after time after time that perhaps one of the most intense parts of this debate will be over the issue of whether we need to totally repeal this legislation or not. In my view, as the Senator from Iowa pointed out, some 60 percent of the beneficiaries of this program pay no surtax at all.

I am sure in the event of total repeal they will be heard from, and understandably so when they discover that benefits which they thought they were receiving have now been totally repealed, albeit some of them repealed over time.

Madam President, I reserve the remainder of my time.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Presiding Officer advises that you have 26 minutes left.

Who yields time?

Mr. KENNEDY. Will the Senator from Iowa or the Senator from Michigan yield for a question or two?

Mr. HARKIN. Yes.

Mr. KENNEDY. In response to my friend from Arizona, he is talking about who is bearing the burden of the payment for these programs. I commend the Senators from Iowa and Michigan for the way they have developed this program.

Under the program that was supported by President Reagan, for every senior citizen, who is paying income tax, I ask the question of my friend from Iowa, their taxes would have gone up 28 percent. We had an administration that was prepared to see a 28-percent increase for the seniors who pay any tax at all, and yet we have those now that are opposing a 5-percent stabilizing or an increase on the wealthiest individuals in our country.

Do I understand the tax implications correctly in terms of what would be the ultimate result, plus preserve, as I understand, the overwhelming amount of the benefits included in the catastrophic?

Mr. HARKIN. The distinguished Senator from Massachusetts is absolutely correct. I had not thought of it in that way. He is absolutely right; they are willing to raise them by 28 percent, but we are only asking for a 5-percent increase on it.

Mr. KENNEDY. I think that is the point that should be understood, Mr. President, because we hear a great deal of tax talk about taxes, and who is bearing and who should bear the burden. There was no hesitancy by the

previous administration to divert our seniors on that, but with the Harkin-Levin amendment, we are virtually freeing ourselves or the elderly from that particular burden and shifting it, so to speak, on the wealthiest individuals in our society.

For that reason, and for the restoration of the benefits, I think the Senator from Iowa and the Senator from Michigan deserve great commendation. I look forward to supporting it, and I urge our colleagues to support it.

Mr. HARKIN. I appreciate the Senator from Massachusetts shedding that light on it. That is an important point. I had not thought of it. I thank him for pointing that out.

Several Senators addressed the Chair.

Mr. HARKIN. I yield 5 minutes to the Senator from Michigan.

Mr. LEVIN. Madam President, this amendment does a number of things, some of which I think there is a great deal of agreement on in this Chamber. Most importantly, it repeals a very odious surtax, an unfair surtax, a surtax which has caused a great deal of anxiety among our senior citizens.

It is unfair, simply unfair, to tax 40 percent or more of our senior citizens as we have done, a surtax on their income tax, to pay for this program when most of them will be paying far more in taxes each year than is the value of the benefits of this program to them. For that large number of seniors, this is not a benefits program. This is not a catastrophic health program. This is a tax bill.

We advertised it when we passed it as a catastrophic health benefit program, a benefit program for seniors. But for a large number of seniors, due to the way we finance this with a surtax on their income tax, this is a tax bill that we passed, nothing less than that.

May I tell my friend from Arizona who points out that that the Harkin-Levin amendment will indeed eliminate that surtax and that it would override the philosophy which was behind the Catastrophic Health Care Program, it indeed does override the philosophy because it was the wrong philosophy.

But what we did in the Catastrophic Health Care Program was to radically depart from what we had ever done before. The radical departure here is not this amendment. This amendment restores us to a general approach, to a benefits program where society benefits.

We say in many cases the beneficiary should pay part of the cost and society should pay any subsidy where a subsidy is required. What is unique about the Catastrophic Health Care Program is that we ask one group, we singled out one group, and said part of that group is going to pay to subsidize another part of that group. That was the departure. That was what was unique, and I think my friend from Arizona even agrees that we have to repeal that surtax.

So it was that surtax which was the departure from the general principle, and it is that surtax which I believe a majority of Members of this body want to get rid of.

By the way, I also want to commend my friend from Arizona for the work he has been doing in this area to try to restore some semblance of fairness. We disagree on the preferable method, and there may be many methods which are less than preferable. But, nonetheless, we do agree there was an unfair surtax imposed upon huge numbers of senior citizens to fund this program.

So first and foremost, our amendment gets rid of this surtax. Second, the amendment preserves most of the benefits of the Catastrophic Health Care Program. Those are important benefits. We should preserve those benefits. We put a limit finally in on out-of-pocket payments which might be owing for medical bills. We put finally a limit on what would have to be paid by individuals for long-term hospital stays.

We put safeguards in here against spousal impoverishment, prescription drug benefit, and others. We should not lose those benefits. Those are critically important to our seniors. They will keep some of our seniors, if we preserve them, from a life of poverty; so we should not throw out those benefits. They are important.

Then the dilemma comes, if we are not going to keep the surtax, which we should not do, and we want to keep the benefits, which we should do, how are we going to pay for these benefits? The answer is provided for in this amendment. We are going to substitute for an unfair surtax a very fair extension of the 33 percent tax rate, the marginal tax rate on families over $208,000 of income, that now actually pay a lower marginal tax rate than do some families with less income.

In other words, Madam President, if a family of four now earns one-half of a million dollars, they are paying a lower marginal tax rate than a family of four that has $80,000 in income. That is not fair. That is the bubble that we have talked about, where the marginal tax rate actually drops for a family of four, for instance, with income above $208,000. We cannot justify that in this society.

So what this amendment does is extends that marginal tax rate that now exists for families below $208,000 to families with income above $208,000. Frankly, I would like to do that out of a sense of fairness even in the absence of trying to pay for these benefits. We should have done that a long time ago; that is fundamental fairness.

Now we have an opportunity to do two things: One, to reduce taxes for 14 million seniors, who are going to be paying this surtax, unless we repeal it.

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

Mr. LEVIN. I thank the chair. If my friend will yield 3 additional minutes.

Mr. HARKIN. Certainly.

Mr. LEVIN. What we are able to do is basically accomplish two goals. No. 1, we will get rid of an unfair surtax. It has to go. Seniors want it to go, and I think people who understand this tax system and our benefit system and our philosophy of government should want it to go. We have singled out seniors. We have never singled out any group like this to pay this kind of surtax. We should get rid of this surtax, but we ought to keep the benefits.

We ought to do a third thing, finally get rid of this disparity in our tax system where the marginal income of families earning huge amounts of money, the tax on that income, actually drops, rather than keeps the same as for families earning less than $208,000.

It is an intolerable situation that we have in our Tax Code. It is unthinkable to me that families with huge amounts of income, our wealthiest 600,000 taxpayers, are paying a lower marginal tax rate than middle-income taxpayers. We ought to end that unfairness. We do that in this amendment. We repeal, we correct, we change, we finally, in my book, end the unfairness of the Tax Code which has created this unique situation; and we use those revenues to pay for the benefits in an important program.

Let us accomplish these goals, let us keep the benefits—to the extent we possibly can—that are important to seniors. Let us correct an inequity in the Tax Code which has our wealthiest 600,000 taxpayers, 1 percent of our taxpayers at the upper end, paying a lower marginal tax rate than middle-income taxpayers. We can do all that with the money and repeal this surtax.

Madam President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. McCAIN. Madam President. I yield 10 minutes to the Senator from West Virginia [Mr. ROCKEFELLER].

Mr. ROCKEFELLER. I thank my distinguished colleague, and I hasten to point out that really there are no words to express my respect for Senator LEVIN and Senator HARKIN. That is so often said, and people say now you oppose the amendment, which I do. But between the Senator from Michigan and the Senator from Iowa, I do not know where you can find a stronger determination to help people with human problems, people in human crises. I really want to lay that predicate down with deep feeling.

I am also very sympathetic to his effort, because he is trying to respond, and he does not want catastrophic to be repealed altogether, because he wants people to get the benefit, and he is benefit-oriented, people-oriented, which is what this Senator is trying to emphasize throughout this debate. However, I cannot bring myself to understand how this amendment would be—if we were to prevail, how it would ever get past the White House. I regret to say that, but on the other hand, I have to deal with that reality.

Second, as the Senator from Michigan knows very well, there has not been a single time in committee or on the floor where raising the top rate to 33 percent has been raised that I have not been in support of it. I think it is a shame that the wealthy are paying the same amount of income tax, for example, as schoolteachers. It is a shame; it is a disgrace to our country.

The reason that I have to oppose this is because of the enormity of the needs beyond what we are considering here today in health care, that we have to face up to and to which we are going to have to apply money in the future. Again, I know the Pepper Commission states the task before us both in terms of the uninsured and long-term care to 37 million Americans who have no health insurance whatsoever. A quarter of them—in fact more than a quarter of them—are children, and they are not paid for. Eighty percent of the folks who are uninsured are working people, full-time; and over 60 percent of the working uninsured earn less than $10,000 a year. They cannot afford it. So we have to have a change in public policy, in which we provide health insurance for every single American, as Ewe Reinhardt says, we cannot consider ourselves a civilized nation without doing that, and we have to.

Now, let me just give you an example in human terms of what I am talking about. Greg Nugent, from Phoenix, AZ, testified before the Pepper Commission. His son was diagnosed with a brain tumor at the age of 3. We all have children. We try to understand what that means.

The Nugent family could not afford to purchase insurance. Initially, they did not qualify under the State Medicaid Program, because their combined income was too high, both having to work, so they could not qualify. So Mrs. Nugent quit her job, cutting the family income in half, so that, hopefully, she felt maybe they would be able to qualify for the State system. Well, in the meantime, of course, she has no steady income, and the State eventually determined that they were qualified. Then when Mrs. Nugent returned to work, suddenly the family income of $6,000 exceeded the State's limit of $4,000. So, once again, she was without insurance, while trying to do the right thing. This is happening all over this country.

When we come, from the Pepper Commission or from whatever source, to financing the uninsured in this country, if there are going to be more revenues then involved—and certainly it is going to happen—we are going to have to go right at that bubble. I want it to be there, particularly when this bill cannot pass the White House.

The question of long-term care, 9 million Americans require help day in and day out with acts of daily living, by which I mean eating, bathing, dressing, or if there is medical instrumentation involved; they require help with meal preparation, medicine management.

Sixty percent of the long-term care population are elderly. Most people think that all of them are elderly. Forty percent of them are not elderly. They are kids. People in their twenties, thirties, and forties are not eligible.

We have 2.6 million Americans who are severely disabled, old and young; almost 2 million Americans who are chronically disabled, old and young. There is no long-term care that can help them.

Private insurance you say. What does private insurance do for long-term care in this country? The total is less than 1 percent. People do not have it. People have to have it. It is part of what we are going to have to face up to one way or another in this Congress and as a nation. It is coming.

Strikes that take place in this country now are usually because of disputes over health benefits and well they should be because corporations are beginning to back off because the cost of health care is going up. We have to find a way out of all of this.

And worse than that the problem of long-term care is expected to worsen in the future because people are getting older faster, and we know that. They are getting older faster. The elderly population is doubling. We are going to have 64 million in the year 2030, and what is even more depressing, and yet at the same time exhilarating as instrumentation medical technology picks up, we are able to allow people to live longer. And that may keep increasing and indeed will. In fact, half of the cost of health care to the average American in this country takes place in the last 3 months of that American's life. It is an extraordinary fact.

Again I want to talk about individuals and then I will conclude my remarks.

Before the Pepper Commission we had Jim and Rebecca Schienle from Los Angeles, CA. The Schienles, in fact, have been caring for his mother in their home and then placing her in a nursing home, which they did not want to do. There was the devastation to them physically, mentally, in terms of their guilt, in terms of what the mother had done for them. It is a tragic psychological trauma for a family, but they had no choice. They could not afford to keep her at home. Long-term care does not pay for that, unless of course you spend yourself and impoverish yourself so you qualify for Medicaid. That is always an out. So they live with this horrible sense of guilt because long-term care is not there for them. We are going to have to supply it.

The Russells, Deborah and Scott Russell from Grand Rapids, MI; the Russells are parents of 7-year-old twins, Daniel and Margaret. Daniel was born with life-threatening problems to his airway. He cannot breathe. The kid is 7 years old and he has had 30 operations. He must be monitored 24 hours a day. His care averages $200,000 a year. He is currently covered by his father's insurance policy but the extent of that is just about to run out.

Long-term care has to address problems like that in America, and it is not.

The final example is Marilyn Rubin from West Hartford, CT. Her husband Bill has multiple sclerosis. How old is Bill? He is 42. He is a young man. He does not qualify for anything under Medicare until he gets to be 65. That is 23 years from now. There is no help that she can get. The doctor has suggested that they place him in a nursing home because his condition is deteriorating, but they cannot do that because nursing homes will not take him, because there is no way that they could pay the nursing homes.

I just make these points because I want to reemphasize that the health agenda for America is enormous. Again if we are having this kind of conflagration about catastrophic care and maybe it will end up to $357 million; who knows at this point?

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

Mr. ROCKEFELLER. I ask my friend for an additional 1 minute.

Mr. McCAIN. Madam President, I yield 1 additional minute to the Senator from West Virginia.

The PRESIDING OFFICER. The Senator may proceed.

Mr. ROCKEFELLER. The point is, we have an enormous health agenda ahead of us in this country which we, in this body, and Congress are going to have to address. We are going to need that higher income, that I desperately want to see, which is in the name of equity and fairness which is what America is going to be all about.

We are going to need that and others to address these kinds of problems we have not even touched to this point.

So sadly, Madam President, I have to oppose it but I do so frankly on

strong principle grounds of the agenda that lies before us to which we will have to morally face up to as a nation.

I thank the Senator from Arizona, and I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Who yields time to the Senator from Oklahoma?

Mr. McCAIN. How much time is remaining on our side?

The PRESIDING OFFICER. The Chair advises that the Senator from Oklahoma was first on his feet and sought recognition. I do not know if the Senator is a proponent or opponent of the bill. The Senator who was the opponent of the bill has 14 minutes remaining. The Senator who was the proponent of the bill has 9½ minutes remaining.

Mr. McCAIN. Madam President, I recognize the Senator from Washington for 3 minutes, as previously requested by the Senator from Washington and the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from the State of Washington may proceed.

Mr. GORTON. Madam President, to simply put this amendment back on track it proposes to relieve certain higher income elderly persons of a tax to pay for a prescription drug benefit, retains the benefit and transfers the duty to pay for that benefit to certain other higher income individuals. I oppose the amendment.

I must begin my remarks by saying that in one narrow respect I agree with the remarks of the Senator from Michigan, who is on the other side of this debate. I, too, think it wrong that we should have a top income tax rate of 33 percent on upper middle income individuals and have that rate dropped to 28 percent on even higher incomes. I would be happy to entertain a proposal which reduced the rate to 28 percent on those upper middle income recipients and transfer the 33-percent rate higher up the income scale as long as it was on a revenue neutral basis. It would provide for a more fair and for a more just income tax system.

But when I hear this amendment is proposing to use a simple increase to 33 percent for upper income individuals to pay for this prescription drug benefit, I am reminded of something which has taken place mostly on the other side of the political aisle from the very beginning of this session of Congress.

I have seen this proposed increase in income taxes used in speeches made on the floor of this Senate, mostly on the other side of the aisle, since January, for increased subsidized housing, for education in the lower grades, for more Pell grants and subsidies for university education, for science and science education, for deficit reduction, for aid to Poland, for infrastructure improvements in the United States, for health insurance for the poor, for child care, or to pay for capital gains or individual retirement account tax breaks.

It is an all-purpose tax increase. Whatever it is we are debating at a given time—as recently as yesterday, drugs—this income tax increase is going to be used for. I would hate to pass this amendment and deprive my colleagues on the other side of the aisle of an all-purpose tax increase for whatever the subject of the day happens to be.

The PRESIDING OFFICER. The Senator has used all of his time.

Mr. GORTON. I think my colleague from Arizona.

Mr. McCAIN. Madam President, I yield 5 minutes to the Senator from Oklahoma.

Mr. NICKLES. Madam President, I rise in opposition to this amendment.

Let me first say that most amendments that we have before us today, at least in this Senator's opinion, are marked improvements over present law. Unfortunately, the amendment that we have before us, the amendment of the Senator from Iowa and the Senator from Michigan is not an improvement over current law. So I certainly hope it will not be adopted.

Most of the amendments—the amendment of my colleagues, Senator McCAIN, Senator ROTH, and others have significant improvement over current law. They repeal the surtax.

The amendment before us now repeals the surtax on senior citizens and replaces it, basically, with a surtax on other individuals. I heard the statement, "Well, it is only a 5-percent increase, whereas the surtax on senior citizens is 25 percent. So isn't this more equitable?"

Actually, this is not a 5-percent surtax on wealthier individuals. It is an 18-percent surtax, if I compute it correctly. You are increasing the tax rates from 28 to 33 percent. That is a 5-percent increase of rates over 28 percent, and that would be an 18-percent increase in taxes. And so it is not 5 percent, it is an 18-percent increase on wealthier Americans.

But it does not really get to the root of the problem. It does not solve the problem. Senior citizens are upset about the Catastrophic Care Act that passed last year because it mandated a benefit on them that three-fourths of them already had. They did not ask for it. They did not want it. They certainly did not want to be taxed for benefits that they did not request nor did they desire.

My colleagues, with this amendment, just want to send it back to the Finance Committee and say, "Keep all the benefits that you can." You would keep all the duplication that already exists under current law. I think that would be a serious mistake.

We need to make significant reforms. We are going to have good opportunities to do so today. I am excited about the opportunities. I think my colleague from Minnesota has an interesting proposal. I do not plan to support it because I think there is a better one out there. I think Senator ROTH has a good proposal. We could do what the House has done. My friend and colleague from Arizona, Senator McCAIN—and I am happy to be a cosponsor of his amendment—I think has a very significant reform.

I have heard the proponents say, "Well, the surcharge on senior citizens is wrong and it needs to be repealed."

Let us repeal it. Let us repeal it really. Let us repeal it with Senator McCAIN's proposal or Senator ROTH's proposal and not just try and increase taxes on other American citizens.

A major problem with the Catastrophic Act that passed last year is the massive tax increase, but it is also a massive expansion of programs that a lot of people did not ask for, nor did they want.

The PRESIDENT pro tempore. Who yields time?

Mr. METZENBAUM. Mr. President, I ask that I may be yielded 4 minutes.

Mr. LEVIN. I yield 4 minutes to the Senator from Ohio.

The PRESIDENT pro tempore. The Senator from Ohio is recognized for 4 minutes.

Mr. METZENBAUM. Mr. President I have been around here long enough to know that some things that come out here on the floor are pretty ludicrous. I have to say that this is a ludicrous situation. I do not mean to suggest the amendment of the Senator from Arizona is ludicrous, but it is ludicrous that we have on the laws of our country a provision providing that people who make over $209,000 a year get their taxes cut. Nowhere in the world does that happen unless you happen to be in some place where it is a kingdom or empire somewhere where only the poor pay taxes and the rich do not.

How can anybody conceivably stand up and say it is right to reduce the taxes of those who make over $209,000 a year to 28 percent when a couple making between $70,000 and $209,000 are paying 33 percent? Something has gone wrong.

What we are talking about here in this amendment is being able to preserve the benefits of the people who are now being protected under the Medicare law. What we are trying to do is to save those benefits. And we do it by saying to the 600,000 people who are the richest, "You should pay the same as those who are making between $70,000 and $209,000."

What we are saying is, 600,000 people whose incomes are over that amount should be willing to accept not

an unfair burden, just the same rate that everybody else pays if they make over $70,000 a year. What we are doing is we are going to deprive 14 million people of skilled nursing, we are going to deprive them of prescription drugs, we are going to require them to pay the full limit of out-of-pocket expenditures for doctors' bills because we are not willing to ask that segment of America that is the wealthiest in America to pay just the same rate—not a higher rate, just the same rate—as those who make substantially less per year than they do.

I think that this is just as logical an amendment as I have ever heard brought to this floor. My guess is, it will not pass because too many colleagues are going to be worried about those few people in this country who make lots of money and contribute to their campaign. That is what the whole issue is about. Are we going to protect those rich people who give us $1,000 or $2,000, as the case may be?

If you want to be fair, if you want to be decent, if you want to be equitable, if you want to be just, then you have to vote for the Harkin-Levin amendment, of which I am proud to be a cosponsor. It is right. That way you will be preserving the benefits for the 14 million senior citizens; not just for the 14 million senior citizens, for all the senior citizens of this country, you will be preserving their benefits. You will not be cutting back on those benefits as the McCain amendment does, and you will be doing it in a far and equitable way. I hope that the Harkin-Levin amendment passes. I am concerned that it will not. But it is the right thing to do. It is the decent thing to do.

I yield the floor.

The PRESIDENT pro tempore. Who yields time?

Mr. MACK. I yield myself three minutes.

The PRESIDENT pro tempore. The Senator from Florida is recognized for 3 minutes.

Mr. MACK. Mr. President, with all due respect to my colleagues from Iowa and Michigan, I do not believe that this is a good amendment. The reason I say that is because it keeps in place a program that was ill-conceived.

It keeps in place a program which the seniors of my State are telling me they did not want, they do not want to pay for, they do not need. In fact, what they are telling me is roughly 90 percent of the seniors in this country have already gone out and purchased some form of protection against catastrophic illness. This is the way they say it. They say the top 10 percent of the retirees in this Nation have sufficient income to provide protection against catastrophic illness. The next 70 percent purchase Medigap insurance. The next 10 percent have no coverage. The lowest 10 percent were covered by Medicaid, leaving 10 percent of the people without coverage.

I believe that the Senator from West Virginia is correct. We have some major problems ahead of us with respect to health care. If we make the determination to use this source of revenue for the purpose of keeping in place a program that was ill-conceived, a program that the seniors in this country do not want, that means that we have taken those limited resources away from other programs that the Senators might be interested in.

So again I think it would be a mistake to approve this amendment; a mistake to keep in place a program that the seniors of this Nation do not want, that they believe that we should get rid of, and that we ought to start addressing the question about long-term health care.

That is what I have heard over and over again in the town meetings in my State. Their concern is what happens to them at the age of 80, 85, 90, 95. Again, the Senator from West Virginia is correct. The number of people above the age of 85 in the State of Florida is going to triple between now and the year 2000, some roughly 55,000 people over the age of 85 to somewhere around 150,000. The concern of the senior citizens is what are we going to do about long-term health care?

I say again, with all due respect, I think the amendment is the wrong one. It would keep a program in place that we do not need, seniors do not want, and I think it would be wrong to pass the amendment.

Mr. HARKIN. Mr. President, might I inquire how much time we have?

The PRESIDENT pro tempore. The Senator has 5 minutes and 51 seconds.

Mr. LEVIN. Mr. President, I wonder if my friend from Iowa will yield 2 minutes?

The PRESIDENT pro tempore. The Senator from Michigan may proceed for 2 minutes.

Mr. LEVIN. Mr. President, our friend from Washington said we are going to be raising taxes on some folks and cutting taxes on other folks. He equated seniors who are paying this surtax with the people who are now protected by that bubble. Let me give my colleagues the idea about the income.

Seniors paying surtax are now in the gross income level of $20,000 to $25,000 and above. Those are the folks who are paying the surtax. To suggest that those are rich seniors, or to ask "why help rich seniors out by eliminating this surtax," is absolutely wrong. These are not rich seniors. These are seniors making $20,000 a couple and up.

Most of these are lower-middle and middle-income seniors who are paying this surtax.

The 600,000 people who would pay a larger tax under this amendment are 600,000 people in the upper 1 percent of our communities who earn above $208,000 for a family of four. That is the upper 1 percent income-wise in this country.

So the tax increase here is really tax fairness, because all we want them to do is pay the same marginal rate as middle-income people. So there will be a tax increase for 600,000 folks earning over $200,000 for a family of four and there will be a tax cut for 14 million seniors under this amendment, including seniors who have incomes of $20,000 and up.

Second, my dear friend from West Virginia said let us use the bubble for something else. There are a number of ways I would like to use this bubble. The Senator is sincere when he says he would like to get rid of this bubble, out of fairness. I know him. I know he is sincere. But we have not been able to put together a constituency to get rid of this unfairness and use it for another purpose. There are a number of good purposes, but we have never been able to find the votes.

Now we have a good use—for senior health care. This is a real constituency that we believe can help us have tax fairness agreed to.

I yield the floor.

The PRESIDENT pro tempore. Who yields time?

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

The PRESIDENT pro tempore. The Senator controls 4 minutes 59 seconds.

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

The PRESIDENT pro tempore. The Senator from Arizona is recognized for 2 minutes.

Mr. McCAIN. Mr. President, I will add one note about this amendment that I think is relevant. In 1987 Senator DOLE proposed a resolution not to raise the tax rates. On May 6, 1987—that was the date—that vote had only 10 votes opposing it.

Basically, what we are doing here is raising the tax rates. We know it. Whether that should be or should not be done, I think this body has spoken on that issue.

As I mentioned before, we should probably not view an issue of this magnitude, whether taxes should be raised or not, on a motion to commit on this particular bill—with all due respect and affection for the sponsors of the amendment.

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

The PRESIDENT pro tempore. The Senator from Iowa has 3 minutes and 50 seconds.

Mr. HARKIN. Mr. President, first of all, I want to commend the Senator from Arizona for all of the hard work that he has done on this issue and so many issues that pertain to the elderly, the disabled in our country. I par-

ticularly want to congratulate him for standing fast, holding firm, and being dogged, and bringing this body to the position we are today in addressing this inequity.

Had it not been for his diligence and his standing firm, I daresay we might not be debating this today.

I also want to again commend my dear friend, and I mean that most sincerely, from West Virginia, who is a very caring and compassionate individual. I know he cares very deeply about the issues of justice for our elderly and our low-income people in this country.

It just goes to show that people of goodwill and good reason can differ on the approaches we might take to solve a problem.

But, Mr. President, I say, yes, we voted not to raise tax rates, but that was across the board. What we are talking about here today is equity. We are talking about simple justice.

The elderly in our country today are paying a higher tax rate than anybody else. Over 40 percent marginal rates are being paid by the elderly of this country. Yet we have 600,000 of the highest income taxpayers paying less than a couple making $60,000 or $70,000 a year. It is just not fair. All we are asking for is equity, fairness. People say this is raising taxes. It is not.

These taxes are being paid but they are being paid by the elderly. All we are saying is shift it. This is a tax shift. We are going to lower the tax for 14 million Americans and shift it to those 600,000 who can really afford it.

I believe this amendment is a fair deal and a square deal for the elderly of this country who need the catastrophic health. The bubble cannot solve all the long-term health care problems. Let us raise the cap, let us raise the $48,000 cap that now exists paying into Social Security. That will take care of all the problems the Senator from West Virginia outlined which are problems we need to solve. The bubble will not handle that. Let us raise the cap to do that. Let us use the bubble to help senior citizens of our country. Let us make tax equity the basis for reducing the surtax on the elderly and giving the elderly the catastrophic health care that they so sorely need in our society today.

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

The PRESIDENT pro tempore. All time has been yielded back.

The question is on the motion to commit S. 1726 with instructions.

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

The PRESIDENT pro tempore. Is there a sufficient second?

There is obviously a sufficient second.

The yeas and nays were ordered.

The PRESIDENT pro tempore. The question is on agreeing to the motion to commit S. 1726 with instructions. The clerk will repeat the responses. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii [Mr. MATSUNAGA] is necessarily absent.

The PRESIDENT pro tempore. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 12, nays 87, as follows:

[Rollcall Vote No. 236 Leg.]

YEAS—12

| | | |
|---|---|---|
| Adams | Harkin | Metzenbaum |
| Biden | Kennedy | Sarbanes |
| Burdick | Lautenberg | Sasser |
| Gore | Levin | Simon |

NAYS—87

| | | |
|---|---|---|
| Armstrong | Ford | McClure |
| Baucus | Fowler | McConnell |
| Bentsen | Garn | Mikulski |
| Bingaman | Glenn | Mitchell |
| Bond | Gorton | Moynihan |
| Boren | Graham | Murkowski |
| Boschwitz | Gramm | Nickles |
| Bradley | Grassley | Nunn |
| Breaux | Hatch | Packwood |
| Bryan | Hatfield | Pell |
| Bumpers | Heflin | Pressler |
| Burns | Heinz | Pryor |
| Byrd | Helms | Reid |
| Chafee | Hollings | Riegle |
| Coats | Humphrey | Robb |
| Cochran | Inouye | Rockefeller |
| Cohen | Jeffords | Roth |
| Conrad | Johnston | Rudman |
| Cranston | Kassebaum | Sanford |
| D'Amato | Kasten | Shelby |
| Danforth | Kerrey | Simpson |
| Daschle | Kerry | Specter |
| DeConcini | Kohl | Stevens |
| Dixon | Leahy | Symms |
| Dodd | Lieberman | Thurmond |
| Dole | Lott | Wallop |
| Domenici | Lugar | Warner |
| Durenberger | Mack | Wilson |
| Exon | McCain | Wirth |

NOT VOTING—1

Matsunaga

So the motion to commit S. 1726 with instructions was rejected.

The PRESIDENT pro tempore. The next order is for the recognition of Senators DURENBERGER and MITCHELL to call up an amendment on which there is a 1-hour time limitation. The Senate will be in order.

The Senator from Minnesota [Mr. DURENBERGER] is recognized.

AMENDMENT NO. 987

(Purpose: To modify various provisions of the Medicare Catastrophic Coverage Act of 1988)

Mr. DURENBERGER. Mr. President, I send an amendment to the desk on behalf of the majority and minority leaders, the chairman of the Finance Committee, and myself and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. DURENBERGER], for himself, Mr. MITCHELL, Mr. DOLE, Mr. BENTSEN, Mr. ROCKEFELLER, Mr. BRADLEY, Mr. MOYNIHAN, Mr. DASCHLE, and Mr. MATSUNAGA proposes an amendment numbered 987.

Mr. DURENBERGER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the enacting clause, and insert in lieu thereof the following:

SEC. . MODIFICATIONS TO MEDICARE CATASTROPHIC COVERAGE.

(a) MODIFICATIONS TO FUNDING FOR MEDICARE CATASTROPHIC COVERAGE.—

(1) MEDICARE PART B PREMIUM.—Section 1839(g)(1)(A) of the Social Security Act is amended by striking the table therein and inserting the following new table:

| "In the case of: | The catastrophic coverage monthly premium is: |
|---|---|
| 1989 | $4.00 |
| 1990 | 4.90 |
| 1991 | 5.46 |
| 1992 | 6.75 |
| 1993 | 7.18." |

(2) SUPPLEMENTAL MEDICARE PREMIUM.—

(A) REDUCTION IN ANNUAL LIMITATION.—Subparagraph (A) of section 59B(c)(2) of the Internal Revenue Code of 1986 is amended to read as follows:

"(A) YEARS BEFORE 1994.—In the case of any taxable year beginning before 1994, the annual premium determined under this subsection with respect to any individual shall not exceed—

"(i) $200, in 1990 and 1991, and

"(ii) $250, in 1992 and 1993."

(B) REDUCTION IN PREMIUM RATE.—Subsection (d) of section 59B of such Code is amended to read as follows:

(d) DETERMINATION OF SUPPLEMENTAL PREMIUM RATE FOR YEARS BEFORE 1994.—In the case of any taxable year beginning before 1994, the supplemental premium rate determined under this subsection shall equal $15."

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect as if included in the Medicare Catastrophic Coverage Act of 1988.

(b) MODIFICATION OF MEDICARE PART B COST-SHARING LIMITATION.—Subparagraph (A) of section 1833(c)(3) is amended—

(1) by striking "1990" and inserting "1991",

(2) by striking "$1,370" and inserting "$1,600", and

(3) by striking "7 percent" and inserting "5.5 percent".

(c) MODIFICATION OF EXTENDED CARE SERVICES.—

(1) DURATION OF EXTENDED CARE SERVICES REDUCED TO 100 DAYS PER YEAR.—Section 1812 of the Social Security Act (42 U.S.C. 1395d) is amended by striking "150 days" in subsections (a)(2) and (b)(1) and inserting "100 days".

(2) POST-HOSPITALIZATION REQUIREMENT REINSTATED.—

(A) IN GENERAL.—Section 1812 (42 U.S.C. 1395d) is amended—

(i) in subsection (a)(2), as amended by paragraph (1), by striking "extended care services for up to 100 days during any calendar year" and inserting in lieu thereof "(A) post-hospital extended care services for up to 100 days, and (B), to the extent provided in subsection (f), extended care services that are not post-hospital extended care services";

(ii) in subsection (b)(1), by inserting "post-hospital" before "extended care";

(iii) in subsection (e), by inserting "post-hospital" before "extended care"; and

(iv) by adding at the end thereof the following new subsections:

"(f)(1) The Secretary shall provide for coverage under clause (B) of subsection (a)(2) of this section, of extended care services which are not post-hospital extended care services at such time and for so long as the Secretary determines, under such terms and conditions (described in paragraph (2)) as the Secretary finds appropriate, that the inclusion of such services will not result in any increase in the total of payments made under this subchapter and will not alter the acute care nature of the benefit described in subsection (a)(2) of this subsection.

"(2) The Secretary may provide—

"(A) for such limitations on the scope and extent of such services described in subsection (a)(2)(B) of this section, and on the categories of individuals who may be eligible to receive such services, and

"(B) notwithstanding section 1814, 1861(v), and 1886 of this title for such restrictions and alternatives on the amount and methods of payment described in such subsection.

as may be necessary to carry out paragraph (1).

"(g) For a definition of 'post-hospital extended care services' and definitions of other terms used in this pact, see section 1861 of this title.".

(B) MISCELLANEOUS AND CONFORMING AMENDMENTS.—

(i) Section 1811 (42 U.S.C. 1395c) is amended by inserting "post-hospital" before "extended care".

(ii) Paragraphs (2)(B) and (6) of section 1814(a) (42 U.S.C. 1395f(a)) are each amended by inserting "post-hospital" before "extended care" each place it appears.

(iii) Section 1861(e) (42 U.S.C. 1395x(e)) is amended—

(I) in the matter before paragraph (1), by inserting "and, subsection (i) of this subsection," after "and paragraph (7) of this subsection";

(II) in the second sentence, by inserting ", and subsection (i) of this section" after "and section 1814(f)(2)";

(III) in the fourth sentence, by inserting "except for purposes of subsection (a)(2)" after ", such term shall not"; and

(IV) by inserting after the first sentence the following new sentence: "For purposes of subsection (a)(2) of this section, such term includes any institution which meets the requirements of paragraph (1) of this section.".

(iv) Section 1861 (42 U.S.C. 1395x) is amended by inserting after subsection (h) the following new subsection:

"(i) The term 'post-hospital extended care services' means extended care services furnished an individual after transfer from a hospital in which such individual was an inpatient for not less than 3 consecutive days before his discharge from the hospital in connection with such transfer. For purposes of the preceding sentences, items and services shall be deemed to have been furnished to an individual after transfer from a hospital, and such individual shall be deemed to have been an inpatient in the hospital immediately before transfer therefrom, if such individual is admitted to the skilled nursing facility—

"(A) within 30 days after discharge from such hospital, or

"(B) within such time as it would be medically appropriate to begin an active course of treatment, in the case of an individual whose condition is such that skilled nursing care would not be medically appropriate within 30 days after discharge from a hospital; and an individual shall be deemed not to have been discharged from a skilled nursing facility if, within 30 days after discharge therefrom, such individual is admitted to such facility or any other skilled nursing facility.".

(v) Subsections (v)(1)(G)(i), (v)(2)(A), and (v)(3) of section 1861 (42 U.S.C. 1395x) are each amended by inserting "post-hospital" before "extended care" each place it appears.

(vi) Section 1861(y) (42 U.S.C. 1395x(y)) is amended

(I) by inserting "Post-Hospital" before "Extended Care" in the heading and by inserting "post-hospital" before "extended care" each place it appears, and

(II) in paragraph (1), by inserting "(except for purposes of subsection (a)(2))" after "Boston, Massachusetts, but only".

(vii) Section 1866(d)( 42 U.S.C. 1395cc(d)) is amended by inserting "post-hospital" before "extended care".

(viii) Subsections (d) (1) and (f) of section 1883 (42 U.S.C. 1395tt) are amended by inserting "post-hospital" before "extended care" each place it appears.

(2) DURATION OF COINSURANCE INCREASED.—Section 1813(a)(3) (42 U.S.C. 1395e(a)(3)) is amended to read as follows:

"(3) The amount payable for post-hospital extended care services furnished to an individual in any calendar year shall be reduced by a coinsurance amount equal to one-eighth of the inpatient hospital deductible for each day (before the 101st day) on which he is furnished such services after such services have been furnished to him for 20 days during such year."

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to admissions occurring after December 31, 1989.

(d) LIMITATION OF DRUG BENEFITS TO IMMUNOSUPPRESSANTS AND HOME IV DRUGS.—

(1) IN GENERAL.—Subparagraph (B) of section 1861(t)(3) of the Social Security Act 42 U.S.C. 1395x(t)(3)) is amended by striking "in 1990" and inserting "in years after 1989".

(2) APPLICATION OF LAW.—The Secretary of Health and Human Services shall apply the amendments made by section 202 of the Medicare Catastrophic Coverage Act of 1988 in order to properly implement the amendments made by this subsection.

(3) EFFECTIVE DATE.—The amendment made by this subsection shall take effect as if included in the Medicare Catastrophic Coverage Act of 1988.

(e) GENERAL REPEALS.—

(1) IN GENERAL.—The following provisions of the Medicare Catastrophic Coverage Act of 1988, as amended by the Technical and Miscellaneous Revenue Act of 1988, are hereby repealed, and the Social Security Act shall be applied and administered as if such provisions (and the amendments made by such provisions) had not been enacted:

(A) Section 212 (other than subsection (b)(2)).

(B) Section 213.

(2) CONFORMING AMENDMENTS RELATING TO TRUST FUNDS.—

(A) FEDERAL HOSPITAL INSURANCE CATASTROPHIC COVERAGE RESERVE FUND.—Section 1817A of the Social Security Act (42 U.S.C. 1395i-1a) is amended by adding at the end thereof the following new subsection:

"(d) On January 1, 1990, the Secretary shall transfer any amount remaining in the Trust Fund (including interest) to the Federal Hospital Insurance Trust Fund.".

(B) SMI TRUST FUND.—Section 1841(a) of the Social Security Act (42 U.S.C. 1395t(a)) is amended by striking "which are attributable to the catastrophic coverage rate and which are not otherwise appropriated under section 1817A(a)(2) to the Federal Hospital Insurance Catastrophic Coverage Reserve Fund".

(3) EFFECTIVE DATES.—

(A) REPEALS.—The repeals made by this subsection shall take effect as if included in the Medicare Catastrophic Coverage Act of 1988.

(B) TRUST FUNDS AMENDMENTS.—The amendments made by paragraph (2) shall take effect on the date of the enactment of this Act.

(f) QUALIFIED PERIOD IN COMMUNITY FOR SNFF.—

(1) IN GENERAL.—Section 1813 of the Social Security Act, as amended by this section, is further amended by striking "in any calendar year" and "during the year" in subsection (a)(3)(A) and inserting "after a qualified period in the community".

(2) CONFORMING AMENDMENTS.—

(A) Section 1832(b) of such Act is amended by inserting "'qualified period in the community'," after "For definitions of".

(B) Section 1861 of such Act is amended by inserting before subsection (b) the following new section:

"(a) The term 'qualified period in the community' with respect to any individual means, with respect to any calendar year, one period of consecutive days—

"(1) ending with the first day on which such individual is furnished inpatient hospital services, and which occurs in a month for which he is entitled to benefits under part A, and

"(2) beginning with a day sixty days before the day described in paragraph (1).".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect as if included in the Medicare Catastrophic Coverage Act of 1988.

(g) SPECIAL RULES FOR SNFF AMENDMENTS.—Notwithstanding any other provision of this section, any person who, on the date of enactment of the amendments made with respect to extended care services, is receiving benefits under the provisions of the Medicare Catastrophic Coverage Act of 1988 as in effect on the day before such date of enactment, shall continue to receive such services as if such amendments had not been enacted for the 150-day period.

(h) VOLUNTARY ELECTION OF PART B BENEFITS INCLUDING CATASTROPHIC COVERAGE.—

(1) IN GENERAL.—Paragraph (1) of section 59B(b) of the Internal Revenue Code of 1986 is amended to read as follows:

"(1) such individual is enrolled under part B of title XVIII of the Social Security Act for more than 6 full months beginning in the taxable year, and".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect as if included in the Medicare Catastrophic Coverage Act of 1988.

(i) PRESCRIPTION DRUG PAYMENT REVIEW COMMISSION.—Notwithstanding any other provision of this Act, section 1847 of the Social Security Act remains in effect, and subsections (b), (c), (d), and (e) are amended to read as follows:

"(b)(1) The Commission shall submit to Congress a preliminary report no later than March 1, 1991, and a final report no later than March 1, 1992, concerning methods by which the Secretary should determine coverage and payment for outpatient prescription drugs under this Title and Title XIX.

"(2) The preliminary report shall contain background information, policy analysis of options, and recommendations regarding coverage of outpatient prescription drugs. The final report shall substantially extend the Commission's preliminary analysis and take into account comments on the preliminary report. Both preliminary and final reports shall include information and recommendations regarding such issues as—

"(A) scope of benefits under this Title and Title XIX, including the potential for and the advisability of establishing minimum standards for prescription drug benefits under Title XIX;

"(B) source or sources of financing, including the potential for and advisability of linking prescription drug benefits under this Title and Title XIX;

"(C) methods of payment for drug products;

"(D) method of administration, including information requirements necessary for proper administration, such as uniform drug nomenclature;

"(E) forms of utilization review and quality assurance, including an assessment of the potential for significant cost savings in total expenditures under this Title and Title XIX resulting from a program of prospective and retrospective drug utilization review;

"(F) Changes in manufacturers' prices, and in charges of pharmacists, for outpatient prescription drugs [current law];

"(G) changes in both the level and nature of utilization of outpatient drugs by beneficiaries of this Title and Title XIX, taking into account the impact of these changes on aggregate expenditures for outpatient prescription drugs.

"(3) The Commission shall make recommendations as to what contingency margin, if any, would be appropriate to absorb unexpected increases in outpatient prescription drug program outlays under this Title."

"(c) Section 1845(c)(1) shall apply to the Commission in the same manner as it applies to the Physician Payment Review Commission.

"(d) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section. Such sums shall be payable from the Federal Supplemental Medical Insurance Trust Fund.

"(e) The Commission shall cease to exist, effective December 31, 1992, after providing Congress with advice and testimony, as needed, pertaining to its final report."

Mr. DURENBERGER. Mr. President, I yield myself 5 minutes of my time.

The PRESIDENT pro tempore. The Senator from Minnesota is recognized for 5 minutes.

Mr. DURENBERGER. Mr. President, I will try to be brief to describe this amendment. I have to begin with a short definition of catastrophic, which is what it is all about. Catastrophic basically is freedom from fear that one illness will wipe out everything that you have worked a lifetime to earn. That is the way my parents look at it, and that is the way 32 million Americans look at a catastrophe.

What are the two largest catastrophic expenses that are visited on elderly Americans? If it is illness, it is hospital care and doctor care. You cannot go to a hospital without a doctor. You cannot say you have provided freedom from fear for the elderly in this country unless you eliminate not only the fear of the cost of hospitalization but the fear of the concomitant doctor and other medical expenses.

This amendment preserves the original catastrophic bill proposed by the catastrophic commission, by the Secretary, by the President of the United States, and by those of us who began this process 2 years ago.

It provides that every elderly and disabled person in America eligible for Medicare, when they buy Medicare, will risk being out of pocket only 1 day's hospital costs, currently $560 going to $590 next year. After that all hospital bills are paid. This amendment also provides that after $1,780 out-of-pocket expenses for the doctor and medical expenses related either to hospitalization or doctor's medical expenses of any kind—after $1,780 out of pocket—all doctor bills are paid. There is nothing to compare with that on the floor of the Senate today.

The Riegle bill, which comes next, is $3,390, twice as much as this. All others are zero.

They dump the elderly of America and the disabled people of America on the Medigap where they are averaging somewhere between $900 and $1,400 a year for this kind of coverage.

Why do my colleagues drop part B? Simply because it costs more than anything else in the catastrophic package. It costs more than the drug package. It costs more than the skilled nursing package. It costs more than the part A hospital package. It costs $8.3 billion over the 5-year period to provide catastrophic protection for elderly Americans. Why does it cost $8.3 billion? Because that is the cost to the elderly of this country for their doctor and hospital bills—for just 5.5 percent of the elderly, and for their doctor and hospital bills in a 5-year period.

Hospital cost growths are going up 5.5 percent; doctor costs are going up—over the last 10 years, 15 percent a year. That is the catastrophe waiting to happen to elderly Americans.

So don't anybody go home from here today and say you did not have the chance to protect your elderly constituency from $8.3 billion in hospital and doctor and medical bills.

For those of you who are going to vote to repeal, go home and see if you can defend abandoning skilled nursing home care, home health care, hospice, respite care, and mammograms. I wish my wife had had a mammogram before she died. For the first time in the history of this country we are putting a preventive wellness benefit into the Medicare Program for eligible elderly women in this country. Go home you repealers and tell the elderly women of America you repealed that provision.

We are putting in a part B opt out for those who have duplicate coverage. That takes care of 75 percent of the organizations on the coalition list. We finance it with a reduced flat premium. We reduce the flat premium in the current bill by 46 percent by 1993. Those of you who are worried about the regressivity in the McCain amendment and any of these other amendments where everybody pays the same, rich, poor, whatever, take a look at the premium in the Durenberger amendment. We reduce the current premium in the catastrophic bill by 46 percent in 1993.

The supplemental premium—the people who complained about paying 28 percent of their taxable income and up to $1,050 a person are right. They had a right to complain about that much. We have reduced that one by 400 percent. I heard those people. We reduced that premium. I now have a maximum rate of only 10 percent on the tax side, a maximum payment of $200 next year, $250 in 1993, and no deficit is created.

Mr. President, just to give you an idea, and I think I have passed out to all of my colleagues a list of the impact of the supplemental premium on people, but if you look way out to 1993, 5 years from now, for the people in the $20,000-to-$25,000-a-year category, this core catastrophic premium is only going to cost $12, $12 on top of $9 of the flat rate premium. If you get all the way up to $40,000 to $45,000 a year in taxable income, that is not total, just taxable income, it is only $116 a year, not $1,050, not $800—only $116. Even at the maximum, it is only $250.

Mr. President, I suggest we can have catastrophic. We can have all the benefits that the elderly in this country need for the next 5 years. We can have it at a maximum 5 years from now for $7.18 a month for 60 percent of the people in this country, and a maximum of $27 a month for the richest person in America.

Mr. SANFORD. Mr. President, I am pleased that my colleagues in the Senate care enough about catastrophic care to make the effort to salvage it rather than eliminate a program that is so very important to millions of senior citizens throughout the country. The alternative approaches offer a variety of choices, so there is clear interest in the Senate to fix the catastrophic care program we adopted last year.

While we have all received complaints about how the catastrophic care program is financed, we have also received letters and comments in support of retaining the important protections included in this program. The Durenberger-Mitchell approach retains the core benefits already in place and ensures that those benefits will be adequately funded.

This proposal retains the protection against catastrophic hospital costs, keeping coverage for the entire year. It retains the expanded benefits for home health care, including home IV and immunosuppressives drug therapy, hospice care, and respite care that allows more senior citizens to remain at home, rather than forcing them into nursing homes or hospitals simply because Medicare or Medicaid will only reimburse institutionalized care. We will have more options under this proposal.

This compromise also retains Medicare reimbursement for mammography screening which will help detect cancer while it is still very treatable. Clearly women over age 65 are at a higher risk for breast cancer, and clearly many of these women cannot afford to pay the full cost for this lifesaving screening.

While a spouse can be male or female, the majority of people who will benefit from the Medicaid "spousal impoverishment" protection, are women. This compromise proposal keeps this very important provision to protect spouses against dire poverty when one spouse requires nursing home care. No one should be forced into poverty simply because a spouse requires nursing home care. And while this provision does not require that Medicare reimburse for routine nursing home care, it expands Medicaid coverage for nursing home care without forcing a spouse onto the welfare rolls.

The Durenberger-Mitchell compromise proposal also provides protection against excessive out-of-pocket physician expenses. Medicare beneficiaries know all too well how much their out-of-pocket expenses have increased in recent years. For the first time, they can be protected by a cap on the amount of out-of-pocket expenses for doctor bills. This is a very important provision that other proposals do not include. Doctor bills are now increasing by 15 percent a year.

And this compromise also protects those currently using the expanded posthospital skilled nursing benefit. Individuals now utilizing this expansion will be allowed to continue their skilled nursing care for the additional days covered under current law. These individuals will not be thrown into the street or forced into a nonskilled facility that could not provide the necessary care under this proposal.

Finally, this proposal dramatically reduces the cost. I do not believe that any private policy in the world could offer so much for so little. Under this proposal, the maximum cost to beneficiaries is $200 per year, not the $800 under current law. And only those filing joint returns with incomes exceeding $45,000 will pay the maximum. And this maximum is expected to increase by only $50 by 1993, 5 years after the effective date. Unlike other proposals, this financing provision protects beneficiaries against dramatic annual increases.

I believe this is a reasonable price to pay for catastrophic health care. No private policy could provide the same benefits for anything close to $200 per year. The average cost for these same benefits in the private market exceeds $1,000. This is a bargain.

But I understand that some people still may not wish to participate in this catastrophic health care plan, and this proposal offers those people the option not to participate. Anyone who does not wish to participate in part B, including catastrophic care, would be allowed to withdraw from the program under this proposal.

I urge the adoption of the Durenberger-Mitchell compromise. Thank you.

Mr. DURENBERGER. Mr. President, I would be glad to yield to the chairman of the Finance Committee, who has spent an incredible amount of time trying to resolve the problems that we are facing.

The PRESIDENT pro tempore. How much time is yielded?

Mr. DURENBERGER. Mr. President, I yield 5 minutes.

The PRESIDENT pro tempore. The Senator from Texas [Mr. BENTSEN] is recognized for 5 minutes.

Mr. BENTSEN. Let me congratulate the Senator from Minnesota for the excellent work he has done on this program. As I look at this program, I cannot help but think it is hard to compromise. I remember what Mo Udall said on that. He said the lion and the lamb can lie down together, but the lamb is not going to get much sleep.

I think this is one of those compromises that will let us sleep well tonight. The reason I think it will let us sleep well is because it preserves the basic core benefits of catastrophic as proposed by President Reagan. While voluntary and tied to part B of Medicare, it retains a lot of important benefits.

For example, extended hospital benefits, no more than one deductible per year—those are important benefits—protection against the costs associated with long hospital stays, protection against the high cost of drugs, and that includes the intervenous drugs administered in the home, and the immunosuppressive drugs administered by people who have undergone or begun transplants—hospice care, a limit on out-of-pocket costs for doctor bills, provides against coinsurance liability of more than $1,600 per year, extended health benefits, respite care benefits.

This amendment will help the elderly and the disabled stay home with relatives or friends instead of having to go into a nursing home—Medicaid benefits, especially spousal impoverishment protection, and that is high on the list of what the elderly want. Some of these things are going to be financed by general revenues. Millions of elderly and disabled people are going to use these kinds of benefits.

What will the cost eventually be? The total for this package of benefits is just under $20 billion for 5 years. How are we going to pay for that one? It will be by a dramatic reduction of that supplementary premium.

First of all, all of those beneficiaries below the poverty line would not be paying anything. Then you would have a base premium of some $4 per month. That would increase to $7.18 in 1993.

Second, the supplemental premium would be reduced to $200 for 2 years and $250 after that. Now, those kinds of costs slash the rate by two-thirds and the maximum supplemental premium by 75 percent.

One of the things that has concerned me in this entire debate is the fact that we have had a very difficult time getting the administration to show any kind of leadership. These are tough choices, and this is a controversial program; we understand that. But there is a time, when standing up for the elderly of this country, that you must make those kinds of tough choices.

I must say, Secretary Sullivan has been a great help in this and has taken a courageous stand. Let me read from his letter of October 5:

> It is critical that we preserve a catastrophic program that offers financial protection to the millions of Americans who do not have that protection.

I am aware that Senator DURENBERGER has a compromise that incorporates our mutual priorities. The same day, that afternoon, Mr. Darman writes:

> Indeed the administration is not taking any official position in favor of any one of the competing substantive amendments, as opposed to the others.

Where is the leadership in the administration? Where are they standing up for the elderly citizens of our country? My friends, this is a program that I think will take care of these kinds of concerns. In fact, this is an amendment that will let the lions and the lambs lie down and sleep together and wake up in the morning with respect for each other.

Mr. President, I yield back the remainder of my time to Senator ROCKEFELLER.

Mr. McCAIN addressed the Chair.

The PRESIDENT pro tempore. The Senator from Arizona.

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

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

Mr. McCAIN. Mr. President, I want to thank my friend from Texas, the distinguished chairman of the Finance Committee, for all of the efforts he has made on this issue. It has been a terribly frustrating period for him, and I know that he has, time after time, attempted to explore every possible option in order to cure this very difficult problem. All of us are extremely grateful for his efforts. Also I think my friend from Minnesota, who also has labored in a herculean fashion, and all other members of the Finance Committee.

Mr. President, I am not going to attempt to rebut point by point the very eloquent statement made by both of the Senators I just mentioned. Let me try to boil it down to the basics.

The only differences between the Durenberger amendment and the existing McCain bill are two: Surtax and the part B, out-of-pocket cap. I am tempted to do what was done on the floor the other day when the capital gains issue was up and someone says, "tax, tax, tax, tax, tax," by saying, "surtax, surtax, surtax."

We forget the object of the anger of the seniors in America today is the surtax. They will not be satisfied and should not be satisfied, until the surtax is eliminated. I applaud the efforts that my friend has made in order to dramatically reduce these premiums, to reduce the surtax, but the fact remains that the surtax remains in place. If the predictions of my friend from Minnesota are correct, that the health care costs will continue to increase at a double-digit inflationary pace, then sooner or later that surtax will increase again, if they are going to pay for the benefits which the Senator from Minnesota continues to contemplate. Part B out-of-pocket cap.

Mr. President, I have done a lot of work with seniors. There are seniors all over this country, organizations and individuals that have corresponded with me. The National Committee to Preserve Social Security and Medicare, known by some as the "James Roosevelt Group," wrote me a letter on October 3:

> While we obviously would prefer not to sacrifice benefits, a poll of our membership taken during the last week of August indicated that of the major benefits offered, the limit on the out-of-pocket expenses that medicare beneficiaries pay under part B is one of the least valued.

That is not my poll, Mr. President. This is a poll from the National Committee to Preserve Social Security and Medicare. A poll taken in May of 1,000 seniors all across this country found that of all the benefits in the act, the part B, out-of-pocket cap is the least valuable of all the benefits in the act. That is in the opinion of the seniors.

So what does the Durenberger amendment do? It keeps the surtax, which is the object of the anger of the seniors, and it keeps the least valued portion of the entire program.

So, Mr. President, despite the valiant efforts and the good will that has been exhibited in formulating this amendment, frankly, it does not address the concerns of the seniors.

I want to quickly address this flat premium structure issue. I think it is appropriate to mention, although there is difference in 1991, 1992, and 1993 between my premiums and that contemplated in the Durenberger amendment, I remind——

The PRESIDENT pro tempore. The staff will please take their seats. Assistants to the Sergeant at Arms will please be diligent in carrying out their responsibilities.

The Senator from Arizona.

Mr. McCAIN. I thank the President. In 1991, 1992, and 1993, there are 65-, 80-, and 90-percent cushions in the revenues that will be collected in order that, if it is appropriate to do so, the Secretary of Health and Human Services can reduce the existing premiums.

Mr. President, there are a number of my colleagues who would like to address this issue. I suggest that if we adopt this proposal, we will further enrage this Nation's seniors and keep the surtax, ignoring the overwhelming opinion regarding this issue, and we will be providing for the surtax, the benefit which they rank as the least valuable.

It is, frankly, confusing to me to understand why an amendment, which flies, frankly, in the face of the overwhelming desires of the seniors, would be approved by this body, with all due respect to the supporters of it, including the distinguished majority leader, who also has been heavily involved in this issue for many years.

I reserve the remainder of my time.

Mr. DURENBERGER. Mr. President, I would like to yield 3 minutes to the majority leader.

The PRESIDENT pro tempore. The majority leader is recognized for 3 minutes.

Mr. MITCHELL. Mr. President, last year President Reagan signed this legislation into law. It was a bipartisan bill, the result of a bipartisan effort to ensure adequate financial protection from extraordinary medical expenses.

Not all of the benefits have been fully implemented, nor are they uniformly understood by all of the elderly. Yet, we are now faced with imminent repeal, because of forceful protest against the financing provisions and possible duplication of coverage.

These protests have been heard. They will be acted upon today. But there are many whose voices have not been heard. They also deserve our attention and our concern. They constitute the majority of the elderly, those who would benefit most from this program, because they lack adequate private insurance, and they have no money to buy it.

For some, it is fashionable to ask for repeal of the basic benefits. They are reacting to constituents who say they do not want or need catastrophic protection. These constituents do not want to pay what they consider to be an unreasonably high supplemental premium for these benefits. For their sake, I hope and pray that they are correctly assessing their insurance and their medical risks.

But as we rush to make changes in response to objections over the supplemental premiums, we must not lose sight of those who have no other recourse. We must ensure that the most fundamental catastrophic provisions remain for those who need that protection and cannot get it in any way, other than through this program.

This amendment is a good one. It responds, admittedly politically, but with the objective of sound public policy.

It is first fiscally responsible. Fully funding itself over the benefit period it retains the concept albeit in a very modest manner of a supplemental agreement.

Further it keeps the crucial Medicaid improvement that helps provide an absolute safety net for the low-income elderly and disabled.

The amendment is secondly sensible in its benefit structure. It retains benefits needed during a medical catastrophy such as extended hospitalization and places a realistic cap on physician-related expenses. It retains home intravenous therapy used by a medically fragile population.

It is, third, politically responsive, by substantially reducing the supplemental premium and drastically lowering its cap.

Further it also reduces the flat premium that is paid by all the elderly including those with the least amount of income.

And, fourth, it is voluntary, allowing those beneficiaries who believe they already have adequate coverage the opportunity to opt out of this entire benefit package.

I hope my colleagues will vote for this alternative. It responds to the concerns raised in the last few months but it protects those among our elderly who are at highest risk of financial ruin. We need not abandon the advances made under the Catastrophic Act. It represents the first major benefit changes in the Medicare Program since 1965, and it will be a long time before we consider such an expansion again. This amendment is a reasonable and responsible reaction.

The PRESIDENT pro tempore. The majority leader has 2½ minutes of leader time.

Mr. MITCHELL. I will use a few seconds, Mr. President.

This is a responsible reaction to a politically difficult and medically complex situation.

I urge my colleagues to support this amendment.

I thank my distinguished colleague from Minnesota for his leadership and effort in this area.

Mr. DURENBERGER. Mr. President, I yield 3 minutes to the minority leader.

The PRESIDENT pro tempore. The minority leader is recognized for 2 minutes, and he still has 10 minutes remaining under the leader time which is reserved.

Mr. DOLE. I may need 1 minute of that. I thank the Presiding Officer.

Mr. President, this is a very important day in the U.S. Senate. I know there are a lot of people who have different views on what we should do, and some say we should not do anything, we ought to start over, and that sounds easy. Maybe it would be easy, but I doubt it.

The Finance Committee had to face, in my view, about three principles that were the basis of the committee's action.

We planned to have a package of benefits that provided protection against catastrophic costs and was not simply an expansion of benefits.

Second, given the reality of the deficit, any new benefit must be fully self-financed.

And, third, recognition of the serious problems faced by some elderly citizens who are low income and cannot finance their health care needs.

And the original bill met these goals. But there is no doubt about it. It has been called to our attention that we made a mistake. In some cases we clearly went too far.

At the time of the passage of the bill I noted this Senator's particular concern with both the drug provisions and respite care benefits as being too expensive, and I did not sign the conference report.

But since that time, our fears about the cost of some of the benefits have been realized, and the concerns of some of our elderly citizens with regard to financing mechanisms have been heard.

But, Mr. President, even given those two concerns, the answer is not to reject the program.

The amendment that is before you preserves what this Senator believes to be the critical aspects of the program that have been outlined by the Senator from Minnesota.

First, the truly catastrophic benefits; second, the principle of self-financing; and, third, the low-income elderly are provided a package of benefits they can afford.

Frankly, Mr. President, there is very little debate over the worth of most of the benefits agreed to by this body over a year ago. The real issue has been the financing mechanism.

I, for one, continue to believe that the real problem has been the extraordinary amount of misinformation that has been given to the elderly. The reality is that 60 percent of the elderly will pay no supplemental premium and only 5.2 percent of the 40 percent who pay some amount will pay the full premium. But, Mr. President, explaining this reality is impossible and it has done little to lessen the pressure for repeal, not modification but repeal.

But I believe in this case, and I come from the Midwest where we think we have as much common sense as they have in other parts of the country and we have some commitment to principle, that must outweigh the political situation. In my view, the easiest political thing is to repeal it and wait 60 or 90 days and say what happened to the poor elderly, why has not Congress acted?

So I am in support of the efforts of the Senator from Minnesota. It does preserve a little bit of the supplemental premium, not very much. The cap is not $800. It is $200.

I was in my State fair in Hutchinson, KS, a few weeks ago, and I know the people of my State. One couple in particular came by and I knew they were in a class where they could pay $200, $500, $800, but they did not like it. They wanted to raise the basic premium so everybody would pay, so that those who had the ability to pay could pay less.

I must say, as we look down the road to long-term health care and what we are going to do for senior citizens, and the American people are living longer and longer, thank goodness, if we cannot hang on to a little bit of self-financing I am not certain how we are ever going to put it together, because some of these programs are going to be very costly to finance, particularly long-term care.

I think we have to be realistic and we have to be honest and certainly we have some differences of opinion that are very strong on this floor. I do not question anyone's motives. We all represent senior citizens in our State. Some of us are in that category.

So, I do not think it is in our interest, I am talking about our interest, our State's interest, the interests of the people we represent to reject the concept of self-financing now.

I think the Durenberger proposal reflects good health policy and good fiscal policy. It protects those we should care the most about, and the people we ought to care the most about are the sickest of our elderly, in many cases people who cannot afford it. I say to those who can afford who do not want to pay anything, we cannot do it anymore. We are approaching a $3 trillion budget, $180 billion in interest on the debt. We are worried about your children and your grandchildren, and we finally said we have to have just a little bit to cover some of the costs.

Let me just repeat what the coverage is. It is not unimportant. You take it away and then we will see what happens. Hospital coverage part B out-of-pocket limits, hospice care, home health care, respite care, the so-called Mitchell drugs, catastrophic, drug, mammography, and Medicaid benefits, and there are others.

So I would say to my colleagues on both sides of the aisle, I have been in politics for some time, and I know a good political vote when I see it, but this is not a time in my view that we ought to try to figure out the best political vote. Sure we take a little heat, but I will bet in 5 months, 6 months, 7 months, those same people in many cases who thought repeal was the answer are going to be pounding on our door and saying what did you do it for, why did you not stand up in the U.S. Senate, why did you cave in to those who were writing and those who were putting on the pressure?

If we do, it is not without precedent. But I think it will not be one of the better days in the U.S. Senate.

So I am strongly in support of the measure of the Senator from Minnesota, the Senator from Texas [Mr. BENTSEN], and the Senator from Maine [Mr. MITCHELL], and I thank the Chair.

The PRESIDENT pro tempore. The Senator from Arizona.

Mr. McCAIN. Mr. President, I yield 5 minutes to the Senator from Delaware [Mr. ROTH].

The PRESIDENT pro tempore. The Senator from Delaware [Mr. ROTH] is recognized for 5 minutes.

Mr. ROTH. Mr. President, with all due respect to our colleagues who are putting forth this amendment, it is not the way to go. In all candor, I heard these same individuals urge adoption of the original legislation and we did adopt it on the grounds that it was financially sound.

Frankly, what is happening with this amendment is a perfect example of what is wrong with health care policy in general and catastrophic in particular. I have heard proposal after proposal that was supposed to be the answer and was supposed to be financially sound.

But the fact is, Mr. President, we have only soft data and we do not know what coverage these senior citizens have. It is wrong to rush things through on a piecemeal basis. And that is what has gotten us into this difficulty.

Right now, as we are talking about adding to the health programs through this amendment, tomorrow or the next day on reconciliation we will have the responsibility for cutting

back billions from our health care. The fact is that this country is spending 12 percent of GNP for health care, twice as much as England, and it just is not adequate. So I think the important fact to keep in mind is that we need to step back and look where we are going.

Frankly, one of the problems is that we have only soft figures as to what these various programs cost. Just let me point out how soft these figures are. The original catastrophic insurance program was said to cost $30 billion by the Congressional Budget Office. Now they say it will cost $48 billion, almost a 50-percent increase.

CBO said drugs would cost something like $6 billion over a 5-year period. Now they estimate it will be $12 billion. They said that SNF would cost $400 million the first year, but today they say it will cost $4.2 billion.

I think the problem is that we have adequate information: first, on the cost; and, second, on the duplication of benefits.

As my distinguished colleague from Arizona has said, the seniors are angry. They are angry not only because of the surtax, but they are angry because of the duplication of benefits. They are angry because the Catastrophic Program does not give them the kind of help they want. The key concern is long-term care.

As our distinguished Senator from Arizona pointed out, what we are doing is just cutting back on the surtax, but we are not eliminating it. I could not agree more strongly with him that it is the surtax that has particularly angered the American senior citizen.

So what are we talking about? Well, we are going to cut it back to maybe $200 per person, $400 for a couple. But let me say that is like being a little bit pregnant. They are still going to be angry if we do not eliminate the surtax.

Second, we have no facts about the duplication of benefits. Something like half of the senior citizens who would be covered by catastrophic insurance already have programs providing them with this coverage at little or no cost. This includes the military retirees; it includes Federal retirees; it includes State retirees; it includes retirees in the private sector; and it includes union members.

So until we have accurate information as to what these millions of people have in coverage, should we here today rush and adopt an amendment that was only perfected a few hours ago? In all due respect to the authors, I think it was changed twice within the last 24 or 48 hours. So no one really knows what exactly is in this program. Nobody knows exactly what it is going to cost.

Let me just point out, Mr. President, that this amendment is not going to solve the problem. It is not going to make the seniors happy. It is only going to prolong the agony.

I want to emphasize that the Roth-Danforth amendment, which will come up later, will be the only opportunity to vote for repeal and accomplish repeal by keeping it out of conference. Roth-Danforth repeals the surtax. It repeals the Medicare catastrophic care benefits. But I want to emphasize that the Medicaid provisions such as spousal improverishment will be maintained.

I yield the floor.

Mr. DURENBERGER. Mr. President, I yield 4 minutes of my time to the Senator from New Jersey [Mr. BRADLEY].

The PRESIDENT pro tempore. Mr. BRADLEY is recognized for 4 minutes.

Mr. BRADLEY. Mr. President, no amendment that we are going to consider this afternoon that has a chance of adoption, deals as thoroughly as this amendment does with catastrophic health costs and long-term care. This amendment covers hospital costs and physicians' costs. It also covers home health care, expanding it from 21 to 38 days, and it provides respite care for a lot of families in this country who need a break from the constant care that a chronically ill elderly relative demands.

The other amendments that we are considering today either do not cover physician costs, thereby, opening up a hole for senior citizen to fall in by having physicians' costs bankrupt that senior citizen, or the amendments do not acknowledge or identify or cover long-term care.

This is the only amendment that comprehensively addresses the catastrophic health care problem, which is a hospital problem and a physician problem. It is the only amendment that also addresses, although in a small way, long-term care by increasing home health care and by putting into effect a respite care program.

Mr. President, we are able to do this while at the same time we are reducing the surtax from $800 to $200; and at the same time we are reducing the tax rate from ultimately 28 percent to 10 percent.

Mr. President, you will not find on the floor today a better deal to cover catastrophic health care costs or long-term costs than the amendment offered by the distinguished Senator from Minnesota.

Mr. President, as I have heard people debate this issue and encountered people in town meetings, everybody comes up and says "Repeal this program. Repeal this program."

It reminds me a little bit of a few years ago when we enacted withholding on interest and dividends. And we were inundated by hundreds and thousands of letters, and we repealed interest and dividend withholding. There is only one difference this time, Mr. President; that is, if we repeal this bill, people will die and/or go bankrupt. This is not some small decision we are making today when we vote for repeal.

The fact of the matter is there are a million people in this country with out-of-pocket costs every year of more than $2,000. So if you vote for repeal, what are you telling that senior citizen who is very sick and who needs treatment? The senior citizen says, "Do not give me the treatment because I can't afford it," and he dies, or he says, "Give me the treatment," and he goes bankrupt. That is the choice that the Senate will provide for many people in this country who are eligible for this program if it is repealed.

Mr. President, frankly, I preferred a more modest reduction in the existing program. About 5.6 percent of the people, that is all, were paying the top $800. It would not be too much for us to cut it a little bit. But the demand of the body required that we reduce it even more.

Senator DOLE talked about what happens if we do repeal the program, and senior citizens find out about it. And next year they will say, "Why did you do this?" If we manage to salvage this program, next April, when they pay their taxes, and they find it is only $100 that is owed, they will thank us for saving this program, and this amendment now before us is the best way to save it.

Mr. President, it was just last year that the vast majority of the Members of Congress were congratulating themselves for fixing one of the three big problem areas in our health care system. We all know that the three big gaps are catastrophic health care costs for the elderly, long-term care for the elderly, and the lack of protection for the 37 million Americans who do not have any health insurance.

The Catastrophic Act really did make great strides in two of these areas. Because of the legislation, the elderly no longer have to worry about acute care catastrophic costs. The bill also made some modest steps in providing long-term care coverage for the elderly with chronic conditions.

There are many in the Congress who question the importance of the benefits that we enacted in the catastrophic bill. Many here believe that we should repeal the entire program. I believe that such an action would be devastating to the millions of older Americans who will benefit greatly by this legislation.

I urge my colleagues to show restraint in efforts to undermine the very important benefits that we enacted last year. We have all been the targets of intense pressure to undermine catastrophic. These efforts have been based in part on misguided information about catastrophic and inaccu-

rate perceptions of what Medicare provided prior to enactment of the program.

Under previous law, Medicare came nowhere close to covering all the elderly's acute care costs. After 59 days of paid hospital care, Medicare patients had to make increasingly costly hospital payments—rising from $130 per day for days 61 through 90, to $260 per day for days 91 through 150, to the full cost of care for each day beyond 150 days in the hospital. On top of this, there is a 20-percent copayment for all physician services covered by Medicare. For the elderly who have severe medical problems, the financial costs can be devastating.

And the problems financing long-term care are even larger than financing lengthy acute care illnesses. Medicaid only pays for nursing homes after the assets of the elderly person are depleted. And we have almost no home and community care system for the elderly.

We have all heard from our constituents about their concerns with the supplemental premium. I share some of these concerns. I agree that steps must be made to address the concerns of our constituents. But gutting the important benefits in this legislation is not in the best interests of the vast majority of older Americans.

Mr. President, the amendment now before us tries to continue as many of the important benefits as is fiscally practicable, given the realities facing us; and the remaining programs are financed in about as fair a way as possible.

I would be remiss, Mr. President, if I did not point out that the proposal would retain two of the catastrophic care bill's long-term care benefits: home care and respite care. I am particularly pleased that these provisions have been included, because I worked long and hard last year to get these benefits for the elderly.

Before catastrophic, Medicare guidelines allowed most patients to receive home care on a daily basis for only 2 to 3 weeks. Now they can receive it for up to 5½ weeks. It is estimated that about 200,000 elderly each year will receive additional home care through this expansion.

Most people don't even know what respite care is, but I'd like to take a moment to explain it to the Members of this body. Respite care is the provision of a modest amount of relief to family caregivers who are spending their lives caring for their chronically ill family members.

Picture this scene. An 80-year-old man who has serious limitations in his activities—whether it be inability to walk or even toilet himself. His wife is the only reason why this person has not already entered a nursing home. The catastrophic respite care benefit provides this family with support of 80 hours a year to help the caregiver in the home if the family also has high health care costs.

This is a very important program. Except for people in nursing homes, we are talking about some of the sickest older Americans—and those with high health care costs.

In summary, Mr. President, the amendment before us tries to keep as much as possible of the benefits of the program intact. It pays for the program through a lower basic premium and a very modest supplemental premium. And it continues the valuable home health expansions included in the catastrophic bill. I urge adoption of the amendment, for the sake of the Nation's senior citizens.

The PRESIDENT pro tempore. The Senator's 4 minutes have expired.

Mr. McCAIN. Mr. President, I yield.

The PRESIDENT pro tempore. Mr. HATCH is recognized for 2 minutes.

Mr. HATCH. Mr. President, Senator DURENBERGER's proposal retains the supplemental premium in order to provide limited additional benefits. I oppose retaining the supplemental premium for many reasons.

The supplemental premium is counter productive. It says to seniors all around the country that if you save money for your future, we, in Congress, are going to tax that savings and force you to pay more for some benefits than others. If a senior was prudent, this proposal would penalize them for saving and investing for their retirement. And, few will actually receive any benefits under this plan. That needs to be said.

The supplemental premium is not fair. An employee earning $30,000 does not purchase the same specific health insurance benefit at a different price than an employee working for the same employer earning $50,000. Well, if we retain the surtax that is what we are doing. That is, requiring some seniors to pay more for the same benefits than other seniors. We need to vote against any supplemental premiums. And that is the defect of the Durenberger approach.

And, do not forget, the seniors are mandated to buy it. They do not have a choice. We are not allowing them to shop for other types of benefits at lower prices, rather we are forcing the payment for this new program.

Since 1965, we have promised all seniors, regardless of income, that they would have a medical insurance program to help pay for their medical expenses after age 65.

But, if we are going to start means-testing Medicare, let us give seniors and pre-seniors some notice. Let us do it with an open debate. Let us do it fairly, if we do it at all.

I oppose the supplemental premium. I hope Senators will vote against this amendment.

The PRESIDENT pro tempore. The Senator from Minnesota.

Mr. DURENBERGER. Mr. President, I yield myself 30 seconds in response.

The fact is that the statement made by the Senator from Utah that everybody is going to get saddled with a surtax is not necessarily true. There is a supplemental premium or surtax in this bill. There is also an optional feature. They do not have to take it. The optional feature is not in the current law. It is in this amendment to change the law. If you do not like the surtax, do not like the catastrophic, do not take part B and you are fine.

Mr. President, I will be glad to yield 2 minutes to our colleague.

Mr. HATCH. Will the Senator yield?

Mr. DURENBERGER. I will not. I yield to the minority whip.

The PRESIDENT pro tempore. How much time does the Senator yield?

Mr. DURENBERGER. I yield 2 minutes, Mr. President.

The PRESIDENT pro tempore. Two minutes.

Mr. SIMPSON. Mr. President, I commend Senator DURENBERGER for his diligent work on the catastrophic coverage issue, and for the proposal he now puts forward. The Senator from Minnesota is not only a thoughtful student of this issue, he is a thoughtful teacher as well.

We are considering two things here today: First, whether to support or repeal or modify catastrophic; and second, what to do about the financing in the event that we keep some version of the program. That is, what to do about the offending supplemental premium.

I think it is pretty clear that we will modify catastrophic today. I hope, as we do this, we do it with an eye toward the future—because what works and what is politically expedient today may prove hideously catastrophic for subsequent generations of elderly.

Mr. President, let me state as clearly as I know how that outright repeal of this legislation would be the most unconscionable decision this body could make. The Medicare Catastrophic Coverage Act includes certain benefits that senior citizens simply cannot access anywhere else—and they are valuable benefits. There are people already in hospitals who are depending on those benefits. If we think we have problems now, Mr. President, when we get to repeal as the answer, let me tell my colleagues, "we ain't seen nothing yet,"—to paraphrase a former President of the United States.

Certainly the catastrophic bill has flaws—there are benefits that are in the legislation we passed last year which are duplicative. That's something we overlooked. We should correct it. Certainly it is not right to require retirees who have adequate em-

ployer-based coverage to pay a mandatory surtax for benefits they already have. Remember, Mr. President, that the Senate passed a voluntary catastrophic bill. We should restore the voluntary nature of this program, and I have supported MALCOLM WALLOP, my colleague from Wyoming, in his efforts to do that.

But when older Americans discover the benefits lost under repeal—and they most certainly will be well-informed on that score in no time—and when they discover that the whole United States has been swung around by its tail by 5 percent of their most fortunate cogenarions who don't want to pay for these benefits, my guess is we'll see a firestorm that outshines this one by many megawatts.

Mr. President, we're not hearing from the seniors who find these benefits valuable and who are quite willing—thank you—to pay for them with a small amount of money. I hope we will hear from them.

If there seems to be confusion at the White House about this issue, or in the Senate or in the U.S. House or in the committees—or anywhere else—well, is that surprising? Why should the White House not be confused at the reaction to catastrophic? To a program ushered through Congress in good faith, with the express purpose of protecting the financial independence of senior citizens from the threat of ruinous health care expenses?

We are not confused, Mr. President. We are terrorized. We are terrorized by a small group of people in the United States who want to sit it out while we go through some of the toughest, most wrenching social decisions this country has ever faced. They are going to sit it out while we deal—somehow—with the projected drawdown of the social security trust funds, and with the escalating costs of health care which right now consume 12 percent of our gross national product.

Mr. President, there will be consequences to repeal just as there were consequences of enactment. Seniors will look for those benefits one day, and they will look at us as the ones who took them away. If we repeal catastrophic, we will do grave harm. For instance, what will become of those seniors who, upon learning of the new Medicare catastrophic benefits, dropped their Medicare supplement policies as Congress intended they should? Remember when we passed catastrophic, we justified the cost to seniors by telling them they could safely drop their expensive private Medigap policies. Many have. Not the majority, but many have. What about those who did who are now uninsurable? Medicare catastrophic would be pulled out from under them while their private insurance companies won't take them back. If we repeal catastrophic, what becomes of these people?

In the frenzy over the surtax premium, Mr. President, we have lost sight of the fact that the catastrophic act was designed to help people. Over 11 million people—many of them our poorest seniors—will need and use the benefits offered under this program. There are long-term care benefits in there that will make or break families and lives. There are acute care protections that will make the difference between perpetual welfare dependency and financial security. If we repeal this program, we will be turning our backs. And I believe that is the cruel and wrong thing to do.

People are objecting that the catastrophic law seems to violate the principles of social welfare benefit financing. That may have some truth to it. I also happen to believe that that is the path this fine old country must begin to travel down if she is to survive.

Le me just also make the observation for the benefit of my colleagues that the present catastrophic financing arrangement is not the wholesale violation of social insurance principles as some might suggest. Seniors are still getting a tremendous subsidy under the Medicare law. If you take into account Medicare parts A and B and catastrophic, seniors who have contributed the average HI payroll taxes and who pay the average supplemental premium are receiving a Medicare subsidy of $2,300 per year. The subsidy for those who contribute and pay the maximum amounts is less certainly, but not insignificant. Given the demographic time-bomb, we will have to do much more income-relating of social welfare programs or our children will be paying nearly 35 percent of payroll to support those 65 and over.

For some curious reason, no one here is talking about the future. I cannot remember a time in recent history when we have failed to do that. What, exactly, are we going to leave behind with our social welfare policies? When we have the Social Security trust funds in dramatic drawdown, and the health insurance trust funds exhausted, what will become of the standard of living we profess to want our children to be able to enjoy? Let's sober up.

I support Senator DURENBERGER's proposal because it preserves the catastrophic benefits that are most critical to the financial security of senior citizens. I also applaud his decision to retain the financing principles of the original law. This is an important precedent. As the population of elderly people grows, the volume of health care benefits they consume will increase dramatically. So will the social cost of those benefits. Some are advocating broad-based financing. But today's low birth rates mean that the future tax base will remain relatively constant, so that taxes would have to rise dramatically to keep pace with the cost of benefits. In contrast, requiring that portion of population which will use the benefits to pay part of the costs will assure that the financing base grows steadily along with the demand for services. It is the only way to make this program work over the long term. I don't say this out of any lack of generosity toward seniors, Mr. President, and I am not "grey bashing." To the contrary. We made a commitment to the elderly when we enacted the Catastrophic Coverage Act that they would never again have to decide between bankruptcy and a protracted illness. I believe that if we are earnest in that commitment, we must structure the program so that it is sustainable over the long term. These are the demographic imperatives and economic realities which do and must govern our policies from here on out. We indeed owe that to those who follow us.

Senator DURENBERGER's approach retains the supplemental premium, but reduces it to a level that few could honestly complain about. And it reduces the flat premium so that the program will be less of a burden on the lower-income elderly. All this it does while preserving the important hospitalization, physician, and what I'll call "para-long-term care" benefits: home health, respite, and hospice care.

Mr. President, I have never seen anything like this issue. Are we looking at a new social experiment? Yes, it is a new social experiment: It is called paying for what you get especially if you have the wherewithall to do it. If we are going to bow to the pressure of these more fortunate seniors as they raise hob from coast to coast, what will then be the fiscal future for their children and their grandchildren? Who will pay the bill? The debt limit we will vote on this month is $3.1 trillion—quite a bill isn't it? Ready to mortgage our heirs to the hilt? Will they stand still for it? Ask them that question.

The PRESIDENT pro tempore. The Senator from Arizona.

Mr. McCAIN. I yield 5 minutes to the Senator from New Mexico.

The PRESIDENT pro tempore. The Senator from New Mexico.

Mr. DOMENICI. First let me say to my friend from Minnesota, he said there is an option in his proposal to not take the coverage. Everyone should know it is not an option to not take only the doctors coverage which is the only add-on here over the McCain bill. It is an option to opt out of all of Medicare part B. Everyone ought to know that. That option has been around. Seniors have rejected that regularly.

Mr. President, let me suggest for this Senator it is very difficult to argue against Senator BOB DOLE and others who are here. I happen to feel in this case they are wrong.

First, we should not be misled. This is not an argument between repeal and the Durenberger amendment. There is pending a McCain amendment. It, too, is totally self-financing. The differences are simple but profound.

To explain the first difference I call to my colleagues' attention senior citizens in the United States under the Durenberger amendment are going to have to fill out, as part of their tax return, a supplemental Medicare premium Internal Revenue form.

Normally you fill out supplemental forms because you want a tax rebate or a tax refund. But in this case, seniors will have to fill this out so they can tax you. And if you are a Government pensioner you will fill out this form plus another one. For the privilege of paying more taxes, you will fill out a Government pension adjustment to supplement the basic form. That will indicate how much you owe the Government.

I am not trying to make a political issue. But frankly, we should understand that we are taking a giant step. What is the giant step? To enter into that new arena of surtaxes on senior citizens for a little tiny piece of health care.

Many seniors are not so dumb. They are wondering, what is next? You tell them this is a $200 maximum. But they are saying, what is next?

I submit to my colleagues we ought to be on the floor reforming health care. We ought to be on the floor eliminating tort liability against the medical practitioners of this country, across the land, and beginning to cut health care costs. We are doing none of that.

Why are we doing this? From one surtax to another? Because we want to include all of the wonderful things that the Durenberger amendment covers. But I remind every Senator, they are all covered in the McCain amendment except one thing: Doctors' bills; so-called catastrophic doctors' bills after many dollars have already been spent by seniors.

The marvelous protections that the Senator from New Jersey said we should cover are covered in the McCain bill. We have many options, not just repeal. Repeal is an option which we will vote on later, or McCain, or a number of other proposals. This is not vote for this or we get repeal. We have plenty of options.

This adds catastrophic doctor coverage, for which we will pay a surtax of up to $200. And I might add, in conclusion, I do not really think we ought to kid ourselves. This coverage is nothing great for seniors, in my opinion. It only covers approved Medicare payments.

There may be many seniors shocked to find that this approved Medicare payment will not cover what many doctors charge for their services. Some doctors charge more than Medicare-approved amounts.

So, Mr. President, I am not against a pay-as-you-go plan. I think we are going to have to end up with some kind of major reform. It may include some kind of supplemental premium someday. But it should not be for this little tiny add-on to the heath care program.

When we are ready to reform the entire thing, let us look at something that is truly in the long-term interest of seniors, in the long-term interest of this country.

We are now paying 12 percent of our gross national product for health care, 2 times Japan, almost 1½ times Canada. And here today we are prompting an inflationary spiral that follows every single time the U.S. Government enters into a new health care program to help people.

Seniors understand. The surtax is a foot in the door.

If it were for something beyond one added item it seems to me it would be deserving of consideration. I do not believe it is.

I yield the floor.

The PRESIDENT pro tempore. The Senator from Minnesota.

Mr. DURENBERGER. Mr. President, I yield 2 minutes to the Senator from West Virginia.

The PRESIDENT pro tempore. The Senator from West Virginia is recognized for 2 minutes.

Mr. ROCKEFELLER. I thank the Senator from Minnesota.

The Senator from New Mexico says the difference between the Durenberger amendment, which I support, and the McCain amendment, is just one little thing. That is called part B.

Well, part B is where the majority of expenses, medical expenses for senior citizens, are. That is where they are. That is an $8 billion item we are talking about and that is why there is a small supplemental premium of $200. Because that is what seniors need, those doctor services. And that is what the Durenberger amendment gives them.

An elderly person, let us say, has a severe, chronic problem like cancer. Surgery is required, chemotherapy, extensive follow-up visits, rehabilitation. Then the bills start coming in from physicians, from radiologists, anesthesiologists, and all the rest. And, under the Durenberger amendment, they will get paid. Under some of the others, they will not get paid.

And that is the point: Part B is the difference. This is good health policy. This is sound financial policy, and unlike some of the other amendments, including the one that will follow, the Durenberger amendment does provide adequate reserves and a contingency fund which is crucial to a program of this type.

Mr. President, I strongly urge my colleagues on both sides of the aisle to support this Durenberger leadership bipartisan amendment.

The PRESIDENT pro tempore. Who yields time?

Mr. McCAIN. Mr. President, I yield 1 minute to the Senator from Utah, followed by 5 minutes to the Senator from Iowa.

Mr. HATCH. Mr. President, the Senator from Minnesota indicated the seniors can opt out under his program. I think it is duping our seniors to have them believe they can opt out of it, or that this will make the catastrophic program voluntary. It will be voluntary if you close your eyes and ignore the stick over your head. They say seniors may opt out of catastrophic, but if they do, they lose their part B coverage.

Let us face it: In reality, this claim is simply a false political promise to our Nation's senior citizens. Part B benefits are partly subsidized at 75 percent of cost. Part B benefits provide seniors with services they need, like physician visits and outpatient services.

The so-called voluntary approach like this one is misleading. I am just not willing to mislead the seniors with regard to this.

The PRESIDENT pro tempore. The Senator from Iowa [Mr. GRASSLEY] is recognized for not to exceed 5 minutes.

Mr. GRASSLEY. Mr. President, I, too, rise in opposition to the proposal of my colleague from Minnesota. In the first place, it does not repeal the supplemental premium, and if there is any one thing that ought to have come through loud and clear from the grassroots over the last several months, it is that that is the major fault point that the people writing to us against this proposal have made to us. Loudly and clearly it has come home that they do not wish to pay a supplemental premium linked to their basic tax.

As I noted in June on this floor, this is not simply a question of a financial burden of such a surtax, although that is most certainly an important part of it. It is also a question of the size of the supplemental premium relative to those benefits for which it is paying, and the people out there writing to us are not ignorant about whether they are getting a good buy or not.

Finally, it is a question of subsidization of other Medicare beneficiaries that occurs in any financing method which entails a premium graduated by income.

In the second place, the proposal before us retains an expensive benefit which older Medicare beneficiaries have told us that they do not want. The Wirthlin Poll and the Cooper and Secrest Poll have already been quoted here on this floor. I am not going to repeat that.

But, again, the people who have been writing to us know what they want to buy. With the proposal before us we would force them to buy something that they do not want and is low on their priority list of things they want to buy when it comes to health care—namely, a physician benefit.

Furthermore, the proposal under consideration makes it even more difficult to get that physician benefit from the original program by raising the cap a beneficiary must meet before he or she becomes eligible for the benefit. It raises it from $1,370 to $1,780.

If the physician benefit would work as did the physician benefit under the currently enacted program, it is my understanding that a beneficiary would experience fairly substantial outlays before becoming eligible for the benefit. That, again, is something that the people perceive very clearly and that they do not like about it.

I refer not simply to the fact that the deductible has been raised to $1,780, but also to the fact that many of the expenses incurred by the beneficiaries will not count toward that cap. The Senator from New Mexico only pointed out one of those.

As I understand it, the part B deductible of $75 would count as would the 20-percent coinsurance for all Medicare approved part B changes. As I understand it further, the following expenses do not count: the hospital deductible—that is around $560 in 1989—the basic part B premium of $31.90; any physician charges not approved by Medicare; the basic flat new premium of $4 per month; and any supplemental premium amounts incurred by taxpaying beneficiaries.

The point, finally, Mr. President, is that Medicare beneficiaries could incur a fairly heavy burden of health care costs before even coming close to the new higher deductible of $1,780. We have had an opportunity to sell this program because every one of us out there at the grassroots level over the last several months have been asked about this.

We have had an opportunity to explain it, and we have not been able to convince people that the program, and this benefit now under consideration, are worth it.

The PRESIDENT pro tempore. Who yields time? Time runs equally against both sides.

Mr. McCAIN. Mr. President, I yield 3 minutes to the Senator from Texas [Mr. GRAMM].

The PRESIDENT pro tempore. The Senator from Texas [Mr. GRAMM] is recognized for 3 minutes.

Mr. GRAMM. Mr. President, the people who are arguing for this amendment are singing the old siren song that we have heard in this country for 50 years. They say this is sound health policy, this is sound fiscal policy, and what is wrong with all these people who do not like it? What is wrong with them? They say the seniors are not as smart as we are in Congress. They are confused; we are giving them something and they ought to love us as they have always loved us for giving them something.

The plain truth is we are not giving them something. We have forced them into a program that does not make sense, that lowers the living standards of the very people we claim to be helping.

The issue on this amendment is very simple, and I do not believe the American people are going to be deceived. The issue on this amendment is: Are you for the surtax or are you against the surtax? If you are for the surtax, then you will vote for this amendment. If you are against the surtax, you will vote against this amendment.

So, Mr. President, basically, the song we are hearing says you brought this fellow in, he has a cancer, and they say, look, let us compromise. Let us take half of it out and let us leave half of it in.

The U.S. Senate made a terrible mistake. We passed a law that clearly does not work. The problem is not selling it in 60 seconds. We have had a year to sell it, and we have seen newsletter after newsletter, political speech after political speech, promise after promise, and the plain truth is the American people understand that this program stinks. They understand that is it a bad buy and they do not want it. They want to be out from under it.

I urge my colleagues, let us not let the same old status quo arguments that collectivism is always wonderful, and if the people do not love it, it is because they are stupid.

Let us defeat this amendment and either adopt a legitimate reform, which is the McCain amendment, or repeal the bill outright. But a vote for this amendment is a vote for the status quo. It is a vote for the surtax. It is a vote to keep in place a bill that the American people understand, and because they do understand it, they want to be rid of it.

I yield back the remainder of my time.

Mr. HEINZ addressed the Chair.

The PRESIDENT pro tempore. Who yields time?

Mr. McCAIN. Mr. President, could I inquire as to how much time remains on both sides?

The PRESIDENT pro tempore. The Senator from Arizona has 3 minutes 21 seconds. The Senator from West Virginia has 4 minutes.

Mr. HEINZ addressed the Chair.

The PRESIDENT pro tempore. Who yields time?

Mr. HEINZ. Mr. President, I ask for 2 minutes from the Senator from Arizona.

Mr. McCAIN. Mr. President, I believe it is customary for the side with the most time remaining to proceed. I ask that we proceed in that fashion.

The PRESIDENT pro tempore. Who yields time? There is still some time remaining on the bill.

Mr. DURENBERGER addressed the Chair.

Mr. BRADLEY. Mr. President, I ask unanimous consent that the distinguished Senator from Pennsylvania be yielded 2 minutes to speak on the bill.

Mr. McCAIN. I object.

The PRESIDENT pro tempore. Time is running against both sides.

Mr. DURENBERGER addressed the Chair.

The PRESIDENT pro tempore. The Senator from Minnesota.

Mr. DURENBERGER. Mr. President, I ask my colleague from West Virginia, who I understand controls the time in opposition to the bill, to yield me an additional 5 minutes on this amendment.

Mr. ROCKEFELLER. The Senator from West Virginia will be glad to do so.

The PRESIDENT pro tempore. The Senator from Minnesota is recognized for 5 minutes on the bill.

Mr. DURENBERGER. Mr. President, I yield 2 minutes to the Senator from Massachusetts.

The PRESIDENT pro tempore. The Senator from Massachusetts is recognized for 2 minutes.

Mr. KENNEDY. Mr. President, I support this amendment. I find it difficult to accept the logic of my friend from Texas. He does not recognize the importance of having a form of social insurance as the undergirding of this whole process of looking after the health care needs of our elderly people. My only reservation about supporting this program is that it really does not meet the challenges in the area of outpatient prescription drugs.

In listening to this debate, Mr. President, to those who say that what we really need is a comprehensive review, I have been interested in that for a number of years. We should not hold our senior citizens who are in real danger of absolute bankruptcy from hospital care or from doctors' care hostage until we in this Senate are going to come to grips with that particular issue, No. 1.

Second, we should not make the best the enemy of the better. This amendment now before us will make for a better system and will provide some real difference in the quality of life for

the seniors of this country and deserves the support of this body.

Mr. McCAIN addressed the Chair.

The PRESIDENT pro tempore. The Senator from Minnesota still has time remaining under his 5 minutes.

Mr. DURENBERGER. Mr. President, I am going to reserve the remainder of my time at this point.

Mr. McCAIN. Mr. President, I yield 2 minutes to the Senator from Pennsylvania.

The PRESIDENT pro tempore. The Senator from Pennsylvania is recognized for 2 minutes.

Mr. HEINZ. Mr. President, I suppose everybody has their reasons for wanting to vote for or against, as I think most do, the Durenberger amendment, and maybe many people are inclined to vote for it because the Senator from Minnesota retains a small portion of the supplemental premium. I might say, in all candor, that had the benefit that was being retained been a drug benefit instead of the part B benefit, I would probably be supporting the Senator from Minnesota even if his amendment retained the supplemental, or a small piece of the supplemental premium.

Let me tell you why I think the drug benefit is a better deal for Medicare beneficiaries than the part B cap. First, it is a better deal because it will help a much larger percentage of Medicare beneficiaries with catastrophic health care costs. Under the current law, some 27 percent of persons would benefit from coverage of prescription drugs costs compared with the 7 percent who would be protected from costly physician services. Under the Durenberger amendment, only 5 percent benefit from the part B cap. The second, and perhaps most important, reason why the prescription drug program is a better deal, is because all Medicare beneficiaries stand to benefit from the drug utilization review screen that prevents such problems as harmful if not life-threatening drug interactions. This screen, in essence, is a drug safety program that will help every beneficiary, regardless of whether they exceed the deductible limit.

Let me hasten to add, Mr. President, that there is one class of people who stand to lose the most if the part B cap is eliminated. These are ESRD patients, end stage renal disease patients, of which percent have part B costs exceeding the current catastrophic cap. This is not an argument against helping these patients, who I believe we should help directly and in a better say. I think we could help them better if we tailored a benefit specifically for them.

Mr. BUMPERS. Mr. President, I wonder if the Senator from Minnesota will yield a couple of minutes.

Mr. DURENBERGER. I would love to, but I cannot at this stage.

Mr. DURENBERGER addressed the Chair.

The PRESIDENT pro tempore. The Senator from Minnesota.

Mr. DURENBERGER. I should like to yield 1 minute to the Senator from North Dakota [Mr. CONRAD].

The PRESIDENT pro tempore. The Senator from North Dakota is recognized for 1 minute.

Mr. CONRAD. I thank the Senator from Minnesota. I have been one who has very carefully followed this debate and been very torn between the McCain approach and the Durenberger approach. The bottom line is, as the Senator from Texas enunciated, what do the people want. We have just completed a survey of my constituents. Nearly 5,000 responded. They want the supplemental premium dramatically reduced. Durenberger does that.

The No. 1 concern on the benefit side in my State was capping the out-of-pocket physician expenses—No. 1 concern. The only proposal left before us that does that is the Durenberger approach. So I urge my colleagues to respond to the will of the people on this question and to support the Durenberger approach.

Mr. President, I yield back the time.

Mr. DURENBERGER addressed the Chair.

The PRESIDENT pro tempore. The Senator from Minnesota.

Mr. DURENBERGER. I yield 1 minute to the Senator from South Dakota [Mr. DASCHLE].

The PRESIDENT pro tempore. The Senator from South Dakota [Mr. DASCHLE] is recognized for 1 minute.

Mr. DASCHLE. I rise as well to support the Durenberger amendment. There is the question of the supplemental premium as well as whether or not we include coverage of doctor bills.

There have been a number of comments made about the limited value of the doctor coverage, but every Senator, before they vote, ought to understand that up to 30 percent of the elderly or 10 million seniors in this country have no Medigap coverage at all, and there are 300,000 senior citizens who have out-of-pocket expenses that exceed $2,000. They are the people about whom we are talking. They are the ones who are going to benefit by having that benefit included in the catastrophic program.

The second issue is one of surtax. Do we include it or do we not? This is the only opportunity we have to make the payment a progressive one. No one should be misled. The fact is, if we do not have a supplemental premium, some kind of surtax, we have a regressive system that will pay for the program. A flat fee is a regressive fee.

The PRESIDENT pro tempore. The time of the Senator has expired.

Mr. DURENBERGER addressed the Chair.

The PRESIDENT pro tempore. The Senator from Minnesota.

Mr. DURENBERGER. Mr. President, I direct a question to my colleague from West Virginia. I had an inquiry from the Senator from Arkansas who would like to speak to this bill. I only have several minutes remaining myself.

Mr. ROCKEFELLER. Mr. President, I would be delighted to yield 5 minutes off of my time on the bill as a whole to the Senator from Arkansas.

The PRESIDENT pro tempore. The Senator from Arkansas [Mr. BUMPERS], is recognized for 5 minutes.

Mr. BUMPERS. Mr. President, I will not take 5 minutes. I want to start by asking the Senator from Minnesota what the budget impact of this proposal is.

Mr. DURENBERGER. In fiscal year 1990, I believe the budget impact is substantially less than the budget impact of any of the other alternatives here, $1.5 billion, which will have to be picked up out of the part A trust fund. That is a smaller amount than any of the other alternatives are going to have. After that, all of the benefits in my amendment are financed out of the financing mechanisms.

Mr. BUMPERS. I thank the Senator.

Mr. President, I am going to vote for this proposal. It certainly is not perfect, but the fact that we have 10 or 12 proposals before us shows that there is a lack of consensus in this body on how to address this problem.

I also know that the problems we are trying to address is acute. Betty and I try to take care of a 92-year-old woman in a nursing home in Arkansas, and I know something about the medical bills senior citizens face. I know what the drug bills are. Happily, she had saved all of her life and has enough to take care of most of her needs for a long while. But I am absolutely staggered every month as those medical bills—I am talking about the prescription drug bills—come in for this 92-year-old woman. I promise you she could not care less about this debate. She does not know about it. She would not understand it. There are a lot of people just like her.

The point I want to make is that turning our backs totally on senior citizens and saying that we are not going to address one of the most pressing needs in the Nation would be the height of irresponsibility.

I have voted against all the proposals so far. I thought some of them had pretty good features, but on balance I could not support them. I do not want to go home and tell my seniors the Senate did nothing about catastrophic coverage. When I was home in August, that is all I heard. I had one inquiry on the flag, and 8,000 on catastrophic illness. So I understand the volatility

of this issue. I understand the politics of it. Believe me, I understand the politics of it.

There are 360,000 people in my State over 65 years of age. But, I can tell you one thing. I do not have the slightest hesitancy in going home and talking sense to them about this issue.

I will not have the slightest hesitancy in telling them why I voted for this proposal. It is a modest one. It does not cost very much. But it provides fairly significant benefits in areas where benefits are needed so badly.

So I will plead with all who think you are going to vote for a repeal, cleanse your skirts, and go home and say to senior citizens, "I honored your request, I voted to repeal that whole disaster." When you tell them that, you should add, "I voted against any middle ground, I voted against any quarter ground, and I voted against anything that would provide some relief for you for your staggering medical bills.

Some seniors have Medigap. Some of my Federal retirees say they already have adequate coverage. Other people say they are covered. I am pleased they are. Most of them feel fortunate they are covered. But there are millions who have no catastrophic coverage. It is for them I am casting this vote. I thank the Senator for yielding.

Mr. DURENBERGER addressed the Chair.

The PRESIDENT pro tempore. The Senator from Minnesota.

Mr. DURENBERGER. Mr. President, I want to begin the conclusion of this by saying to everyone, whether it is the leadership, the followship or confused, this is a very difficult issue. It is a very difficult day for all of us. I am not going to try to correct impressions that have been left here by anyone. I do think it is important on the issue of opt out on the coalition of the Senator from Arizona and so forth. Most of these people have a real legitimate concern. They need to opt out of this because they have duplicate coverage.

So in the debate about whether or not catastrophic is elective, let us not lose sight of the fact that there are a lot of people out there who should not be part of this program, who ought to have the option to get out of it and either bill, the Senator from Arizona or mine, does that for those people.

For those who say we ought to be doing reform on the floor, we ought to be reforming this, that, I can only say I have been doing it ever since I came here.

Whenever the going gets tough, somebody stands up and says, I am for reform but do not do it that way. It is not easy to be in this position. The Senator from New Mexico has experienced that on the side of reforming the budget process system. Everybody around here is an expert on the budget. He tries to stand up, say this is the only way to do it, this is the best way to do it, I am thoughtful about it, and the rest of it, if it does not hit in our State, stand around and say we do not particularly like it. It is difficult to do.

The other day I sent somebody out to find out how many votes there were against repeal. They came back and said we have good news, and bad news. The good news is there were 63 votes against repeal. I say terrific. They said the bad news is they are all in the House.

The reality is, Mr. President, that the remaining choices other than perhaps the Riegle choice are repeal choices. You will have to go back home with either the Roth repeal, repeal the work of the McCain amendment, and say you repeal 8.3 billion dollars' worth of doctor and medical bills, for the 5.5 percent of the elderly who are in most need in this country, and you denied the other 9.5 percent the opportunity to get out of some Medigap Program that is taking advantage of them.

That is the heart of the issue. Yes, the surtax is part of this problem. But the other part that you are going to understand if you do not adopt this amendment, when you get back to New Mexico, back to Arizona, or any of those places Minnesotans go to, is this is the real catastrophe, the doctor bill and the medical bill.

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

The PRESIDENT pro tempore. The Senator from Minnesota has 2 minutes and 29 seconds remaining.

Mr. DURENBERGER. If someone dropped in on this debate, they would somehow believe it was a question of repeal of the Durenberger amendment. That is clearly not the case.

We will be able to vote on about two more amendments on repeal. This is whether we want to keep the surtax or not. I do not believe there is anyone in this room that believes seniors of America want to keep a surtax. I know they do not. We all know they do not. Let us vote against it. I appreciate the valiant efforts of my friend from Minnesota, and others who have brought forth I think a good effort but it is not good enough.

I yield the remainder of my time.

The PRESIDENT pro tempore. The Senator from Minnesota.

Mr. DURENBERGER. Mr. President, I ask unanimous consent that a series of editorials in support of saving catastrophic be printed in the RECORD.

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

[From the Los Angeles Times, May 22, 1989]

CLARIFYING A CONTROVERSY

Criticism of the expansion of Medicare benefits that went into effect Jan. 1 rages on. Thousands of senior Americans are besieging both the House and Senate with appeals to amend or set aside the so-called catastrophic coverage and other benefits now being phased into Medicare. But we have reviewed the changes again, and we think it would be a serious mistake to abandon the program.

Most of the controversy focuses on the fact that catastrophic coverage is financed by premiums and tax surcharges paid by the beneficiaries themselves. Because the surcharge will apply to only 40% of the higher-income Medicare recipients, the burden on middle- and upper-income retired persons will increase, but even they will continue to receive in benefits far more than they contribute in taxes and premiums.

A study by the Congressional Budget Office demonstrates that the average Medicare beneficiary, enrolling at this time, actually contributes, in payroll taxes, premiums and supplementary tax surcharges, only 25% of the benefits received.

It is true that the new expansion of Medicare, with its expanded acute-care hospital and prescription drug benefits, has shifted the levels of subsidies. The subsidies for low- and average-wage earners will increase slightly. For higher-income persons, however, the lifetime benefits in excess of taxes and premiums are in effect reduced by $11,400 for men and $15,900 for women, according to the Congressional Budget Office research.

"Nevertheless, for high-income retirees, the value of Medicare exceeds taxes by $1,650 a year and represents a subsidy of approximately 38% of benefits," according to the study. No program of similar quality and benefits is available to any other segment of the population. Medicare, with an overhead of about 2%, contrasts in particular with private Medi-Gap insurance policies that may pay back only 60% of premiums. Still, the surcharge will cost as much as 2% of gross income for a few this year, and close to 3% of income for a few by the year 1993.

These discrepancies reflect the unique funding of the Medicare catastrophic coverage extension. There are two sources of this funding. Everyone, rich and poor, pays a flat $4 monthly premium. Those with federal income tax obligations of $150 or more pay a surcharge. The surcharge is in addition to the basic Medicare premiums. This year, the surcharge will amount to about $78 for a person with gross income of $15,000, $307 at $25,000, up to a maximum of $800 for those with incomes of $40,000 or more.

There are some groups of Medicare beneficiaries with special problems created by the extension of coverage. One of these groups, constituting an estimated 10% of the total, already was receiving similar benefits at no cost under retirement arrangements with their employers. The law requires those employers to maintain equivalent support only for one additional year. Some government retirees feel the offset included in the law is not adequate to protect them from the disproportionate tax surcharges they face. Some fine-tuning of those rules may be appropriate in the future.

There also is controversy over the extent of the surplus that may develop in the new fund in its initial years, and the adequacy of the funding proposed for the prescription drug benefit to be phased in over future years. We agree with President Bush that the government should follow the most cautious route. Any adjustment of the tax sur-

charge should be postponed until there is a clearer picture of the surplus question. The schedule for the implementing drug benefits should be maintained.

There is, admittedly, a glaring defect in this legislation. It is not well-named. It is not, in fact, catastrophic protection, because the real catastrophe in health care for older Americans is the absence of protection against the high cost of long-term care in a nursing home. Medicare, even with some improvements in this legislation, provides only limited long-term care. In the absence of affordable private insurance for long-term care, the only effective safety net is provided by Medicaid, called Medi-Cal in California, which is provided only for low-income elderly. Clearly, Congress must not stop with the 1989 improvements to Medicare. It must proceed with long-term care protection.

But the older Americans who are angered at being asked to share the cost of the new benefits must remember that there are other health-care priorities, first among them a response to the 37 million Americans who have no health insurance of any kind. Most of them are working or are the dependents of workers. They would doubtless be among the first to object to any scheme to turn to general revenues to reduce the cost of already highly subsidized Medicare coverage.

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[From the New York Times, July 6, 1989]

THE MEDICARE FLAP: NO CATASTROPHE

Congress threatens an ill-considered overreaction to angry critics of the new Medicare catastrophic health insurance. In fact, the insurance program requires only minor adjustments.

Catastrophic insurance, which began in January, reimburses Medicare beneficiaries for large hospital, doctor and outpatient drug bills. To pay for the program, Congress raised monthly fees for Medicare Part B, the program that now covers a portion of physician and outpatient costs. In order to subsidize the insurance for poorer people, Congress also imposed a surtax on elderly taxpayers.

The more affluent, who pay the largest tax, are bitterly opposed. Why, they ask, should they be the only taxpayers to subsidize low-income elderly? They also point out, correctly, that the surtax is now expected to generate a surplus that hadn't been anticipated.

Congress has three options: to end the surtax; to make the program voluntary; to cut premiums and the surtax to reduce the projected surplus.

*End the Surtax?* Upper-income families don't need or deserve subsidies for medical insurance. Yet Medicare heavily subsidizes even the wealthiest families. An elderly person with a $40,000 income will pay, on average, for only 67 percent of the Medicare benefits received during his lifetime—even after paying the surtax. Persons will lower income receive substantially higher subsidies. The surtax does not unfairly tax the affluent. It only diminishes their hefty Medicare subsidy. There is no reason to change that policy.

*Make It Voluntary?* Allowing the healthiest and wealthiest to drop catastrophic insurance would force up rates for the rest. To avoid this dilemma, Senator Lloyd Bentsen ponders offering enrollees the specious choice of forgoing catastrophic insurance by giving up all Medicare Part B coverage. Part B is heavily subsidized; few would opt out. But by linking it to catastrophic in this way, Senator Bentsen would force enrollees to think harder about benefits and costs. That is a sure way to undermine belligerence.

*Reduce premiums?* The Congressional Budget Office now estimates that over the next five years catastrophic insurance will generate about $2 billion more than the law requires. But five-year projections are notoriously inaccurate, especially for new programs.

There is still room for maneuver. All Congress needs to do is to set Medicare premiums every year rather than every five years, as is done now. With that flexibility, Congress could cut premiums and control surpluses without long-term risk.

Catastrophic insurance was no mistake. What if needs now is yearly tuning, not panicky retreat.

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[From the St. Cloud Daily Times, July 28, 1989]

KEEP CATASTROPHIC COVERAGE ACT

Just a year after its passage, the Medicare Catastrophic Coverage Act is in the shop for possible repairs. The Senate has passed the controversial law to its Finance Committee to discuss revisions.

Critics of the innovative insurance program, strongly supported by the Bush Administration and several members of both political parties, seem to be multiplying, especially since more revenue is being collected than is necessary to fund it. The latest Congressional Budget Office estimate predicts the program will have an $8 billion surplus by the end of 1993.

Others who find the program distasteful say it's unfair to place a surtax on one group of citizens—in this case the elderly. One critic pointed out that public education costs aren't shouldered exclusively by people with children.

Not only is the catastrophic coverage financed only by Medicare beneficiaries, only 41 percent of them are paying the graduated income tax surcharge that supplements the $48 annual payment made by persons enrolled in Medicare Part B. Faultfinders of the law say that means the wealthy, who are less likely to need the insurance program, are financing it for the poor members of their age group.

Still others against the program say it doesn't provide any benefits for long-term care, which they say is the coverage the elderly need the most.

But for all its problems, the law remains one that takes care of a pressing need of all senior citizens, providing for the enormous cost of acute illness, including medications and home care that could follow hospitalization. Financed through the Medicare system, the program reaches out to alleviate one of the greatest fears of the low and middle-class senior citizen, losing everything to pay medical costs of a serious illness.

This is an issue that transcends party lines. Its authors are last year's Democratic vice presidential candidate, Lloyd Bentsen, and Minnesota's Republican Senator Dave Durenberger. Two of its staunchest supporters are Senate Minority Leader Bob Dole of Kansas and Senate Majority Leader George Mitchell, D-Maine. The law came out of the Reagan administration, but some Republicans, such as Sen. John McCain of Arizona, are its most vehement critics.

The program undoubtedly has bugs. All government programs do. But some of them, including the excess that's being collected, can be squashed with some revisions. Our growing numbers of elderly deserve to be free from worry about paying medical bills for catastrophic illness.

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CATASTROPHIC CARE IS ESSENTIAL; SAVE IT

Catastrophic health care has a lot of folks upset.

It's upset senior citizens in Chicago. They besieged the car of U.S. Rep. Dan Rostenkowski, whose committee oversees Medicare financing, to jeer him because he supports Medicare's new catastrophic health plan.

It's upset some members of the American Association of Retired Persons, the USA's largest senior-citizen group. They've quit AARP because it endorsed that plan.

It's upset 71-year-old David Kuseloff of Wilmington, Del. He's suing to overturn the plan.

From Florida to Michigan, from Maine to California, seniors are writing and threatening their representatives in Congress. Why are they fighting the biggest expansion in Medicare benefits in 23 years?

You can read across this page why some seniors are angry and want the new plan repealed. They claim the payments made by seniors will be used to balance the budget.

That is wrong. A small percentage of seniors has misled many others. All of the money will be used to pay for more health care for our nation's elderly. And seniors with higher incomes will pay a higher share of the cost.

The plan includes:

All hospital bills over $600 a year.

50% of prescription drug costs over $600 in 1991, 80% after 1993.

17 additional days of home health care.

80 hours a year of help for families with bedridden parents or spouses.

Up to $50 for women's mammograms every two years.

50 additional days of skilled nursing care.

The plan also limits the cost to seniors for physician and outpatient services to $1,370 in 1990; removes the 210-day limit on hospice care, and permits spouses of nursing home residents to keep more of their income and assets.

In all, 85% of the seniors will use these benefits before they die, and 7.6 million of them will benefit from this plan in 1993.

Some seniors object to the high cost—almost $12 billion a year by 1993. The average senior will pay $285 a year.

But that's a bargain compared to the $750 they would have to pay for similar private insurance. And it will eliminate much of the $3 billion a year seniors have been spending for unneeded insurance coverage.

That's why Consumer Reports, AARP and United Seniors Health Cooperative say this is a good deal for 80% of all seniors. But it's the other 20% who are complaining.

As you can see elsewhere on this page, some seniors would have to pay more than others for this coverage. And that's what makes them mad. They say it's not fair for them to subsidize the benefits of others.

Unfortunately, some in Congress are bending. They've come up with a new plan that would make poorer seniors pay more so wealthier seniors could pay less.

That truly is not fair—and a tragic retreat. A retreat on this plan could defeat efforts to provide long-term health care, a more vital and expensive need of the elderly.

Now is no time to discard this protection. That would be a real catastrophe—for everyone.

[From the St. Paul Pioneer and Dispatch, Oct. 5, 1989]

DO NOT ALLOW UPROAR TO BLOW AWAY BENEFITS

Not all the fierce, battering winds of this hurricane season have been charted on the weather maps. One has been whipping through the halls of Congress, threatening to blow away the Medicare Catastrophic Health Care Act.

Passed with pride a scant year ago, the act has generated a storm of protest from the very people it was designed to help—older Americans. Huge numbers of them are enraged that the ones benefiting from the act will be the only ones to pay for it.

They are right that this is a change in social policy. But they are wrong to oppose it.

Until now, the cost of social programs has been spread over all the people. But the drafters of the act, including Sen. Dave Durenberger, R-Minn., correctly and repeatedly make this point: The demographics of an aging America have shifted the ground under what's fair. Look at the huge growth in the percentage of citizens in the "senior" group; look at a program that will help that group almost exclusively. Asking that group to shoulder the expense is not unreasonable.

Some older Americans with limited incomes are furious about the program because they misunderstand how little they must pay for it—$4 per month. Some middle- and upper-income seniors are equally furious because they can afford to buy "medi-gap" insurance; thus, they feel no personal need for the catastrophic coverage and don't want the surtax on their taxable income that helps fund it.

So the gale-force protests are rocking a Congress that did a good, creative, humane thing when it passed the act in 1988. Committees in the House and Senate, trying to salvage a piece of the law, may cut benefits or shift the surtax so that the comfortable pay less and the near-poor pay more. Cut the benefits if they must; but as for shifting the surtax burden, they should stand rock-solid against the storm.

It would be better to have the Catastrophic Health Care Act in some form than not to have it at all. It would be better yet if seniors who can afford medi-gap policies directed their demands for change at the insurance industry. Insurers could surely design new, optional plans with features that avoid duplicating the act's benefits.

Benefits now reeling before a wind. Benefits badly needed to keep medical disasters from blowing away all that seniors own.

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[From the Washington Post, Sept. 14, 1989]

CATASTROPHIC RETREAT

For want of much else to include in his State of the Union address in 1986, an election year, Ronald Reagan announced that he was ordering his secretary of health and human services to make a study of catastrophic health insurance. A year later he proposed a limited bill. Then as now, the nation's most pressing health care problem was how to provide for the mostly poor seventh of the population that is uninsured. Mr. Reagan's bill didn't speak to that; it applied instead to Medicare beneficiaries, the mostly elderly seventh of the population that is already the nation's most heavily insured. Nor did the proposal even meet the most pressing need of the elderly—help with the cost of long-term care, which Medicare doesn't cover. His bill merely capped what patients can be called upon to pay per year as their share of the services that Medicare does provide.

A Democratic Congress was nonetheless not to be outdone by a Republican president in, of all things, aid to the elderly. An expanded bill was easily passed. The creative work was in the financing. The president himself had decreed for fiscal and distributional reasons that the elderly themselves should pay the cost; he proposed that every Medicare recipient be assessed a flat monthly premium regardless of income or ability to pay. Congress, to cover a greater cost, proposed that this be topped with an income surtax, so that the better-off would pay more.

Just about everyone loved the bill when it was passed, and the talk was mainly of the benefits. They represented the greatest expansion of Medicare since its enactment in the mid-1960s. Then the taxes came into view, the better-off elderly began to squawk—and Congress began to flee from its own creation. Both houses and parties, and the Bush administration, now seem determined to back down.

We don't think they ought to retreat, but if they do, they ought to do it in an orderly way. Ronald Reagan was right; this program should not be financed out of general revenues. There are higher uses for these—reducing the deficit, meeting the health care and other needs of the poor, any number of other purposes—than fattening up the Medicare program. If the catastrophic program is to be retained, the elderly should remain the ones to pay for it, and as much of its progressivity as possible should be preserved. Any benefit cut will be felt more by those with low incomes than by those with high ones; a benefit cut to reduce the taxes of people with higher incomes will thus be doubly regressive. When it passed the bill last year, Congress moved money from rich toward poor. In backing down, it ought to undo as little of that good work as it can.

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TO CUT THE COST, SAVE THE CORE OF CATASTROPHIC CARE

(By Dave Durenberger)

WASHINGTON.—Yogi Berra once said that if people don't want to come to the ballgame, there's no way you can stop them. To say the least, America's seniors are not flocking to cheer for the Medicare catastrophic bill; they are staying away in droves. As a result, Congress will soon decide to beat a hasty retreat from an expansion of Medicare benefits signed into law only 14 months ago. The extent and direction of that retreat have profound consequences which have thus far been underestimated.

It comes as a surprise to most people that only about a third of the so-called Medicare Catastrophic Act dealt with genuine medical catastrophes. Another third of its expenditures are for the prescription drug benefit. With its massive administrative overhead and huge potential for expanded claims, this portion has added significantly to the total catastrophic care pricetag.

The final third of the program is the long-term care benefit that Congress created through the skilled nursing facility provisions of the bill. Several states now, and potentially all of them in the near future, can shift Medicaid costs of nursing homes to the federal Medicare program via the catastrophic benefit.

The irony is that the most common argument raised against the act is that it doesn't give seniors enough of what they want for what they are charged. In fact, it puts us on the road to seniors' two top priorities: drug coverage and long-term care. Unfortunately, the fiscally necessary "front loading" of the catastrophic benefit, through which surpluses are built up early to pay for future benefit outlays, has left many seniors in a "pay now, get later" situation.

The perceived mandate to Congress is to reduce the $800-per-year supplemental premium at all costs. There are only three ways to do that: (1) shift the financing burden to other taxpayers; (2) reduce the benefits or (3) suspend the laws of mathematics.

Medicare benefits, of course, are financed through payroll taxes. The average Medicare beneficiary receives about $4,000 worth of health-insurance coverage each year. Of that, about $2,600 is subsidized by taxes on workers' paychecks. The principle that the administration and the House and Senate leadership began with was that new benefits would be paid for by the beneficiaries themselves. The alternative was to exacerbate an already large intergenerational cost shift.

I have proposed a plan that would meet genuine catastrophic situations at a fraction of the current cost. First, Medicare would continue to cover catastrophic expenses under Part A (hospitals) and Part B (doctors). Second, drug coverage would be given for expensive immunosuppressive and home intravenous therapies. Third, we could maintain the protections in current law against so-called "spousal impoverishment." The government could finance such a package with a dramatically reduced supplemental premium that would have a top rate of about $300 per year.

And we need to take an additional step. Once an affordable benefit package has been established, we need to turn a watchful eye toward the private insurance market. The "medigap" policy merchants, through the voices of retired movie actors, have sold seniors coverage they don't need. Catastrophic coverage should bring some private medigap premiums down; if it doesn't, then the government must be in a position to step in to further regulate this portion of the insurance industry.

The Medicare Catastrophic Act will probably end up being an unfortunate case of "what might have been" for America's seniors and the Medicare program. Long-term care and drug benefits that came in under the catastrophic care program were a foundation on which to build future benefits. Instead, it is back to the drawing board to await the deliberations of the Pepper Commission.

But Congress can still salvage two important things in its retreat from catastrophic: first, a core group of benefits that our most vulnerable seniors desperately need, and second, the principle that Medicare expansion comes at a price, and that price should be borne primarily by those who benefit from it. Payroll taxes which are collected progressively should be paid out in new benefits in a way that reflects individuals' ability to pay.

Mr. DURENBERGER. I yield the remainder of my time. How much time do I have?

The PRESIDENT pro tempore. The Senator from Minnesota has 1 minute and 50 seconds.

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

Mr. ROCKEFELLER. Mr. President, as an original cosponsor of the amendment by my friend and distinguished colleague from Minnesota, Senator DAVE DURENBERGER, I wish to express my strongest support for this plan.

Senator DURENBERGER deserves our thanks and commendation for the yeoman work he has invested developing this amendment. Throughout the development of the Medicare Catastrophic Coverage Act and its subsequent review and redebate, Senator DURENBERGER has demonstrated the highest concern for the best interests of senior citizens, as well as for good and responsible health care policy. The Nation is fortunate, indeed, for his leadership and for his wisdom.

As all of us know, modification of the current law catastrophic program entails some difficult choices. Given the constraints imposed by the budget deficit, all of the options involve actions that most of us would prefer not to take. Nobody wants to cut benefits or raise taxes. Nobody wants to raise the flat premiums which are paid by rich and poor, alike. Nobody wants to increase the deficit. Nevertheless, these are the options we face.

Senator DURENBERGER has found a fair and workable balance. He has devised a plan to substantially reduce premiums and to preserve as many important benefits as possible.

This proposal would preserve the core catastrophic benefits—unlimited hospitalization with only one annual deductible, and 100-percent coverage for physician services after a catastrophic deductible of $1,780.

In addition, Senator DURENBERGER's amendment would preserve some important new Medicare benefits: Coverage for home-administered intravenous drugs; expanded home health care and hospice care; preventive mammography screening for breast cancer; and a new long-term care benefit—home respite care.

The Durenberger proposal also retains the new Medicaid expansions so crucial to low-income Americans. Coverage for spousal impoverishment would be retained. Medicaid would still buy-in premiums and coinsurance for the poor elderly. And, new coverage for pregnant women and children would be protected.

With this core of benefits, the Durenberger proposal can provide for much-reduced premiums. The monthly premium, which is now $4 and which is scheduled to increase to $10.20 in 1992, would increase only to $7. This will be extremely helpful for low- and moderate-income seniors for whom the monthly Medicare premium poses a significant expense.

Further, under the Durenberger amendment, the supplemental premium—which now reaches a maximum of $800—would be cut to $200; and the rate would be cut from 15 to 10 percent. This adds up to a 65-percent reduction in the supplemental premium.

All in all, this proposal represents good health policy. It retains important catastrophic health insurance protection for seniors. This proposal is financially responsible, as well. It provides for adequate reserves and contingency margins for the Medicare Program and does not increase the Federal deficit.

For these reasons, the Durenberger proposal enjoys bipartisan support. President Bush's Secretary of Health and Human Services, Dr. Sullivan, is on record in favor of this bill. The Senate leadership—Senator MITCHELL and Senator DOLE—stand behind it, as well.

I urge my colleagues to take a careful look at this plan. It is responsible and fair. It offers good health insurance protection. Let's not repeal these benefits in a rush of political anxiety. Let's do the right thing. Vote for the Durenberger amendment.

The PRESIDENT pro tempore. All time is yielded back. The question is on agreeing to the amendment of Senators DURENBERGER and MITCHELL. The yeas and nays are not ordered.

Mr. HATCH. I ask for the yeas and nays.

The PRESIDENT pro tempore. The yeas and nays are requested. Is the demand sustained? The demand is sustained.

The yeas and nays were ordered.

The PRESIDENT pro tempore. The clerk will please repeat the responses of the yeas and nays.

The question is on agreeing to the amendment of the Senator from Minnesota. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii [Mr. MATSUNAGA] is necessarily absent.

The PRESIDENT pro tempore. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 37, nays 62, as follows:

[Rollcall Vote No. 237 Leg.]

YEAS—37

| | | |
|---|---|---|
| Armstrong | Durenberger | Mitchell |
| Bentsen | Fowler | Moynihan |
| Boren | Glenn | Pryor |
| Bradley | Inouye | Riegle |
| Bumpers | Jeffords | Robb |
| Burdick | Kennedy | Rockefeller |
| Byrd | Kerrey | Sanford |
| Chafee | Kerry | Sarbanes |
| Cohen | Lautenberg | Sasser |
| Conrad | Leahy | Simpson |
| Cranston | Lugar | Wirth |
| Daschle | Metzenbaum | |
| Dole | Mikulski | |

NAYS—62

| | | |
|---|---|---|
| Adams | Breaux | Danforth |
| Baucus | Bryan | DeConcini |
| Biden | Burns | Dixon |
| Bingaman | Coats | Dodd |
| Bond | Cochran | Domenici |
| Boschwitz | D'Amato | Exon |
| Ford | Johnston | Pell |
| Garn | Kassebaum | Pressler |
| Gore | Kasten | Reid |
| Gorton | Kohl | Roth |
| Graham | Levin | Rudman |
| Gramm | Lieberman | Shelby |
| Grassley | Lott | Simon |
| Harkin | Mack | Specter |
| Hatch | McCain | Stevens |
| Hatfield | McClure | Symms |
| Heflin | McConnell | Thurmond |
| Heinz | Murkowski | Wallop |
| Helms | Nickles | Warner |
| Hollings | Nunn | Wilson |
| Humphrey | Packwood | |

NOT VOTING—1

Matsunaga

So the amendment (No. 987) was rejected.

The PRESIDENT pro tempore. The Senator from Michigan is recognized to call up his amendment.

Mr. RIEGLE. I thank the Chair.

AMENDMENT NO. 988

Mr. RIEGLE. Mr. President, I have an amendment and I send it to the desk in behalf of myself, Senator CHAFEE, Senator EXON, and Senator BENTSEN.

The PRESIDENT pro tempore. The clerk will state the amendment.

The bill clerk read as follows:

The Senator from Michigan [Mr. RIEGLE], for himself, Mr. CHAFEE, Mr. EXON, and Mr. BENTSEN, proposes an amendment numbered 988.

Mr. RIEGLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Medicare Catastrophic Alternative Coverage Act of 1989".

TITLE I—REPEAL OF SUPPLEMENTAL MEDICARE PREMIUM

SEC. 101. REPEAL OF SUPPLEMENTAL MEDICARE PREMIUM.

(a) REPEAL.—

(1) IN GENERAL.—Section 111 of the Medicare Catastrophic Coverage Act of 1988 (Public Law 100-360) (in this part referred to as "MCCA") is repealed and the provisions of law amended by such section are restored or revived as if such section had not been enacted.

(2) EFFECTIVE DATE.—The repeal of section 111 of MCCA made by paragraph (1) shall apply to taxable years beginning after December 31, 1988.

(b) ELIMINATION OF FEDERAL HOSPITAL INSURANCE CATASTROPHIC COVERAGE RESERVE FUND.—

(1) Section 1817A of the Social Security Act (42 U.S.C. 1395i-1a) is repealed.

(2) Section 112(b) of MCCA is repealed.

(3) Any balance in the Federal Hospital Insurance Catastrophic Coverage Reserve Fund (created under section 1817A(a) of the Social Security Act, as inserted by section 112(a) of MCCA) as of January 1, 1990, shall be transferred into the Federal Hospital Insurance Trust Fund and any amounts payable due to overpayments into such Trust Fund shall be payable from the Federal Hospital Insurance Trust Fund.

(4) Section 201(i)(1) of the Social Security Act (42 U.S.C. 401(i)(1)) is amended by striking "Federal Hospital Insurance Catastrophic Coverage Reserve Fund,".

TITLE II—RETENTION OF MINIMUM CATASTROPHIC BENEFITS FUNDED THROUGH FLAT RATE PREMIUM

SEC. 201. DELAY AND ADJUSTMENT IN PART B CO-PAYMENT CAP.

Section 1833(c) of the Social Security Act (42 U.S.C. 13951(c)) is amended—

(1) in paragraph (1), by striking "1990" and inserting "1991",

(2) in paragraph (3)(A), by striking "The part B" each place it appears and inserting "Subject to paragraph (6), the part B",

(3) in paragraph (3)(A), by striking "1990 is $1,370" and inserting "1991 is $1,780",

(4) in paragraph (3)(A), by striking "7 percent" and inserting "5.5 percent", and

(5) by adding at the end the following new paragraph:

"(6) The Secretary shall provide for an increase in the part B catastrophic limit otherwise applicable in each year in such an amount as will reduce expenditures under this part by the same amount as the additional premiums that would have been collected under this part in the year if provisions of section 1839(e) were applicable to months in 1991, 1992, and 1993.".

SEC. 202. ADJUSTMENTS IN PART B PREMIUM.

(a) ADJUSTMENT TO MEDICARE CATASTROPHIC MONTHLY FLAT PREMIUM.—

(1) IN GENERAL.—Section 1839(g)(1) of the Social Security Act (42 U.S.C. 1395r(g)(1)) is amended—

(A) in subparagraph (A)—

(i) by striking "paragraphs (4) and (5)" and inserting "paragraphs (3) and (4)",

(ii) by striking "the sum of the catastrophic coverage monthly premium and the prescription drug monthly premium" and inserting "the catastrophic coverage monthly premium",

(iii) by striking "paragraphs (2) and (3)" and inserting "paragraph (2)",

(iv) in the column in the table relating to the catastrophic coverage monthly premium, by striking "$4.90", "$5.46", "$6.75", and "$7.18" and inserting "$4.00", "$7.30", "$9.10" and "$8.00", respectively, and

(v) by striking the column in the table relating to the prescription drug monthly premium; and

(B) by striking subparagraphs (B) and (D) and redesignating subparagraph (C) as subparagraph (B).

(2) UPDATE IN MONTHLY PREMIUM.—Section 1839(g)(2) of such Act is amended—

(A) subparagraph (A), by striking "or (1)(C)",

(B) in subparagraph (D)(i), by striking "or (1)(C)",

(C) in subparagraph (D)(ii), by striking "37 percent" and inserting "100 percent", and

(D) in subparagraph (D)(iii)(II), by striking "or section 59B(e) of the Internal Revenue Code of 1986".

(3) ELIMINATION OF SEPARATE PRESCRIPTION DRUG MONTHLY PREMIUM.—Section 1839(g) of such Act is further amended by striking paragraph (3).

(4) TREATMENT OF RESIDENTS OF PUERTO RICO AND TERRITORIES.—Section 1839(g)(4) of such Act is amended to read as follows:

"(3)(A) In the case of an individual who is a resident of Puerto Rico or who is a resident of another U.S. commonwealth or territory during a month, instead of the premium increase provided under paragraph (1), subject to subsection (b), the monthly premium for each individual enrolled under this part (otherwise determined without regard to this subsection) shall be increased by a fraction (determined under subparagraph (B)) of the premium increase determined under paragraph (1) for residents of Puerto Rico and for residents of the other U.S. commonwealths and territories, respectively.

"(B) The Secretary shall from time to time establish, for Puerto Rico and for the other U.S. commonwealths and territories, a fraction that reflects the relative costs for the benefits under this title (which are accounted for under the Medicare Catastrophic Coverage Account) of residents in such respective areas compared to such costs in the 50 States and the District of Columbia.".

(5) PART B ONLY INDIVIDUALS.—Section 1839(g)(5) of such Act is amended to read as follows:

"(4)(A) In the case of a part B only individual during a month, instead of the premium increase provided under paragraph (1), subject to subsection (b), the monthly premium for each individual enrolled under this part (otherwise determined without regard to this subsection) shall be increased by a fraction (determined under subparagraph (B)) of the premium increase determined under paragraph (1).

"(B) The Secretary shall from time to time establish a fraction that reflects the relative costs for the benefits under this title (which are accounted for under the Medicare Catastrophic Coverage Account) of part B only individuals compared to such costs for individuals entitled to benefits under both part A and this part.".

(5) CONFORMING AMENDMENT.—Section 1839 of such Act is further amended—

(A) in subsection (b), by striking "(g)(6)" and inserting "(g)(5)",

(B) in subsection (g)(6), by striking "(6)(A)" and inserting "(5)" and by striking subparagraph (B),

(C) in subsection (g)(7), by striking "(7)(A)" and inserting "(6)(A)" and, in subparagraph (B), by striking "paragraph (4)" and inserting "paragraph (3)", and

(D) in subsection (g)(8)—

(i) in subparagraph (A)(ii), by striking "part A" and inserting "this part", and

(ii) by striking subparagraph (B).

(b) CONFORMING AMENDMENT.—The last sentence of section 1844(a) of such Act (42 U.S.C. 1395w(a)) is amended by inserting "or additional premium amounts under section 1839 for months after December 1990 attributable to section 1839(e) applying during 1991, 1992, and 1993" after "Internal Revenue Code of 1986".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to premiums for months beginning with January 1990.

SEC. 203. TRANSFER OF AMOUNTS TO FEDERAL HOSPITAL INSURANCE TRUST FUND.

Section 1841 of the Social Security Act (42 U.S.C. 1395t) is amended—

(1) in subsection (a), by striking all that follows the first sentence, and

(2) by adding at the end the following:

"(j) There shall be transferred periodically (but not less often than monthly) from the Trust Fund to the Federal Hospital Insurance Trust Fund an amount equal to the Secretary's estimate of the additional amounts of expenditures made from the Federal Hospital Insurance Trust Fund that are attributable to the amendments to sections 1812(a)(1), 1813(a)(1), and 1813(a)(3) made by the Medicare Catastrophic Coverage Age of 1988.".

SEC. 204. REVISIONS TO MEDICARE CATASTROPHIC COVERAGE ACCOUNT.

Section 1841B of the Social Security Act (42 U.S.C. 1395t-2) is amended—

(1) in subsection (a), by striking ", and section 59B of the Internal Revenue Code of 1986," and by striking "and for purposes of section 59B of the Internal Revenue Code of 1986";

(2) by amending paragraph (1) of subsection (b) to read as follows:

"(1) The Account shall be—

"(A) credited for receipts of the Federal Supplementary Medical Insurance Trust Fund attributable to premiums under section 1839(g), and

"(B) debited for—

"(i) outlays made under part A that are attributable to the amendments to sections 1812(a)(1), 1813(a)(1), and 1813(a)(3) made by the Medicare Catastrophic Coverage Act of 1988, and

"(ii) outlays made under this part that are attributable to section 1833(c).";" and

(3) in subsection (b)(4), by striking ", receipts that are also" and all that follows through "Reserve Fund".

TITLE III—MAKING PROVISION OF ADDITIONAL CATASTROPHIC BENEFITS OPTIONAL

SEC. 301. NEW OPTIONAL, PART C PROGRAM.

(a) IN GENERAL.—Title XVIII of the Social Security Act is amended by redesignating part C as part D and by adding after part B the following new part:

"PART C—INSURANCE PROGRAM FOR CERTAIN ADDITIONAL BENEFITS

ESTABLISHMENT OF PROGRAM

"SEC. 1851. There is hereby established a voluntary insurance program to provide certain benefits provided under amendments made by the Medicare Catastrophic Coverage Act of 1988 in accordance with the provisions of this part for individual entitled to benefits under part A or part B who elect to enroll under such program, to be financed from premium payments by enrollees.

"SCOPE OF BENEFITS

"SEC. 18552. (a) DESCRIPTION OF BENEFITS.—Notwithstanding any other provision of this title, except as provided in this section, the amendments made by the following provisions of the Medicare Catastrophic Coverage Act of 1988 shall only apply to individuals enrolled and covered under this part:

"(1) Sections 101, 102, and 104(d), insofar as they relate to changes in benefits with respect to extended care services or hospice care.

"(2) Section 202 (relating to coverage of expenses for prescription drugs and insulin), other than subsections (g) and (m)(4) thereof.

"(3) Section 203 (relating to coverage of home intravenous drug therapy services).

"(4) Section 204 (relating to coverage of screening mammography).

"(5) Section 205 (relating to in-home care for certain chronically dependent individuals).

"(6) Section 206 (relating to extended home health services).

"(b) TREATMENT OF PART A ONLY INDIVIDUALS.—In the case of an individual enrolled under this part who is entitled to benefits under part A but not enrolled under part B, for purposes of this title the individual shall be deemed enrolled under part B but only with respect to covered outpatient drugs, home intravenous therapy services, screening mammography, and in-home care.

"(c) TREATMENT OF PART B ONLY INDIVIDUALS.—In the case of an individual enrolled under this part who is entitled to benefits under part B but not enrolled under part A, no benefits shall be available under part A by virtue of this part.

"(d) TRANSITION FOR EXTENDED CARE BENEFITS.—In the case of an individual who, as of December 31, 1989, is entitled to benefits under part A and is receiving extended care services for which payment may be made under part A, the individual shall remain entitled to extended care services under such part during a continuous period of stay in 1990 subject to the following:

"(1) LIMIT ON NUMBER OF DAYS.—The number of days of coverage under this subsection shall not exceed 150 less the number of days for which benefits for extended care services were payable under part A for the individual in 1989.

"(2) TREATMENT OF COINSURANCE.—Coinsurance shall be applicable under section 1813(a)(3) only for those days (if any) in 1990 before the 9th day in which the individual was furnished extended care services in 1989 and 1990.

"(e) 6-MONTH WAITING PERIOD FOR PREEXISTING CONDITIONS.—Except as provided in subsection (d), during the 6-month period beginning with the first month in which an individual is covered under this part, benefits are not available under this part for treatment of any condition which existed before the first day of such coverage period.

"ELIGIBILITY, ENROLLMENT, PREMIUMS

"SEC. 1853. (a) ELIGIBILITY TO ENROLL.—Every individual who is entitled to benefits under part A or enrolled under part B is eligible to enroll in the insurance program established by this part.

"(b) ENROLLMENT.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the provisions of section 1837 (other than subsections (c), (f), and (g)) shall apply to this part in the same manner as they apply to enrollment part B, and, for this purpose—

"(A) any reference to paragraph (1) or (2) of section 1836 shall be deemed a reference to subsection (a) of this section; and

"(B) any reference to a coverage period under section 1838 is deemed a reference to subsection (c).

"(2) INITIAL GENERAL ENROLLMENT.—

"(A) IN GENERAL.—In the case of individuals who are entitled to benefits under part A, or enrolled under part B, as of December 1989, the initial general enrollment period shall begin on January 1, 1990, and end on February 28, 1990.

"(B) INFORMATION.—The Secretary shall provide for the dissemination of such information to each individual described in subparagraph (A) as may be necessary to assure the individuals are fully apprised of the benefits of this part and the requirement to enroll under this section to obtain such benefits.

"(3) SUBSEQUENT INITIAL ENROLLMENT PERIOD.—In the case of individuals who are not entitled to benefits under part A, or enrolled under part B, as of December 1989, the initial general enrollment period shall be the initial enrollment period described in section 1837(d).

"(c) COVERAGE PERIOD.—

"(1) IN GENERAL.—The period during which an individual is entitled to benefits under this part shall begin as follows:

"(A) In the case of an individual who enrolls under subsection (b)(2), January 1, 1990.

"(B) If the individual enrolls under subsection (b)(3), the first month of the coverage period (described in section 1838(a)) for which the individual satisfies subsection (a).

"(C) If the individual enrolls during a general enrollment period (described in section 1837(e)), July 1 following the month in which he so enrolls.

"(2) APPLICATION OF OTHER COVERAGE PERIOD RULES.—Except as otherwise provided in this subsection, the provisions of section 1838 (other than subsection (a)) shall apply to this part in the same manner as they apply to part B.

"AMOUNT AND COLLECTION OF PREMIUMS

"SEC. 1854. (a) DETERMINATION OF AMOUNT OF PREMIUM.—

"(1) IN GENERAL.—Except as otherwise provided in this part, the monthly premium for each individual enrolled under this part shall be—

"(A) $15.40, for months in 1990,

"(B) $30.30, for months in 1991,

"(C) $33.60, for months in 1992,

"(D) $35.80, for months in 1993, and

"(E) the amount determined under paragraph (2) for months in years after 1993.

"(2) PREMIUM FOR YEARS AFTER 1993.—The Secretary shall, during September of 1993 and of each year thereafter, determine the monthly premium for enrollees under this part for the succeeding year. Such premium shall be the amount the Secretary estimates to be necessary so that the aggregate amount of the premiums for such calendar year with respect to such enrollees will equal the total of the benefits and administrative costs which the Secretary estimates will be payable under this title due to the application of this part. In calculating the premium, the Secretary shall include an appropriate amount for a contingency margin.

"(3) PENALTY FOR LATE ENROLLMENT AND ROUNDING.—Under regulations of the Secretary, the provisions of subsections (b) and (c) of section 1839 shall apply to premiums under this subsection in the same manner as they apply to premiums under such section, except that the percent increase in premiums effected under section 1839(b) with respect to any individual may not exceed 80 percent.

"(d) PAYMENT OF PREMIUMS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the provisions of section 1840 shall apply to payment of premiums under this part in the same manner as they apply to payment of premiums under part B.

"(2) TRANSITION.—In the case of individuals who enroll under this part under subsection (b)(2) (or during such succeeding period in which the Secretary is unable to apply the provisions of section 1840 under this part), the Secretary shall provide for the collection of premiums for previous months through a 1-time addition to the premium otherwise imposed or in such other manner as the Secretary determines to be appropriate.

"(3) DEPOSITS.—Amounts paid to the Secretary under this part shall be deposited in the Treasury to the credit of the Federal Supplementary Medical Insurance Trust Fund.".

(b) CONFORMING AMENDMENTS.—

(1) Sections 226(c)(1) of the Social Security Act and section 7(d)(1) of the Railroad Retirement Act of 1974 are each amended by striking "part C" and inserting "part D".

(2) Section 1862(a) of the Social Security Act is amended by striking "under part A or part B" and inserting "under this title".

(3) Section 104(b) of the Social Security Amendments of 1965 is amended by inserting "or part C" after "part B" each place it appears.

(c) TRANSITION PROVISIONS FOR POST-HOSPITAL EXTENDED CARE SERVICES.—In applying sections 1812 and 1813 of the Social Security Act with respect to extended care services provided on or after January 1, 1990, other than for an individual entitled to benefits under part A of title XVIII of such Act in December 1989 who enrolls under part C of such title during the period described in section 1852(b)(2) of such title—

(1) no day before January 1, 1990, shall be counted in determining the beginning (or period) of a spell of illness; and

(2) the limitation of coverage of extended care services to post-hospital extended care services shall not apply to an individual receiving such services from a skilled nursing facility during a continuous period beginning before (and including) January 1, 1990, until the end of the period of 30-consecutive days in which the individual is not provided inpatient hospital services or extended care services.

SEC. 302. FUNDING AND ACCOUNTING.

(a) TRANSFER OF FUNDS TO FEDERAL HOSPITAL INSURANCE TRUST FUND.—Section 1841(j) of the Social Security Act (42 U.S.C. 1395t), as added by section 203 of this Act, is amended—

(1) by inserting "(1)" after "(j), and

(2) by adding at the end the following:

"(2) There shall be transferred periodically (but not less often than monthly) from the Trust Fund to the Federal Hospital Insurance Trust Fund an amount equal to the Secretary's estimate of the additional amounts of expenditures made from the Federal Hospital Insurance Trust Fund that are attributable to individuals enrolled under part C.".

(b) REPEAL OF FEDERAL CATASTROPHIC DRUG INSURANCE TRUST FUND.—

(1) Section 212 of the Medicare Catastrophic Coverage Act of 1988 (Public Law 100-360) is repealed, and the provisions of law amended or repealed by such section are restored or revived as if such section had not been enacted.

(2) Any balance in the Federal Catastrophic Drug Insurance Trust Fund as of the date of the enactment of this Act shall be transferred into the Federal Supplemental Medical Insurance Trust Fund and any amounts payable due to overpayments into such Trust Fund shall be payable from the Federal Supplementary Medical Insurance Trust Fund.

(c) CONFORMING AMENDMENT.—Section 1844(a) of the Social Security Act (42 U.S.C. 1395w(a)) is amended by striking "or section 59B of the Internal Revenue Code of 1986" and inserting "or part C".

TITLE IV—INFORMATION TO BENEFICIARIES

SEC. 401. NOTICE TO BENEFICIARIES OF CHANGES.

The Secretary of Health and Human Services shall provide, in the notice of medicare benefits provided under section 1804 of the Social Security Act for 1990, for a description of the changes in benefits under title XVIII of such Act made by the amendments made by this Act.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. RIEGLE. I yield.

Mr. McCLURE. I thank the Senator for yielding.

Mr. President, when I voted against the catastrophic health insurance bill

last year, a newspaper in Lewiston, ID, ran a headline that said, "McClure to Senior Citizens: Drop Dead."

Now, I do not have to explain to any of my Senate colleagues that headlines like that are not something politicians seek out.

I do not think that senior citizens would necessarily want all Members of Congress to drop dead—but they certainly have sent a clear message to us that they are not pleased with the catastrophic health insurance law. They have been telling us in increasingly vocal numbers that they do not like the coverage, they do not need the coverage, they think it is too expensive and, frankly, they want an end to it—now.

I think it is about time we listen to the will of the people we represent.

Mr. President, I do not necessarily doubt the motives of my colleagues who voted in favor of this measure. But I think the entire approach to this law was wrong from the very beginning and I shall take a few mintues to explain why.

First, this law was misnamed from the beginning. It should not be called the "Medicare Catastrophic Care Act." It should be called "Medicare, Part C." The catastrophe that most senior citizens fear the most is not prescription drug costs. It is not extended hospitalization. It is nursing home care.

Second, Congress made a fundamental error is determining that senior citizens suffer more from catastrophic illnesses than does the rest of the population. A bill was drafted which directed enormous amounts of money to one segment of the population, based on age, and totally ignored all other groups.

Is a young working couple whose child develops leukemia any less of a catastrophe than a senior citizen with Alzheimer's disease? I do not think most senior citizens feel that way either.

Mr. President, I am a senior citizen. It is entirely possible that at some point either my wife or I could suffer from a devastating illness that would deplete our savings and make us dependent on someone else for help. But I still do not think I should be afforded special consideration only because I am a senior citizen.

Instead of passing legislation that deals only with the health care needs of the elderly, Congress should have taken a look at the effects of catastrophic illness on every American, young and old. I will be the first to say I think such a proposal should have a very strict means test attached to it, but nevertheless, Congress should have addressed the needs of all citizens faced with drastic illness.

But Congress did not do that. In my view, Congress took an easier route than dealing with the larger issue and directed efforts at senior citizens who were supposed to be eternally grateful for this coverage. What a surprise to some when the outcry started.

Senior citizens are more than disturbed by this issue, Mr. Presdent. They are outraged. They are telling us in no uncertain terms that they want this law repealed, or at the very least, substantially modified. I think we have an obligation to do so.

At the risk of patting myself on the back, Mr. President, I remember saying last year that when senior citizens fully understood what this law contains, there would be an outcry the likes of which Congress has rarely seen. I honestly take no pleasure in saying today that my prediction was correct because I know this issue has been as contentious and controversial as any of my colleagues have ever seen. It has been difficult and painful.

But that does not mean we should not live up to our obligations and represent the people who elected us. After all, that is what we are here for. Senior citizens are telling us, "Hey, you made a mistake. Now undo it."

There is an old saying we use frequently around here. "It it ain't broke, don't fix it."

Mr. President, this one is definitely broke, and we had better fix it.

Mr. RIEGLE. I thank my friend from Idaho.

I hope now he will give careful consideration to what is being offered here.

AMENDMENT NO. 988

Mr. RIEGLE. Mr. President, we have gone through today several options to try to deal with the problems that we are all familiar with with respect to the catastrophic health insurance program that we enacted 2 years ago.

At this stage of the game, there are really three practical alternatives left, the one that is being offered now and which I think is the best possible of the three that remain in terms of meeting the basic health needs of seniors across the country in a fashion that is both financially and fiscally sound and in a way that seniors themselves will find to their liking and that is sensible.

At this stage of the game this option which we are offering stands beside full repeal and what is known as the McCain option which is quite different and I think far inferior, and I do not say that disrespectfully to the sponsor.

What we basically do here is we retain the catastrophic health insurance package that was enacted. We take that package and with very minor modifcation break in into two parts—one part, which will cover the catastrophic costs of hospital care and doctor care, is in the first part. This will be paid for by a basic premium, paid for by each and every citizen in the country that will come in under the reach of the program. And the cost for that premium will be exactly what is presently in the current law.

I have shown that here on this chart. It starts out in fiscal year 1990 at $4.90; in 1991, $7.40; in 1992, $9.20; and in 1993, $10.20. These are figures that are locked into the law today and they will provide protection on those two major catastrophic items.

Some have said that those are not important. Those are not important, I suppose, if you do not have them. But if you get sick today with a major catastrophic illness, the doctor bills can go through the roof. I have seen cases where they have been $10,000, $20,000, $50,000, fully apart from the question of the hospital costs. So it is important that the protection be in place to cover the hospital and the doctors, and that is what the basic premium would provide here for every citizen in the country.

The remaining part of the catastrophic program under the existing law which is paid for by a surtax would be changed fundamentally. We do away with the surtax. In fact, what we do is bundle up the remainder of the protections that are in the catastrophic health insurance program, and we make those available as a free-standing voluntary option to the seniors of this country.

They can take a look at it. If they think it is a good value, if they think it is something they want, then they have the option to say yes, I will take that, and then to pay the monthly fee for those additional protections. If they decide that they do not want it, as clearly some in the country will decide, they are under no obligation to take it. It is not stuffed down their throats and they are quite free to seek that package or another protection package that they might find.

The optional program assuming the people elect to take it, would include several things that are not present in some of the other plans that we have heard about.

With respect to the McCain language, the principal deficiency in my view is that it does not provide drug protection for outpatient drugs for people who have the chronic need for drugs of one kind or another to treat an illness or, in many cases, just to stay alive. And those bills can run up. In countless cases I have seen—in my State, where the drug bills alone can be several hundred dollars a month, it is not uncommon to find seniors with prescription drug bills that exceed $100 a month.

We retain the drug benefit in this optional package. I think it is a very important part of what this alternative offers.

We also maintain the skilled nursing home benefit. That is a very important benefit in the current catastrophic law. There used to be a requirement

for a 3-day hospital stay before one could go into skilled nursing home care. We found that to be a bad practice. It kept many people from getting the care they needed. It created a very awkward front-end requirement. We changed that, perfected that in the last law. This amendment maintains that particular protection.

We also retain the home health benefit, the respite care, and the hospice care.

We have asked the Congressional Budget Office to give us an estimate of the cost for our voluntary program that includes those very important benefits. The figures they have given us are a monthly premium cost of $15.40 in fiscal year 1990, then in 1991, when the drug benefit phases in under existing law, it moves up to $30.30 and it stays in the $30 range, $33.60, in 1992; $35.80 in 1993.

Now for these additional protections, this is a sensational bargain. It is a value that most seniors, I think, when they look at it, will decide is something that they will want, but it will be their decision. It will be their decision because they have to make that decision for themselves on a voluntary basis. And it is not connected to any other decision.

Some people will say, "Well, do we really want to get into this optional kind of arrangement?" We now have an option that has been in the law for many, many years in part B. To have that, people have to elect to do it. They have to actually make a choice. And this is simply an additional option that would be an add-on that seniors would have too look at and make their own judgment about.

But I can tell you this: As we have gone out in the private sector to price the value of this package, where you would have normal profit margins and other things built in, we do not find any private sector insurance carrier that cover this particular package for an affordable price.

So I think this is an excellent value. And the CBO estimates, as they look at the selection process, that 65 percent of the seniors would choose to elect this benefit package with this kind of a cost arrangement to it. But, in any case, that would be a decision that they would make. So it solves several problems at once. It eliminates the surtax which has been such a contentious issue. But it does something that the McCain proposal does not do; that is, it provides protection against sky-high doctor bills that can bankrupt somebody, take away a life savings. And it also provides a prescription drug coverage for cases where those costs run very high on an annual basis. It is very important that those particular benefits be retained.

As I say, people have to decide for themselves whether they want to choose that protection or not.

But with the first tier, of hospital and doctor costs, we have laid in place a protection which is essential, I think for every person in this country. We have all been familiar with any number of cases of constituents of ours where doctors bills and hospital bills run in the tens of thousands of dollars.

My 4½ year old daughter just had very serious appendicitis surgery and spent 9 days in Children's Hospital here. The hospital bill alone was $15,000. And the doctor bills, of course, came in on top of that.

But I said to myself, that is what people all across the country are facing today. Seniors are finding, if they are in the hospital for longer than that, and many of them are, that you can have an entire lifetime of earnings and savings wiped out by a single illness. The hospital takes part of it and the doctor bills take the rest.

So we provided absolute protection against the catastrophic impact of those kinds of costs with respect to both hospital and doctor bills that is a universal coverage paid for by this basic, and I think very inexpensive, premium for the protections that it affords. The rest is done all voluntarily. No surtax, but a sensible package.

I will just say one other thing. Many of us have conducted hearings in our home States on the health care needs of our senior citizens. I have done that in Michigan. I have held countless hearings across the State. Last year alone we had about seven hearings in different locations. Several hundred would come to each hearing, testifying and giving their personal examples of what was going on in their situations. They are all found in this hearings record.

What they say over and over again is the kind of protections that they most need are the ones that are in this package. And when the Congress before went through this thing, the financing obviously was not done properly. Frankly, that was a mistake that should never have occurred. A lot of it was on the insistence of people who designed the program and sent it down from the executive branch at that time.

In any event, we radically changed the financing here. But, as to the benefits structure, as to the protections that are provided, these are the protections that experience show us are the most needed. These are the ones that are most debilitating; these are the ones that drain the money out the fastest; and these are the ones that are driving people into the poor house, bankrupting families, creating poverty situations, where the spouse of the person who is sick becomes impoverished as well.

So this is a plan that is solid. It is sensible and it will work. I think the seniors like this plan. I have discussed it with many of them. We are getting a good response from them. It is far superior to the remaining two options that are before us.

I know the Senator from Rhode Island wants to speak, so I reserve the remainder of my time.

Mr. McCAIN. I yield 5 minutes to the Senator from Texas [Mr. GRAMM.]

The PRESIDENT pro tempore. The Senator from Texas is recognized for 5 minutes.

Mr. GRAMM. Mr. President, I do not have a lot to say about this amendment, but there are two facets of it I would like Members to look at very closely. I believe if they do, they are going to recognize that, while this looks like a sweet deal, it really is not.

First of all, clearly one of the things that our senior citizens are concerned about is paying their doctor bills. Under the current catastrophic legislation, your copayment has to go up to $1,370 before you hit the point where from that point on catastrophic pays all the doctor bills. That is pretty steep because you are paying 20 cents out of every dollar. So that is a pretty high threshold before you get into the program, which is why there are so many seniors saying this is a bad deal. In fact, we have protests all over the country saying, "Look, if I have to pay $1,370 and that is only 20 percent of my doctor bill before I get catastrophic coverage, you are not giving me a lot of protection."

But, Mr. President, the amendment before us says that you do not get the protection in terms of full dollar coverage until you have spent $3,390. The current law says you must pay $1,370 in out-of-pocket copayments before you get the full coverage. But the amendment before us raises that copayment cap to $3,390.

I ask my colleagues, since that is 20 percent of the doctor bill, in a year how much coverage are we really buying here when a senior citizen has to pay $13,580 before they get full dollar coverage for the doctor bills?

I submit one of the reasons this deal looks so sweet is because they have gone through and more than doubled the copayment you have to have before you qualify to get the full benefit. That is my first point.

Mr. RIEGLE. Will the Senator yield?

Mr. GRAMM. I will when I get through, but let me finish my point because I have only a limited time.

The second point is one of the ways this amendment gives all of these nice benefit programs is by saying we are going to make them optional. Then the author of the amendment says: and of course that is going to be cheaper than the private sector.

If there is anybody here who believes that, then I am wasting my words on them because they are not

going to believe what I say. There is a trick here. There is a little gimmick.

The gimmick is that 65 percent of the senior citizens have to believe this is a good deal in order for it to pay out.

Mr. President, first of all I submit the sickest senior citizens are going to view this as a good deal. They are not going to be selected at random from the population. And their expenditures are going to be higher.

Second, what happens if only 20 percent of the people opt for it? We are told by the Senator from Michigan that the Government can buy it cheaper than the private sector. The private sector is going to be competing. If Aetna or anybody else can do it cheaper, they will go with them and not Uncle Sam. So what if 20 percent opt for it, and what if they are the sickest 20 percent?

Mr. President, it does not take much to figure out what happens if that is the case. What happens, if that is the case, is that the costs skyrocket, the program starts running heavily in the red, and then what is going to happen?

Either we are going to come back here and say: Look, we said you could choose it, but you obviously are making a mistake. You are picking Prudential; you are picking Aetna. You do not know, but the Government does this stuff better so we have to make you do what is right. We have to make you take it and then we have to make you pay for it, and we are right back with the bill we came here to change.

Or, we start running deep in the red and we say: Look, the problem is we have to go back and get young workers to pay more. So we raise their premiums.

The PRESIDENT pro tempore. Five minutes has expired.

Mr. GRAMM. I ask unanimous consent for 1 additional minute.

Mr. McCAIN. Mr. President, I yield 2 additional minutes to the Senator from Texas.

Mr. GRAMM. Mr. President, I am not an expert on the proposal before us, but there are two points that jump out at us and I ask each Member to look at them very closely before they conclude this is a good deal for my mother and for all senior citizens of America.

First of all, under the current law we have to spend $1,370 to get the full dollar catastrophic coverage for doctor bills. Under this law we have to spend $3,900. In other words, your doctor bills have to be $13,580 before this amendment comes to your aid. I submit there are going to be a lot of senior citizens who are going to be in deep trouble before that happens.

Second, this amendment pays out actuarially only if the distinguished Senator from Michigan is right and the Government can provide this voluntary benefit cheaper than Aetna and Prudential. I submit, Mr. President, we will make history. If that were true, the riots would be in Washington instead of Moscow and Beijing.

I submit that 65 percent will opt for Aetna, or will opt for Prudential. This thing will run billions of dollars into the red and we will be back here forcing senior citizens into this program. We will be back here raising the cost. And we will be right back to where we are today. Or we will make our young workers come in and pay higher and higher taxes.

I urge my colleagues, do not be fooled by another deal that looks good until somebody has to live under it. My mother and your parents and the senior citizens of America are going to have to live under what we do here today. We made a terrible mistake last year. Let us not make another mistake today.

Mr. President, let us reject this amendment. I yield the remainder of my time.

The PRESIDENT pro tempore. The Senator from Michigan.

Mr. RIEGLE. Mr. President, I want to make a comment before yielding to the Senator from Rhode Island. The Senator is, of course, a cosponsor of the McCain amendment. He complains about the limit in our doctor bill proposal. There is no limit on the McCain proposal, absolutely no limit at all. The sky is the limit.

The Senator from Texas and I hope he never experiences this, but if his dear old mother or mine gets sick and runs up doctor bills, $20,000, $30,000, $40,000, they get no help in terms of catastrophic doctor bills under the proposal being offered by Mr. McCAIN.

We have a cap and that is a fundamental difference.

I yield 8 minutes to the Senator from Rhode Island.

The PRESIDENT pro tempore. The Senator from Rhode Island [Mr. CHAFEE] is recognized for 8 minutes.

Mr. CHAFEE. Mr. President, what does this amendment do? It does away with the supplemental so-called surtax totally. It establishes a core group of benefits for which every Medicare beneficiary would pay the same flat premium. These are the basic benefits.

In addition, it establishes a new voluntary program which includes benefits that are not widely available in the private sector.

I would like to differ with my friend from Texas who said we are competing with Aetna and others. No. This provides a benefit that is not widely available in the private sector. It is paid for by a flat premium.

So, this amendment does not involve the use of general funds. It does not increase taxes like the Levin amendment that was rejected previously. And it does not have a supplemental premium.

Under part I, the standard part of the program, all beneficiaries who elect to have the standard Medicare part B that currently exists, what will they receive? They will receive unlimited hospital coverage with no copayments after paying the first day deductible, which is currently $560.

They will receive unlimited coverage of physician bills after a beneficiary reaches a deductible set at what is necessary to ensure the current flat premium.

Now, the statement was made that that deductible that the individual would have to meet is a high one. That is true. It is true it is $3,390. But this is a catastrophic program. That is what we are talking about.

When they reach the $3,390, then they are covered. That is not true under the alternative presented by the distinguished Senator from Arizona.

Our proposal includes the same part B increase as is in the current catastrophic law. As we see in the chart, it provides under the current law, it is $4.90 for the increase over the currently existing part B premium, and $7.40 in 1991, and so forth. We follow the same schedule. So there is no increase in that basic part B premium.

What else do we have here? It also provides a part II, which is optional. Nobody has to take it. Under that, the individual, if he takes this option, will receive the prescription drugs.

In my State, I met with seniors many, many times, and their principal concern is the high cost of prescription drugs. That is extremely important, I believe. In order to pay for that and a host of other benefits that are in the current catastrophic program, we provide for this optional premium.

In other words, if they take the program, obviously they have to pay the premium. With it, they receive these benefits that I believe are extremely important.

Mr. President, in the excitement of the afternoon and the intensity of the debate, let us not lose sight of a large group of people out there who need these benefits. There is a genuine need for these benefits. I believe the benefits as set forth in the original catastrophic bill were the right ones. I know the argument then came about paying for them, and somehow the Nation suddenly believed that everybody who filed an income tax return, who was over 65, was going to pay $800 additional.

That simply is not true. But, nonetheless, that is the belief out there, so we do not have the supplemental premium. I believe that is probably what brought down the prior amendment, the fact there was a supplemental premium. I believe those who are elderly want these benefits, and, under this program, they have the opportunity to obtain them. I believe this is a good

amendment, Mr. President. It is truly what we might call a catastrophic amendment. It deals with those who have the high cost of the doctors bills, as previously mentioned. I want to thank the Chair.

Mr. RIEGLE. We reserve the remainder of our time.

The PRESIDENT pro tempore. The Senator from Arizona.

Mr. McCAIN. Mr. President, I yield myself 2 minutes. There are a lot of people who want to speak.

The PRESIDENT pro tempore. The Senator is recognized.

Mr. McCAIN. Let us compare the two programs, $8.62, $7.21 per month in 1991. Under that proposal, the seniors will get the hospital benefit and the part B out-of-pocket cap, period. For $2.30 more, in the same year, under my legislation, seniors will get the hospital benefit, the so-called Mitchell drugs, home health, respite, mammograms, and hospice, all of those for basically the same price, Mr. President. So let us not have any doubt about what is the priority here of the proposed amendment. The priority is obviously a cap on part B out-of-pocket payments.

I would like to read from a letter from the National Committee to Preserve Social Security and Medicare. That is known to some as the Jimmy Roosevelt group.

While we would obviously prefer not to sacrifice benefits, a poll of our membership taken during the last week of August indicated that of the major benefits offered, the limit on the out-of-pocket expenses that medicare beneficiaries pay under part B is one of the least valued.

Mr. President, I ask unanimous consent that the letter and list of members be printed in the RECORD.

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

NATIONAL COMMITTEE TO PRESERVE SOCIAL SECURITY AND MEDICARE,
*Washington, DC, October 3, 1989.*

Hon. JOHN MCCAIN,
*U.S. Senate, Russell Office Building, Washington, DC.*

DEAR SENATOR MCCAIN: The National Committee to Preserve Social Security and Medicare has reviewed your proposal to modify the Medicare Catastrophic Coverage Act and is pleased to offer our endorsement while making the following observations.

We are especially pleased that your proposal completely eliminates the surtax and finances the benefits through the increases in the flat premium, which are already contained in current law. It is our understanding that your proposal is revenue neutral.

While we would obviously prefer not to sacrifice benefits, a poll of our membership taken during the last week of August indicated that of the major benefits offered, the limit on the out-of-pocket expenses that Medicare beneficiaries pay under Part B is one of the least valued. This is an area where Medigap policies have done a good job of providing necessary coverage. We recognize that in order to bring the cost of the program to a manageable level, something must be cut, and the Part B Cap seems to be the most expendable benefit. Our members have also indicated that the long-term hospitalization benefit is of greater importance and value to them than are some of the other major benefits.

The National Committee recognizes the difficulty of the task you have undertaken and appreciates the efforts you have made to date to arrive at a solution fair to senior citizens. We hope to continue working towards a solution including broad-based financing which will be fully acceptable to our members.

Sincerely,

MARTHA A. MCSTEEN,
*President.*

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COALITION FOR AFFORDABLE HEALTH CARE
(MEMBERS AS OF OCTOBER 5, 1989)

National Association of Retired Federal Employees.
The Retired Officers Association.
American Foreign Service Association.
Mail Handlers.
National Association of Postal Supervisors.
National Association of Government Employees.
National Association of Letter Carriers.
National Association of Postmasters of The U.S.
National Association of Postal Supervisors.
International Federation of Professional and Technical Engineers.
American Foundation for the Blind.
Florida Seniors for Medicare Equity, Inc.
Marine Corps Reserve Officers Association.
EXPOSE.
Rural Letter Carriers Association.
U.S. Army Warrant Officers Association.
National Association for Uniformed Services.
Air Force Association.
Non-Commissioned Officers Association.
National League of Postmasters.
National Treasury Employees Union.
Marine Corps League.
Naval Reserve Association.
Council of Sacramento Senior Organizations.
Association of Military Surgeons of the U.S.
International Association of Fire Fighters.
California State Employees Associations.
The National Association for Public Health Policy.
United Seniors of America.
Catholic Golden Age.
Fleet Reserve Association.
Federal Postal Workers Union.
National Post Office Mail Handlers Union.
San Diego Chapter of Gray Panthers.
American Postal Workers Union.
Air Force Sergeants Association.
Reserve Officers Association.
U.S. Coast Guard Chief Petty Officers Association.
Seniors Opposing the Surtax.
Heritage Harbor Homeowners Association.
National Alliance of Senior Citizens.
Pennsylvania Association of School Retirees.
Sun City Retirees Association.
Michigan State Employees Retirees Association.
Seniors Opposed to the Surtax.
Citizens Coalitions Against the Catastrophic Act.
Association of Pennsylvania State College and University Retired Facilities.
Retired Public Employees Association, Inc.
63 Infantry Division Association.
National Committee to Preserve Social Security and Medicare.

Mr. McCAIN. Mr. President, that is an integral part, obviously, of this bill. We have another Wirthlin poll that showed that only 37 percent of over 1,000 seniors polled say out-of-pocket part B is of great value, which, by the way, ranked about last in their priorities.

Mr. President, I want to keep prescription drugs; I want to keep home health; I want to keep respite; I want to keep mammograms; I want to keep hospice. All of those are now optional in the program which will cost the people more money in the amendment proposed by the Senator from Michigan and the Senator from Rhode Island as an option to preserving part B. So it is a question of priorities.

Mr. President, I yield myself an additional 1 minute.

The PRESIDENT pro tempore. The Senator is recognized.

Mr. McCAIN. Is there one single senior organization in America that supports your proposal? No. Every single senior organization, with the exception of AARP, supports this proposal. Every single major one does. I suggest amendments that come in at this late time obviously have some things in them which need to be examined, including the $3,400. I do not call the $3,400 part B out-of-pocket coverage, as a matter of fact.

Mr. President, I think that a good-faith effort is being made here, and I respect the desire of the Members. It is just a difference in priorities. Obviously, I feel that with the backing of some 20 million seniors who support this bill and this legislation, such as our National Association of Retired Federal Employees and others, I think we should reject the Riegle-Chafee amendment.

Mr. RIEGLE. Mr. President, I yield myself 1 minute. First of all, you talk about not liking the cap on our doctor bills. You have no cap on your doctor bills.

The PRESIDENT pro tempore. Will the Senator please address the Chair?

Mr. RIEGLE. The Chair is exactly right. I say to the Senator from Arizona, he has no cap on doctor bills. It can be $3,400; it can be $134,000; it can be $500,000. He has no cap in that area. And as for drugs, his proposal offers no prescription drugs. Yes, he has the Mitchell drugs, which we cover, but in terms of the prescription drugs that rank and file people all across this country have for all manner of illnesses that last over a long period of time, there is no protection in that package. There is protection in our package.

As to groups support it, we have the National Council of Senior Citizens

supporting ours; we have the Villers Foundation supporting ours; we have the United Auto Workers supporting ours. And I talked to the person who heads this area for the Roosevelt group.

Mr. President, I yield myself 30 additional seconds.

He indicated to us that, in indicating their support for the McCain proposal, that it was done with the express statement that that did not preclude them from endorsing any other proposal. So let us not have any misleading statements made about that. They were looking at our proposal. We have not heard back one way or the other, but they made it very clear that they reserve the right to support other proposals. That is what the record shows.

I reserve the remainder of my time.

Mr. McCAIN. I yield myself 1 minute. Obviously, the Senator from Michigan does not understand what I was saying. No, there is no part B cap because the seniors say that is the least benefit that they prize. They want the others that are kept in my proposal and are made optional in the Senator's which, by the way, if they choose to take prescription drugs, they would only pay $350.12 a year additional. So when we say optional, we also mean you pay more.

I would be interested to know if the Jimmy Roosevelt group has chosen to endorse, and I am not surprised. They have not had a chance to examine it because none of us has. It has just arrived on the floor of the Senate whereas our proposal has been around for several months.

Let me repeat again to my friend from Michigan, the least desired is the cap on part B bills as decided by the seniors by poll after poll. So I urge him to go out next time and get some more support, have some contact with the seniors rather than showing up on the floor of the Senate with this proposal which hardly anybody has had a chance to examine.

Mr. RIEGLE. Mr. President, I yield myself 20 additional seconds.

I think I probably talked to as many seniors as anybody in the Senate. I led the fight a few years ago to protect Social Security benefits. I am no late-arriving person to the fight to try to protect seniors, but what the official Government estimates show us is that there are 430,000 seniors who need this cap on doctor bills. There may not be anybody in that situation in the State of the Senator from Arizona, but I doubt it. He may be talking to the Wirthlin poll people and other people. It may be good to go out and have hearings and talk to other people in the country. Many, many people are being bankrupted by doctor bills they cannot afford and he has no cap whatsoever.

Mr. BENTSEN. Will the Senator yield?

The PRESIDENT pro tempore. How much time?

Mr. RIEGLE. I yield as much time as the Senator requires.

Mr. BENTSEN. Mr. President, I am absolutely amazed by the statement of the Senator from California when he talks about a new bill being brought before us. When I think of the vast difference from the bill he originally introduced and see the continuing changes and then asking for unanimous consent, and then he changes it again after he brings it to the floor. Talk about changes, time and time again. We have a very difficult time keeping up with what his offer is. So I am amazed at the interchange here.

Mr. RIEGLE. I thank the Senator from Texas. I yield to the Senator from South Dakota.

Mr. DASCHLE. Mr. President, we have dealt with polls a lot and know you can elicit a response with a certain question. The bottom line is the question ought to be, do you want doctor coverage? That is the question I have asked in my senior citizen meetings in the last couple of months. Eighty to ninety percent of my senior citizens said, "Yes, I need doctor coverage. If I do not have this coverage, I do not know where to go." That is the question: Do you want doctor coverage? That is the difference in the two versions.

Mr. RIEGLE. I thank the Senator. I reserve my time.

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

The PRESIDENT pro tempore. The Senator has 18 minutes, 42 seconds.

Mr. McCAIN. I yield myself 1 minute, Mr. President.

The PRESIDENT pro tempore. The Senator is recognized for 1 minute.

Mr. McCAIN. I thank the distinguished finance chairman. Basically, he knows my proposal has always been the same. The modification was a slight delay in implementation of a couple of the programs so that we could better meet the OMB targets. We have made the chairman of the Finance Committee and others very well aware of our proposals. I appreciate his interest as we have had to make slight modifications from time to time in those proposals, and I am grateful for his attention to them. I would like to yield 5 minutes to the Senator from Pennsylvania.

The PRESIDENT pro tempore. The Senator from Pennsylvania, [Mr. HEINZ] is recognized for 5 minutes.

Mr. HEINZ. Mr. President, I rise in opposition to the Riegle-Chafee amendment for several reasons. Some of them have to do with what kind of a deal it is to pay the flat premium and what you get in return for that flat premium, particularly in comparison to the McCain amendment. The deal is that under the Riegle-Chafee amendment, you get catastrophic hospital coverage; you get a better blood deductible; and you get a part B physician coverage that some of us have talked about before, but with a difference. Instead of clocking $1,500 of out-of-pocket expenses or $1,700 or $1,900, it raises that threshold by nearly twice to $3,300. The $1,900 threshold, by the way, was President Reagan's original suggestion, which was a tax attacked by a lot of people as being much too high a threshold; a ridiculously Scrooge-like threshold,

Now we have an amendment to raise that threshold by nearly twice that amount. My how the clock comes full circle.

Mr. President, the part B physician benefit in this proposal by Messrs. RIEGLE and CHAFEE is of benefit to only a tiny fraction of people and they do not know how many people that is. They cannot tell whether it is 1 percent of Medicare beneficiaries, 3 percent. They do not know. This is so far up the ladder, no one can figure out where it hits the wall.

But I can tell you that for the flat premium, you do not get home health care, respite care, mammography screening, Mitchell drugs, hospice care, all of which you do get under the McCain plan.

Then we have this optional program, and it is truly optional. We have never, in spite of some of the representations I have heard today, had an unsubsidized, truly optional program under Medicare. I hear people talking about the part B program being optional. Well, it is optional, but Uncle Sam pays 75 percent of it and the beneficiary through the part B premium pays only 25 percent. Maybe that is why 95 percent plus of all Medicare beneficiaries participate, because for every dollar they put up, someone else puts up $3. But in the Riegle-Chafee deal, Uncle Sam is not putting up a penny. This is strictly on the beneficiary's back, make no mistake about it.

It might not be a bad deal to give people that choice, if it was good health policy. I will give Senators CHAFEE and RIEGLE this. They have one benefit that I think is good health policy, the prescription drug benefit. Unfortunately, there are three very important health policy reasons why what they are proposing is, frankly, probably so deeply flawed as to make this one of the most dangerous proposals that has ever come before the Senate.

Why do I say that? The first reason is that we all know the cost estimates on many of these benefits, particularly the skilled nursing benefit, are so fluid that it is like trying to hold quicksilver in your hand. One moment the nursing home benefit costs $4 billion. In this amendment, it is priced at $16 billion or thereabouts. We have other estimates that show it is really $24 or

$25 billion. Who knows what it is. Why is that relevant? Because the $15.40 monthly premium that that would allegedly be available for this optional package is, in fact, likely to be far higher, and the higher it gets the less likely people are to participate.

Second—and no one has talked about it—you have the problem of adverse selection. They have taken the same set of incentives or disincentives as we have for the part B premium, and they are very modest—you pay 10 percent more if you drop out and want back in. Why would anyone 65 want to buy this coverage until they were sick? You are going to have a terrible case of adverse selection that will drive the premiums up even more.

But even beyond that, Mr. President, there are two other really troublesome health care problems.

The PRESIDENT pro tempore. The Senator's time has expired.

Mr. HEINZ. May I have 3 additional mintues.

Mr. McCAIN. I yield 3 additional minutes to the Senator from Pennsylvania.

The PRESIDENT pro tempore. The Senator has yielded 3 additional minutes to the Senator from Pennsylvania.

Mr. HEINZ. First we are repeating the flaw of the original catastrophic bill which has a lot of money ending up for skilled nursing home care and not enough for home health care, for respite care, and for adult day care. We are providing a lot of money for institutionalization and nearly nothing, a fleabite to prevent it. This ought to be called the adult institutionalization act, because that is for what we are giving incentives.

Second, if you are a senior citizen, you are going to be one of the most confused people in the world should this become law because there are going to be two sets of home health care benefits; one for people who get this, one for people under normal Medicare—20 days for basic Medicare; 38 days for the optional package. For skilled nursing homes there will be a totally different set of benefits—8 days with a 20-percent copay, and then 150 days free for the optional plan; 20 days free and 21 to 100 days at 80-percent copay for the regular Medicare beneficaries.

Try to explain that one to your constituents. I cannot even explain it very well here.

Finally, we are going to do something we never intended to do. We are going to go into competition in this program with the private sector. We are going to be in competition with private Medigap companies. That is a whole new kettle of fish. If there is anyone in this body who wants to go into direct competition with the private sector, this is a great way to do it. I think that is a terrible mistake, and it is going to lead to a new type of approach to the Medicare system and to our approach to the private sector. I do not think we ought to cross that line.

So, Mr. President, for all these reasons—I have about 100 more—frankly, we ought to roundly defeat this amendment.

Mr. RIEGLE. Mr. President, I yield 2 minutes to the Senator from Rhode Island.

The PRESIDENT pro tempore. The Senator from Rhode Island [Mr. CHAFEE] is recognized for 2 minutes.

Mr. CHAFEE. I listened with care to the arguments of the distinguished senior Senator from Pennsylvania who voted for the catastrophic measure when we passed it a year ago.

Mr. HEINZ. That is right.

Mr. CHAFEE. And of course that was not a bill that put the Government in competition with the private sector. It ruled out competition whatsoever. It took it over completely. There is nothing optional about it.

Mr. HEINZ. That is right.

Mr. CHAFEE. This program, it seems to me, follows the title of the bill. It is a program for catastrophic health insurance. In the first part it provides for long-stay hospitalization coverage and the second part provides for coverage for medical bills after a deductible has been reached.

Yes, it is a high deductible, but then following that high deductible the individual is covered.

Now, that is not true in the bill of the distinguished Senator from Arizona, as has been previously pointed out.

Second, much has been made about what is called adverse selection, namely a provision in the bill that will attract only the sick, that only the sick will come forward and take this additional premium and get that additional coverage.

That just is not so, Mr. President. First of all, there is a severe penalty for an individual trying to get in and out of the optional program. Each time that individual tries to come back in after having been out, there is a 10-percent surcharge that goes on his or her premium. And if he should go out and in again, the base—in other words, the next 10 percent—goes in top of the previous 10 percent that has been added.

The estimate that we received from the CBO is that 65 percent of seniors will avail themselves—30 seconds, Mr. President.

The PRESIDENT pro tempore. The Senator's 2 minutes has expired.

Mr. RIEGLE. I yield 30 additional seconds.

Mr. CHAFEE. The estimate that we received—you can attack the source of the estimates but, after all, Mr. President, we operate on estimates all the time—the estimate that we received from the Congressional Budget Office is that 65 percent of the seniors will take the optional premium and the services that are therein provided.

Mr. RIEGLE. We reserve the remainder of our time.

The PRESIDENT pro tempore. Who yields time?

Mr. McCAIN. Mr. President I yield 4 minutes to the Senator from Utah, Mr. HATCH.

The PRESIDENT pro tempore. The Senator from Utah [Mr. HATCH] is recognized for 4 minutes.

Mr. HATCH. Mr. President, the Riegle amendment is a seductive amendment but I want to make these points: No. 1, it provides part B coverage to the elderly but only to the tiniest fraction of the elderly. It does not trigger until they have spent $14,000 in doctor bills. That is an illusory benefit by anybody's imagination.

In order to get those benefits, however, they have to pay an additional $33 a month in 1991, every senior citizen who opts for it. The Riegle proposal is enticing with this one major flaw. How do we know that we can provide an optional benefit which includes the prescription drug benefit and the skilled nursing facility benefit especially when we cannot predict accurately what these costs are going to be?

To recap our current financial problems, in early 1989 CBO projected that the drug benefit would cost $5.7 billion over the first 4 years. However, in September 1989, CBO estimated that this benefit would cost $11.8 billion over the first 4 years. And administrative costs to run the program eat up one-half of the program costs.

That is almost a 50-percent increase. With this financial uncertainty, add to that the skilled nursing facility benefit. Hospital cost estimates have exploded over earlier analyses. Test programs changed from $31 to $48 billion.

Mr. President, let us not accept a program that is clouded by uncertainty, because I am certain there is not one Member who wants to be forced to revisit this legislation within the year because of deflated cost estimates. Let us just understand something.

The McCain amendment is understood by every senior citizen concerned with this issue in this country, and that is millions. They know what it is. They want it.

Anybody who votes for this amendment, the Riegle amendment, is going to have to explain that the rest of their lives. They are never going to be able to recover from it even if the Riegle amendment works, and it is illusory at best. If you stop and think about it, let us vote for the McCain amendment. He has earned the right. He has fought this fight. He has shown how it works. It is a minor cost compared to these other programs,

and a major benefit for that minor cost.

I reserve the balance of my time and yield to the distinguished Senator from Arizona.

The PRESIDING OFFICER (Mr. CONRAD). Who yields time?

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

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 3 minutes.

Mr. EXON. I thank my colleague. I have stood on the floor and supported many times my friend and colleague from the State of Utah. I have never heard him, I do not think, be as far off base in the opinion of this Senator as the remarks that I just heard.

If it is true that this amendment is adopted, and this Senator strongly supports it, I am not fearful of going out and facing the senior citizens of Nebraska, or the senior citizens of any other State, to explain what we are doing for them or trying to do in this bill which is a true catastrophic plan. There is no free lunch.

I did not intend to make the point, but since the Senator from Utah has attacked this bill on totally unsound ground, I can only say that if the McCain amendment becomes law, there is going to be a great deal of explaining to do because of the cap loss in the McCain provision. That is where the explanation is going to have to be made.

I suspect this bill is not perfect. I suspect, Mr. President, no bill can be perfect under the present circumstances. I thought long and hard about all of the ideas that have been put forward, including the one where the House of Representatives just simply repealed the whole act.

While that is still a possibility and a route that I may have to take, I simply believe and plead that we keep our rhetoric within due bounds, and recognize that there are going to be differences of opinion. I am not trying to destroy the merits. I am not trying to destroy the benefits of any other proposal.

I simply say that with the backing of my good friend from Michigan, my good friend from Rhode Island, and the chairman of the Finance Committee, who has jurisdiction, this bill simply could not possibly be as bad as some on that side seem to believe.

Mr. President, I rise to support the amendment. I believe it is a straightforward approach to dealing with the problems presented by last year's overwhelming passage of the Medicare Catastrophic Coverage Act.

In my deliberations on this legislation, I looked at total repeal, such as the proposal the House recently passed. While it is still an option, I do not feel that it is the best possible option at this point in time. This amendment will repeal the surtax, which is by far the most onerous portion of the catastrophic bill, retains the extended hospitalization benefits and the cap on part B doctors' bills. It also retains the spousal impoverishment and other Medicaid provisions.

More importantly, it retains all the rest of the benefits we passed last year as part of the original bill, but makes them optional. They are not tied to the other part B benefits, these new benefits are truly optional. These new optional benefits are paid for by another flat premium that starts out at $15.40 a month, rising to $30.30 a month in 1991. This is a bargain policy for the benefits it retains. For those who voluntarily want or need it. This is a true catastrophic bill.

Mr. President, I would love to be able to provide first dollar, top-notch health coverage for our elderly at no or little expense to them. Unfortunately, that is outside the current realm of fiscal reality. With that thought in mind, I believe this amendment is the best approach currently on the table. This amendment allows important benefits to be retained while paying for it with the standard minimal premium assessed to each individual receiving benefits.

As I stated earlier, I heartily endorsed the concepts put forth by the Medicare Catastrophic Coverage Act and with this amendment we can maintain that concept. We can repeal the senior surtax and still keep some of the benefits that will help the individuals faced with overwhelming medical bills.

Mr. President, I hope we can adopt this important amendment and thus be on the road to offering the solution demanded by the senior citizens of this Nation.

I reserve the balance of my time and yield back to the Senator from Michigan.

Mr. RIEGLE. I thank the Senator.

Mr. KENNEDY. Will the Senator yield?

Mr. RIEGLE. I yield 2 minutes to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 2 minutes.

Mr. KENNEDY. Mr. President, three brief points. We hear during the course of this debate what the estimated costs were at the time of the passage of the original bill, and how they are going to go up, up over the period of the next several years. There are two sides on that coin. They are only estimates, first of all. But if the estimates are accurate and it is going to be more costly, what is this going to mean? Are there going to be more and more American families that are going to be bankrupted? Somebody is going to have to pay. Somebody is going to have to fork out.

If all these figures are accurate, you are pointing to hundreds of thousands of American families that are going to be bankrupt. What we are attempting to do here is to try to minimize that possibility down the road, No. 1.

No. 2, this is the last opportunity to develop a program that is going to deal with outpatient prescription drugs. This is the last opportunity on that. There are more families that exceed the ceiling because of prescription drug costs than parts A or B, or A and B combined.

So if you are talking about hardships on families, particularly in the area of prescription drugs, this is your last chance.

Third, on the supplemental benefits, years of hearings have demonstrated that 40 percent of the cost of supplemental benefits go for administration and profits of those companies that sell them. The Riegle-Chafee approach is an imaginative, creative way to make available a choice for millions of elderly people who want and need that particular benefit.

I think the Riegle-Chafee measure should have the support of the Members of this body.

I thank the Senator.

Mr. RIEGLE. I thank the Senator. I reserve the balance of my time.

The PRESIDING OFFICER. Who yields time?

Mr. McCAIN. How much time remains on both sides?

The PRESIDING OFFICER. The Senator from Arizona controls 8½ minutes, and the Senator from Michigan controls 2 minutes and 46 seconds.

Mr. McCAIN. Mr. President, I yield 4 minutes to the Senator from Missouri [Mr. DANFORTH].

The PRESIDING OFFICER. The Senator from Missouri is recognized for 4 minutes.

Mr. DANFORTH. Mr. President, it is not often in life when you make a serious mistake, and you have a chance to undo it and start over again. That is the issue that is before the Senate today. The issue is whether we look at what we did last year and start over again, or instead whether we attempt to salvage something of last year's program, patch it up, put a retread on the tires and send it out on the road again.

What we have been doing today is voting on a series of proposals to try to salvage something of last year's catastrophic health insurance program. The Riegle amendment is just one in this line of efforts to keep the old system going.

Mr. President, I think it is not the best approach for us to try to patch something together. I think we have a rare opportunity today to undo an unpopular program of 1988 and to take a fresh look at the health care needs of this country. I think it would be a mis-

take on the floor of the Senate to try to put together some jerry-rigged approach to fixing the 1988 bill. I especially believe that it would be a mistake to pass an amendment which most of us did not know of and have not heard of as recently as an hour ago.

Senator ROTH, I, and others favor outright repeal. Why do we favor repeal? Not because we are against having a health care program for the elderly—far from it. We assume we are going to have a health care program. We assume we are going to have a new one. But, Mr. President, next spring the Pepper Commission is to be heard from. The Pepper Commission will issue a report on two recognized needs, one for long-term care, and the other for the 31 million Americans who have no health insurance whatever.

Why should we not take those needs, plus the question of cost containment, plus the question of malpractice reform, and deal with them all at the same time? I am concerned that if we enact legislation hurriedly now, just as we did in 1988, we will be repeating the 1988 mistake.

I am concerned that if we do what Senator RIEGLE wants us to do, we will be precluding the choices that we should be examining when we have an opportunity to deal with this matter comprehensively next year. For that reason, I oppose the Riegle amendment. I think it would be a serious mistake to adopt it. For that reason, I believe that the most responsible thing for us to do is to repeal the 1988 legislation with a view to starting over again at the earliest possible date.

The PRESIDING OFFICER. Who yields time?

Mr. McCAIN. I yield my remaining time to the Senator from New Mexico [Mr. DOMENICI].

The PRESIDING OFFICER. The Senator from New Mexico is recognized for——

Mr. McCAIN. Mr. President, before doing so, I ask unanimous consent to add Senators BIDEN, SHELBY, HEFLIN, JEFFORDS, DIXON, and HATFIELD as cosponsors of the McCain bill.

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

Mr. DOMENICI. Parliamentary inquiry. How much time do I get yielded to me?

The PRESIDING OFFICER. Four minutes.

Mr. DOMENICI. Mr. President, let me first congratulate the Senator from Missouri for his argument. I will make a slightly different argument. I think part of it will lead in the same direction.

First of all, there has been a bit of a discussion here about competition with Medigap insurers on this kind of an optional plan. Maybe that would be a good idea; maybe it would not be.

There are no Medigap private sector insurers covering this kind of coverage. I think I know why. Let me tell you the kind of things that are in this plan. We add a couple of days to home health care coverage. We add a little bit to respite care, but only if you have very high medical costs we add drug coverage and mammography screening.

Mr. President, the reason the private sector does not favor these is, on the one hand, because the package is bizarre; and second, nobody knows the cost of them. That is generally referred to as being actuarial unpredictable. That goes to the 65 percent assumption rule as to participants. We could not find out how in the world somebody assured 65 percent of seniors would participate.

Anybody can call CBO up and ask how they came up with that assumption. I am going to just use two words "very uncertain." You can use it, too, but remember "very uncertain." CBO will use it.

Does that matter? Mr. President, that matters, especially when an amendment like this is dropped onto the floor of the Senate as a suggestion to the senior citizens of the United States and U.S. Senators that we have something really good for seniors.

Mr. President, if participation is not 65 percent, the program is in trouble. You may not be able to deliver the services that the people paid you for. Mr. President, the 65 percent is assumption too high, but we will have promised the senior citizens this coverage.

Let me assure those who serve on the Finance Committee of the U.S. Senate, they will pay if this plan is adopted. We will be in here in about 2 years. This actuarial uncertainty will become a reality. This promise to all these people, if you would like to opt into this very, very new package—a little respite care, a little home health care, drugs, and we are not quite certain how much drugs are going to cost, but if you opt into that—it costs $350 per year.

I can predict that the Senator from Missouri and others will have this in their lap to supplement with tax revenues, because these premiums will not be able to pay for the benefits. That just means that we have a difficult decision to make here about a complex issue. If nothing else, we ought to act in areas that we understand.

My last thought about this is—I want to say to my good friends, the two principal sponsors, Senators, RIEGLE and CHAFEE, I do not oppose this for any reason as to who started it, whether it is yours or someone else's.

I hope you know I opposed my dear friend and my leader on this side, Senator DOLE, this morning. I oppose this in all good conscience, from my standpoint. You have come up with something difficult to develop and worked hard at it. But in this case I do not think it is the way to undo one mess by creating another mess.

To say that this is optional seems to me, on the one hand, to offer a big false promise, and on the other hand, creates potential for us having to come in and pay for it. There will be a Medicap fill-in, but it will not be by insurers. It will be by the taxpayers of the country.

I yield the floor.

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

Mr. RIEGLE. Mr. President, I yield 1 minute to the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington is recognized for 1 minute.

Mr. ADAMS. Mr. President, as a member of the HHS authorizing committee and the appropriating committee, I am in deep support of this amendment. I have today supported the motion to waive the Budget Act with respect to the catastrophic health care bill. In so doing, I want to emphasize my desire that however we chose to deal with the question of providing catastrophic health care coverage for our Nation's elderly, we should be guided by the following objectives:

First, that some form of basic coverage be maintained; and second, that we eliminate the present surtax levied upon our elderly for the coverage provided. I believe that the amendment before us, sponsored by Senator RIEGLE and Senator CHAFEE, meets those objectives, and I urge my colleagues to support it.

Over the past months, it has become increasingly clear that many senior citizens object to the concept of a surtax in any form. They believe that a special tax for any segment of our population is unfair and unacceptable. In addition, many senior citizens who would pay substantially less than the maximum surtax of $800 have come to believe that all seniors would pay that same maximum rate. The anger and confusion that has accompanied anticipated implementation of the existing law has been divisive and confusing. In addition, the debate has focused on the difference between the interests of our seniors who have ample savings and insurance and those who do not.

I believe that Congress has an obligation to respond to the objections surrounding the surtax by repealing it, and I intend to so vote. But I also believe we have an obligation to those seniors who need coverage to protect their interests. We must maintain a basic level of benefits, based upon a flat premium, that will address those most pressing needs of our senior citizens in the area of health care. In the

years to come, we as a society will have opportunity to discuss the wisdom and the fairness of the surtax we are repealing today. Perhaps in the long run, this discussion will lead us to further explore the basic problems of health care coverage that still exist in this country, namely, the 37 million Americans who have no form of health care coverage at all. In striving to maintain the most urgently needed portions of this plan, given the difficult budget constraints we face, I hope that the final version of S. 1726 we approve today will meet the objectives of basic fairness to our senior citizens, and fiscal responsibility toward all of our citizens. Because this amendment does so, I intend to vote for it.

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

Mr. RIEGLE. I yield 30 additional seconds.

Mr. ADAMS. I hope that this package will be adopted to protect that large group of people who still need basic coverage, and I compliment the Senator for bringing it forward. It is the best chance we may have in this Senate to pass a bill to provide our seniors with basic catastrophic coverage without significantly adding to our national debt.

I thank the Senator.

Mr. RIEGLE. Mr. President, may I ask how much time remains on both sides?

The PRESIDING OFFICER. The Senator from Michigan has 1 minute. There is no time remaining on the other side.

Mr. RIEGLE. Mr. President, in that final minute, let me say that I appreciate the support of my cosponsors, Senators CHAFEE, EXON, and BENTSEN. We have held off circulating this widely, because we wanted to give others time to see what they could do.

With respect to the cost of this program, the administrative costs under private Medigap programs are estimated to be 25 percent. Under Medicare, administrative costs are at 3 percent. We can provide these benefits on a voluntary basis to seniors who want to elect them at the lowest possible costs, and we can save heartache and broken lives and broken family situations all across this country. We revised this in a way that meets the needs of the seniors.

Most of the seniors that I talked to like this plan. It is solid and meets their basic needs. We have prescription drugs. The other plans do not. We provide a cap on doctor bills. The other plans do not. This is the best possible plan under the circumstances, and I ask my colleagues to support it.

The PRESIDING OFFICER. The Senator's time has expired. The question occurs on the amendment.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

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

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii [Mr. MATSUNAGA] is necessarily absent.

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

The result was announced—yeas 41, nays 58, as follows:

[Rollcall Vote No. 238 Leg.]

YEAS—41

| | | |
|---|---|---|
| Adams | Exon | Metzenbaum |
| Bentsen | Ford | Mitchell |
| Bingaman | Fowler | Moynihan |
| Breaux | Glenn | Nunn |
| Bumpers | Gore | Pell |
| Burdick | Graham | Pryor |
| Byrd | Inouye | Riegle |
| Chafee | Johnston | Robb |
| Conrad | Kennedy | Sanford |
| Cranston | Kerrey | Sarbanes |
| Daschle | Kerry | Sasser |
| DeConcini | Kohl | Simon |
| Dodd | Levin | Wirth |
| Durenberger | Lieberman | |

NAYS—58

| | | |
|---|---|---|
| Armstrong | Grassley | Mikulski |
| Baucus | Harkin | Murkowski |
| Biden | Hatch | Nickles |
| Bond | Hatfield | Packwood |
| Boren | Heflin | Pressler |
| Boschwitz | Heinz | Reid |
| Bradley | Helms | Rockefeller |
| Bryan | Hollings | Roth |
| Burns | Humphrey | Rudman |
| Coats | Jeffords | Shelby |
| Cochran | Kassebaum | Simpson |
| Cohen | Kasten | Specter |
| D'Amato | Lautenberg | Stevens |
| Danforth | Leahy | Symms |
| Dixon | Lott | Thurmond |
| Dole | Lugar | Wallop |
| Domenici | Mack | Warner |
| Garn | McCain | Wilson |
| Gorton | McClure | |
| Gramm | McConnell | |

NOT VOTING—1

Matsunaga

So the amendment (No. 988) was rejected.

The PRESIDING OFFICER. May we have order in the Chamber? Senators who are talking, if they could take those conversations to the Cloakroom. The Senate will not proceed until the Senate is in order.

Under the previous order, the Senator from Nebraska is to be recognized.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska will withhold. The Senate is not in order. The Senate will not proceed to further business until we restore order.

The Senator from Nebraska.

Mr. EXON. Mr. President, let me first make an inquiry. We are on the Exon amendment and there is 15 minutes equally divided; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. EXON. Mr. President, the amendment I am offering is a clean compromise to the problems presented by last year's passage of the Medicare Catastrophic Coverage Act.

As I stated earlier today, on October 27, 1987, I joined 85 of my colleagues here on the floor of the U.S. Senate in approving the Senate version of this bill. I supported the intent of the catastrophic bill then and I support the intent of the bill now. However, I still have reservations that the package passed last year did not do more toward the costs of long-term care. However, we can work on that once we get this catastrophic legislation under control.

My amendment will repeal the surtax, which is what the seniors of Nebraska object to most strenuously, and instruct the Finance Committee to decide which of the remaining benefits can be retained and financed by the flat part B premium, which my amendment also retains. My amendment also retains the Medicaid provisions in the catastrophic bill, the Pepper Commission, and technical corrections to OBRA 1987.

My amendment has a caveat. If legislation implementing these changes is not signed by the President by December 31, 1989, the benefits, with the exception of the Medicaid provisions, will be repealed. There is a grandfather provision included so that no one will be kicked out of the hospital if repeal takes place. I believe the Senate Finance Committee is the appropriate body to determine which combination of benefits should be retained.

The PRESIDING OFFICER. If the Senator will suspend one moment we will be able to restore order.

The Chair will also advise the Senator from Nebraska that, in order for the time to be properly allocated, the Senator from Nebraska would need to send his amendment to the desk or have time yielded off the bill.

Mr. EXON. Mr. President, I ask unanimous consent for 10 minutes, only, of time, with the understanding that I may offer the amendment at that time.

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

Mr. EXON. Mr. President, the committee has the expertise in health issues, access to the cost data, and the staff resources to handle this issue effectively. While I could certainly pick and choose my favorites to include in this amendment, I may not pick the most appropriate combinations as to provide the most benefits or serve the greatest population of individuals.

But I have been advised by many members of that committee they do not think it is wise. For reasons best

known to them, they do not want to reconsider this proposal, which I think would properly be in their charge.

In fact, it is not only in their charge, Mr. President. It seems to me I remember a time or two when the Finance Committee has been on the floor of the U.S. Senate, having long, drawn out arguments about protecting of turf and people doing things that more properly belong in the Finance Committee.

This would be a good opportunity for the Finance Committee to not only exercise their turf, but to do what I think they could do better than anyone else. We have a chance to make positive changes. We can repeal the senior surtax and still keep some of the benefits.

Mr. President, I think this is a very good amendment. I worked very hard and I talked to many of my colleagues about it. However, I think time is extremely short. I believe the patience of the body is being tested and, Mr. President, since a case has been made on a whole series of votes on the floor today as to possible alternatives, I do not intend to offer the amendment I had planned because I feel it would be unnecessarily wasting time of this body.

Therefore, I am not going to offer the amendment in question and I hope some of my colleagues will join me in a spirit of cooperation, trying to cut down the time being used, and move our work along much more rapidly than we have. Therefore, I advise the Chair I will not offer the amendment as I previously intended.

The PRESIDING OFFICER. Under the previous order the Senator from Missouri and the Senator from Delaware may be recognized at this time for the purposes of presenting amendments.

The Senator from Arizona.

Mr. McCAIN. Mr. President, due to the slight miscalculation about the time that was going to be consumed by the Senator from Nebraska, I do not think the Senators are here who are involved in this. I ask unanimous consent for about a 3-minute delay so people can get over here.

Mr. EXON. Mr. President, if we have to have a quorum call——

Mr. McCAIN. I withdraw my request, Mr. President.

The PRESIDING OFFICER. The request is withdrawn.

Mr. EXON. Mr. President, I see nothing wrong with a quorum call if that would accommodate all. I was trying to say, as I suggested, the time used in the quorum call be charged equally to each side in the spirit of moving things along a little bit quicker than we ordinarily like to do in this body.

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

The Senator from Delaware.

Mr. ROTH. Reserving the right to object, taking the time from what?

Mr. McCAIN. Mr. President, I object. We are ready to move forward with the Danforth amendment.

The PRESIDING OFFICER. Objection is heard.

The Senator from Delaware.

AMENDMENT NO. 989

(Purpose: To modify various provisions of the Medicare Catastrophic Coverage Act of 1988)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH], for himself, Mr. DANFORTH, Mr. NICKLES, Mr. SHELBY, Mr. REID, Mr. BRYAN, Mr. HELMS, Mr. GRAHAM, and Mr. COATS, proposes an amendment numbered 989.

Mr. ROTH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

Strike out all after the enacting clause and insert the following:

SECTION 1. REPEAL OF EXPANSION OF MEDICARE PART A BENEFITS.

(a) IN GENERAL.—

(1) GENERAL RULE.—Except as provided in paragraph (2), sections 101, 102, and 104(d) (other than paragraph (7)) of the Medicare Catastrophic Coverage Act of 1988 (Public Law 100-360) (in this part referred to as "MCCA") are repealed, and the provisions of law amended or repealed by such sections are restored or revived as if such section had not been enacted.

(2) EXCEPTION FOR BLOOD DEDUCTION.—The repeal of section 102(1) of MCCA (relating to deductibles and coinsurance under part A) shall not apply, but only insofar as such section amended paragraph (2) of section 1813(a) of the Social Security Act (relating to deduction for blood).

(b) TRANSITION PROVISIONS FOR MEDICARE BENEFICIARIES.—

(1) INPATIENT HOSPITAL SERVICES AND POST-HOSPITAL EXTENDED CARE SERVICES.—In applying sections 1812 and 1813 of the Social Security Act, as restored by subsection (a)(1), with respect to inpatient hospital services and extended care services provided on or after January 1, 1990—

(A) no day before January 1, 1990, shall be counted in determining the beginning (or period) of a spell of illness;

(B) with respect to the limitation on such services provided in a spell of illness, days of such services before January 1, 1990, shall not be counted, except that days of inpatient hospital services before January 1, 1989, which were applied with respect to an individual after receiving 90 days of services in a spell of illness (commonly known as "lifetime reserve days") shall be counted;

(C) the limitation of coverage of extended care services to post-hospital extended care services shall not apply to an individual receiving such services from a skilled nursing facility during a continuous period beginning before (and including) January 1, 1990, until the end of the period of 30-consecutive days in which the individual is not provided inpatient hospital services or extended care services; and

(D) the inpatient hospital deductibles under section 1813(a)(1) of such Act shall not apply—

(i) in the case of an individual who is receiving inpatient hospital services during a continuous period beginning before (and including) January 1, 1990, with respect to the spell of illness beginning on such date, if such a deductible was imposed on the individual for a period of hospitalization during 1989;

(ii) for a spell of illness beginning during January 1990, if such a deductible was imposed on the individual for a period of hospitalization that began in December 1989; and

(iii) in the case of a spell of illness of an individual that began before January 1, 1989, and has not ended as of January 1, 1990.

(2) HOSPICE CARE.—The restoration of section 1812(a)(4) of the Social Security Act, effected by subsection (a)(1), shall not apply to hospice care provided during the subsequent period (described in such section as in effect on December 31, 1989) with respect to which an election has been made before January 1, 1990.

(3) TERMINATION OF HOLD HARMLESS PROVISIONS.—Section 104(b) of MCCA is amended by striking "or 1990" each place it appears.

(c) TERMINATION OF TRANSITIONAL ADJUSTMENTS IN PAYMENTS FOR INPATIENT HOSPITAL SERVICES.—

(1) PPS HOSPITALS.—Section 104(c)(1) of MCCA is amended by inserting "and before January 1, 1990," after "October 1, 1988,".

(2) PPS-EXEMPT HOSPITALS.—Section 104(c)(2) of MCCA is amended—

(A) by inserting "and before January 1, 1990," after "January 1, 1989,"; and

(B) by striking the period at the end and inserting the following: ", without regard to whether any of such beneficiaries exhausted medicare inpatient hospital insurance benefits before January 1, 1989.".

(d) EFFECTIVE DATE.—The provisions of this section shall take effect January 1, 1990, except that the amendments made by subsection (c) shall be effective as if included in the enactment of MCCA.

SEC. 2. REPEAL OF SUPPLEMENTAL MEDICARE PREMIUM AND FEDERAL HOSPITAL INSURANCE CATASTROPHIC COVERAGE RESERVE FUND.

(a) IN GENERAL.—Sections 111 and 112 of MCCA are repealed and the provisions of law amended by such sections are restored or revived as if such sections had not been enacted.

(b) DELAY IN STUDY DEADLINE.—Section 113(c) of MCCA is amended by striking "November 30, 1988" and inserting "May 31, 1990".

(c) DISPOSAL OF FUNDS IN FEDERAL HOSPITAL INSURANCE CATASTROPHIC COVERAGE RESERVE FUND.—Any balance in the Federal Hospital Insurance Catastrophic Coverage Reserve Fund (created under section 1817A(a) of the Social Security Act, as inserted by section 112(a) of MCCA) as of January 1, 1990, shall be transferred into the Federal Hospital Insurance Trust Fund and amounts payable due to overpayments into such Trust Fund shall be payable from the Federal Hospital Insurance Trust Fund.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in this subsection, the provisions of this section shall take effect January 1, 1990.

(2) REPEAL OF SUPPLEMENTAL MEDICARE PREMIUM.—The repeal of section 111 of MCCA

shall apply to taxable years beginning after December 31, 1988.

SEC. 3. REPEAL OF EXPANSION OF MEDICARE PART B BENEFITS.

(a) IN GENERAL.—

(1) GENERAL RULE.—Except as provided in paragraph (2), sections 201 through 208 of MCCA are repealed and the provisions of law amended or repealed by such sections are restored or revived as if such sections had not been enacted.

(2) EXCEPTION.—Paragraph (1) shall not apply to subsections (g) and (m)(4) of section 202 of MCCA.

(b) CONFORMING AMENDMENTS.—Section 1905(p) of the Social Security Act (42 U.S.C. 1396d(p)) is amended—

(1) in paragraph (3)(C)—

(A) by striking "Subject to paragraph (4), deductibles" and inserting "Deductibles", and

(B) by striking "1813, section 1833(b)" and all that follows and inserting "1813 and section 1833(b))."; and

(2) by striking paragraph (4) and redesignating paragraph (5) as paragraph (4).

(c) EFFECTIVE DATE.—The provisions of this section shall take effect January 1, 1990.

SEC. 4. REPEAL OF CHANGES IN MEDICARE PART B MONTHLY PREMIUM AND FINANCING.

(a) IN GENERAL.—Sections 211 through 213 (other than section 211(b)) of MCCA are repealed and the provisions of law amended or repealed by such sections are restored or revived as if such sections had not been enacted.

(b) 1-TIME TRANSFER OF NET ADDITIONAL PREMIUMS.—There shall be transferred, as of January 1, 1990, from the Federal Supplementary Medical Insurance Trust Fund to the Federal Hospital Insurance Trust Fund an amount equal to—

(1) the amount of the premiums collected pursuant to section 1839(g) of the Social Security Act, minus

(2) the amount of administrative expenses incurred under part B of title XVIII of such Act relating to implementation of MCCA, plus

(3) the amount of interest accrued to the Federal Supplementary Medical Insurance Trust Fund attributable to balance described in paragraphs (1) and (2).

(c) EFFECTIVE DATE.—The provisions of subsection (a) shall take effect January 1, 1990, and the repeal of section 211 of MCCA shall apply to premiums for months beginning after December 31, 1988.

SEC. 5. AMENDMENT OF CERTAIN MISCELLANEOUS PROVISIONS.

(a) REVISION OF MEDIGAP REGULATIONS.—

(1) Section 1882 of the Social Security Act (42 U.S.C. 1395ss), as amended by section 221(d) of the Medicare Catastrophic Coverage Act of 1988, is amended—

(A) in the third sentence of subsection (a) and in subsection (b)(1), by striking "subsection (k)(3)" and inserting "subsections (k)(3), (k)(4), (m), and (n)";

(B) in subsection (k)—

(i) in paragraph (1)(A), by inserting "except as provided in subsection (m)," before "subsection (g)(2)(A)", and

(ii) in paragraph (3), by striking "subsection (1)" and inserting "subsections (1), (m), and (n)"; and

(C) by adding at the end the following new subsections:

"(m)(1)(A) If, within the 90-day period beginning on the date of the enactment of this subsection, the National Association of Insurance Commissioners (in this subsection and subsection (n) referred to as the 'Association') amends the amended NAIC Model Regulation (referred to in subsection (k)(1)(A)) and adopted on September 20, 1988) to reflect the changes made in law to the Medicare Catastrophic Act of 1988 and any additional provisions enacted relating to such changes, subsection (g)(2)(A) shall be applied in a State, effective on and after the date specified in subparagraph (B), as if the reference to the Model Regulation adopted on June 6, 1979, were a reference to the amended NAIC Model Regulation (referred to in subsection (k)(1)(A)) as amended by the Association in accordance with this paragraph (in this subsection and subsection (n) referred to as the 'revised NAIC Model Regulation').

"(B) The date specified in this subparagraph for a State is the earlier of the date the State adopts standards equal to or more stringent than the revised NAIC Model Regulation or 1 year after the date the Association first adopts such revised Regulation.

"(2)(A) If the Association does not amend the NAIC Model Regulation, within the 90-day period specified in paragraph (1)(A), the Secretary shall promulgate, not later than 60 days after the end of such period, revised Federal model standards (in this subsection and subsection (n) referred to as 'revised Federal model standards') for medical supplemental policies to reflect the changes made in law to the Medicare Catastrophic Act of 1988 and any additional provisions enacted relating to such changes, subsection (g)(2)(A) shall be applied in a State, effective on and after the date specified in subparagraph (B), as if the reference to the Model Regulation adopted on June 6, 1979, were a reference to the revised Federal model standards.

"(B) The date specified in this subparagraph for a State is the earlier of the date the State adopts standards equal to or more stringent than the revised Federal model standards or 1 year after the date the Secretary first promulgates such standards.

"(3) Notwithstanding any other provision of this section (except as provided in subsection (n))—

"(A) no medicare supplemental policy may be certified by the Secretary pursuant to subsection (a),

"(B) no certification made pursuant to subsection (a) shall remain in effect, and

"(C) no State regulatory program shall be found to meet (or to continue to meet) the requirements of subsection (b)(1)(A),

unless such policy meets (or such program provides for the application of standards equal to or more stringent than) the standards set forth in the revised NAIC Model Regulation or the revised Federal model standards (as the case may be) by the date specified in paragraph (1)(B) or (2)(B) (as the case may be).

"(n)(1) Until the date specified in paragraph (4), in the case of a qualifying medicare supplemental policy described in paragraph (3) issued in a State—

"(A) before July 1, 1990, the policy is deemed to remain in compliance with the standards described in subsection (b)(1)(A) if the insurer issuing the policy complies with the transition provision described in paragraph (2), or

"(B) on or after July 1, 1990, the policy is deemed to be in compliance with the standards described in subsection (b)(1)(A) if the insurer issuing the policy complies with the revised NAIC Model Regulation or the revised Federal model standards (as the case may be) before the date of the sale of the policy.

"(2) The transition provision described in this paragraph is—

"(A) such transition provision as the Association provides, by not later than December 15, 1989, so as to provide for an appropriate transition to reflect the changes in benefits under this title made in law to the Medicare Catastrophic Act of 1988 and any additional provisions enacted relating to such changes, or

"(B) if the Association does not provide for a transition provision by the date described in Subparagraph (A), such transition provision as the Secretary shall provide, by January 1, 1990, so as to provide for an appropriate transition described in subparagraph (A).

"(3) In paragraph (1), the term 'qualifying medicare supplemental policy' means a medicare supplemental policy which has been issued in compliance with this section as in effect on the date before the date of the enactment of this subsection.

"(4)(A) The date specified in this paragraph for a policy issued in a State is—

"(i) the first date a State adopts, after the date of the enactment of this subsection, standards equal to or more stringent than the revised NAIC Model Regulation (or revised Federal model standards), as the case may be, or

"(ii) the date specified in subparagraph (B), whichever is earlier.

"(B) In the case of a State which the Secretary identifies, in consultation with the Association, as—

"(i) requiring State legislation (other than legislation appropriating funds) in order for medicare supplemental policies to meet standards described in subparagraph (A)(i), but

"(ii) having a legislature which is not scheduled to meet in 1990 in a legislative session in which such legislation may be considered,

the date specified in this subparagraph is the first day of the first calendar quarter beginning after the close of the first legislative session of the State legislature that begins on or after January 1, 1990, for purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

"(5) In the case of a medicare supplemental policy in effect on January 1, 1990, the policy shall not be deemed to meet the standards in subsection (c) unless each individual who is entitled to benefits under this title and is a policy holder under such policy on such date is sent a notice in any appropriate form by not later than January 31, 1990, that explains—

"(A) the changes in benefits under this title effected by the changes made in law to the Medicare Catastrophic Act of 1988 and by any additional provisions enacted relating to such changes, and

"(B) how these changes affect the benefits contained in such policy and the premium for the policy.

"(6) In the case of an insurer which had in effect, as of December 31, 1988, a medicare supplemental policy with respect to an individual, for which the individual terminated coverage as of January 1, 1989 (or the earliest renewal date thereafter), no medicare supplemental policy of the insurer shall be deemed to meet the standards in subsection (c) unless the insurer—

"(A) provides written notice, by January 15, 1990, to the individual (at the most

recent available address) of the offer described in subparagraph (B), and

"(B) offers to the individual, during the period beginning on January 1, 1990, and ending on March 1, 1990, continuation of coverage under such a medicare supplemental policy (with coverage effective as of January 1, 1990), under the terms respecting treatment of pre-existing conditions and group rating of premium which are at least as favorable to the individual as such terms as existed with respect to the policy as of December 31, 1988.".

(2) It is the sense of Congress that States should respond, at the earliest practicable date after the date of the enactment of this Act, to requests by insurers for review and approval of riders and premium adjustments for medicare supplemental policies in order to comply with the amendments made by paragraph (1).

(b) ADJUSTMENT OF CONTRACTS WITH PREPAID HEALTH PLANS.—Section 222 of MCCA is amended by inserting "and before January 1, 1990," after "December 31, 1988," each place it appears.

(c) NOTICE OF CHANGES.—The Secretary of Health and Human Services shall provide, in the notice of medicare benefits provided under section 1804 of the Social Security Act for 1990, for a description of the changes in benefits under title XVIII of such Act made by the amendments made by this part.

(d) MISCELLANEOUS TECHNICAL CORRECTION.—Section 221(g) (3) of MCCA is amended by striking "subsection (f)" and inserting "subsection (e)".

(e) EFFECTIVE DATE.—The provisions of this section shall take effect January 1, 1990, except that the amendment made by subsection (d) shall be effective as if included in the enactment of MCCA.

SEC. 6. OTHER MISCELLANEOUS AMENDMENTS.

(a) IN GENERAL.—Sections 421 through 425 and 427 of MCCA are repealed and any provision of law amended or repealed by such sections is restored or revived as if such sections had not been enacted.

(b) MISCELLANEOUS TECHNICAL CORRECTIONS.—

(1) Effective as if included in the enactment of the Omnibus Budget Reconciliation Act of 1987, section 1834(b)(4)(A) of the Social Security Act, as added by section 4049(a)(2) of the Omnibus Budget Reconciliation Act of 1987, is amended by striking "insurance and deductibles under section 1835(a)(1)(I)" and inserting "coinsurance and deductibles under sections 1833(a)(1)(J)".

(2) Section 1842(j)(1)(C)(vii) of the Social Security Act, as added by section 4085(i)(7)(C) of the Omnibus Budget Reconciliation Act of 1987, is amended by striking "accordingly" and inserting "according".

(3) Section 1886(g)(3)(A)(iv) of the Social Security Act, as added by section 4006(a)(2) of the Omnibus Budget Reconciliation Act of 1987, is amended by striking "may) be" and inserting "may be)"

(4) Section 1866(a)(1)(F)(i)(III) of the Social Security Act is amended by striking "fiscal year))" and inserting "fiscal year)".

(5) Section 1875(c)(7) of the Social Security Act, as added by section 9316(a) of the Omnibus Budget Reconciliation Act of 1986, is amended by striking "date of the enactment of this Act" and inserting "date of the enactment of this section".

(6) Section 1842(j)(2)(B) of the Social Security Act, as amended by section 8(c)(2)(A) of the Medicare and Medicaid Fraud and Abuse Patient Protection Act of 1987, is amended by striking "paragraphs" and inserting "subsections".

(c) EFFECTIVE DATE.—The provisions of this section shall take effect January 1, 1990, except that—

(1) the repeal of section 421 of MCCA shall not apply to duplicative part A benefits for periods before January 1, 1990, and

(2) the amendments made by subsection (b) shall take effect on the date of the enactment of this Act.

Mr. ROTH. Mr. President, the people have spoken and our colleagues in the House of Representatives have listened. Two days ago, the House passed an amendment to repeal catastrophic by an overwhelming 360 to 66. I propose we do the same in the Senate.

And, to this end, I rise today, on behalf of Senators DANFORTH, NICKLES, SHELBY, REID, BRYAN, HELMS, GRAHAM of Florida, COATS, and myself to offer an amendment that repeals the Medicare Catastrophic Coverage Act of 1988. And let there be no mistake about it, this amendment is the only real opportunity Senators have to vote for repeal.

To put it simply, this amendment repeals all current and future catastrophic benefits except for some transition rules that help accomplish repeal in a manner that is not disruptive to individuals currently receiving benefits.

The surtax and all other catastrophic premiums scheduled to come into effect would be repealed. I want to emphasize that the surtax is repealed effective January 1, 1989. Any supplemental premium moneys collected will be returned to those individuals who have paid them. The catastrophic flat premium of $4 per month would be repealed as of January 1, 1990.

In addition, it is important to point out that the Medicaid changes in the Catastrophic Coverage Act would all remain intact. These changes include the provision which is designed to prevent spousal impoverishment, the Medicaid buy-in and the mom and infant program.

The choice now between repeal and the McCain proposal to retain certain catastrophic benefits. The problems is we do not have adequate information as to whether or not the McCain proposal is financially sound or meets the needs of senior citizens.

In fact, the real problem is there are no facts about catastrophic. We are asked to make decisions about changes on soft data and bad estimates. We are constantly getting new estimates that are always going higher. For example, the cost of the program has soared over 50 percent since it was passed from $30 billion to $48 billion. The Senator from Arizona claims his bill is self-financing, but I would remind my colleagues that the Finance Committee made the same claim last year.

Not only do we not know what catastrophic will cost, we do not know the extent of duplication. Clearly, we know that benefits are duplicated by coverage already provided to Federal and State employees, military retirees, and many in the private sector and unions. Catastrophic will make them pay more for benefits already provided at minimal or no cost to them. That fact leads us to the heart of the issue—Does catastrophic insurance provide what seniors want or need?

This answer is obviously not. It duplicates existing benefits and it does not address long-term care.

The path is clear. We must repeal catastrophic. A piecemeal approach to changing the catastrophic law will not work. We must stand back and take a comprehensive look at health care, so we can make a fresh start on changes for the future. Changes that meet real need and are financially sound.

The only way to accomplish that is to repeal catastrophic. I say again this amendment is the only real opportunity Senators will have to vote for repeal.

I urge my colleagues to follow the lead of the House of Representatives; to listen to their senior citizen constituents. Vote for this amendment. Vote to repeal.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES. Will the Senator yield?

Mr. McCAIN. Mr. President, I yield 5 minutes to the Senator from Missouri who has been patiently waiting, I say to my friend from Oklahoma.

The PRESIDING OFFICER. The Senator from Missouri is recognized for 5 mintues.

Mr. BOND. Thank you, Mr. President. I rise in opposition to this amendment, because I am pleased to join with the Senator from Arizona. I am sure all of us know by now, and we have heard from our seniors that they are objecting to the financing, the surtax that has come along in the catastrophic health care insurance program.

When most of my colleagues in Missouri write to me about this program, usually they refer to it as the "catastrophic tax act." We know what they are talking about. They are talking about the proposed surtax that will come into being. I have had letters saying the catastrophic surtax law is totally unacceptable and should be repealed. Clearly, these senior citizens want the surtax repealed, and I do not think there is any debate on that.

Some people have said the bill is unworkable and fatally flawed. I believe that there is one catastrophic mistake—it is not necessarily fatal to the entire bill—where virtually all the complaints can be traced. Congress decided to expand the original legislation far beyond truly catastrophic protec-

tion. The first bill proposed by the administration contained only protection from truly catastrophic events. Dr. Bowen made a very compelling case for that coverage. It was to be financed entirely by the $4 per month additional premium and participation would have been voluntary.

Once this body got a hold of the bill, it became a Christmas tree and other benefits like financing for prescription and doctors' visits became ornaments and baubles on the tree. I think these are things that are terribly important, do not get me wrong, but are terribly expensive and drove the cost of the program up.

The committee looked at the program and realized they would have to make participation mandatory for the program to work; they would have to charge the wealthier beneficiaries more than $4 a month to make it work. And all these changes were necessary to pay for the additional ornaments and balls.

We believe the cost estimates for CBO show us that the highly unpopular and unfair surtax can be eliminated, repealed without losing the core catastrophic benefits seniors still need.

The need for shelter from truly catastrophic illness has not changed. The need is the same as it was when we began this debate 3 years ago.

I do not believe that the Senate should follow our colleagues in the other body and repeal the Act outright. The surtax is what is the objectionable portion, not the additional monthly premium of $4 or so. No one who I have talked to has complained about that. The basic truly catastrophic protection benefits that went into effect early this year should not be repealed. These are the acute hospital care benefits, hospice care and protection from spousal impoverishment. I do not believe seniors object to the slight monthly increase for that kind of protection. The proposal we are offering keeps those core benefits which were at the heart of the original catastrophic health care program.

If, Mr. President, we repeal the entire program and not just its flaws, we will be right back where we were when we started out 3 years ago. The need for protection from financial devastation, from long hospital stays has not changed. The need for assurance against spousal impoverishment has not changed.

Some of my colleagues point out that one pressing need, that of long-term health care, has not been addressed, and I agree. The Senate should discuss long-term care, but that should not preempt any care, any shelter from those suffering catastophic illness. But if we can repeal the surtax and change the catastrophic Act into a program that does what we intended it to do 3 years ago, should we not do that, instead of simply throwing up our hands and trying to wipe them clean?

There is a tidal wave of opposition to the current Act, but the Senate has an obligation not to be swept aside. If we take the course that some propose and scrap it and start all over, we will be going through the same process again. I imagine the debate will be a mini replay of the debate we had 2 years ago, everyone trying to salvage favorite provisions. We will see amendments for prescription drugs, some say scale the surtax back a little bit, but we should be talking about catastrophic care, not a prescription drugs act, not a nursing home act, not a doctor's visit bill.

From the 17,000 letters I have received on the subject, the message from my constituents is clear: Long-term hospitalization protection and spousal impoverishment are the most important benefits of the Act, and they want the surtax repealed. The benefits that are scaled back, such as outpatient prescription drugs, are not widely viewed as core. Therefore, I believe that the Senator from Alabama has found the right way to go about it: Give the seniors what they need and want, give them catastrophic protection at an affordable price.

Mr. NICKLES. Will the Senator yield?

Mr. ROTH. I yield 2 minutes to the senior Senator from Nevada.

The PRESIDING OFFICER (Mr. ADAMS). The Senator from Nevada is recognized for 2 minutes.

Mr. REID. Mr. President, I rise today to voice my support for this amendment to repeal the Medicare Catastrophic Coverage Act of 1988.

I clearly acknowledge the pressing need for protection against the insurmountable costs of long-term health care for our senior citizens.

But the solution, in this case, compounds the problem. I cannot accept the present plan whereby seniors bear the full brunt of financing catastrophic care.

A broad-based tax is only one of several alternatives we need to study to produce an acceptable means of funding catastrophic care.

There are potentially 32 million Medicare beneficiaries who require protection against the financial burden of extended illness. The Catastrophic Coverage Act is not the best form of protection.

After extensive assessment of the act, I am convinced we need to explore other ways to respond to this health care dilemma.

Mr. President, the constituents in my State have been particularly vocal as to the catastrophic coverage approach. Their concern prompted me and my colleague, Senator BRYAN, to introduce the first bill in the Senate which will repeal the Catastrophic Coverage Act. This we did in January 1989.

When 18 senior citizens in Las Vegas organized a group called Seniors Coalition Against the Catastrophic Act, they probably did not envision being able to create a ground swell of support from people throughout Nevada, California, Illinois, and other parts of this great country.

When I initially introduced my legislation, I had not expected the concept would receive such widespread support. I do not think any of us did. We thought we had achieved an enormous breakthrough by passing the Catastrophic Coverage Act and by merely paying attention to the issue and taking action, we did accomplish something.

But in our haste to solve the problem—in our urgency to act—we came up with a less than adequate solution.

Our legislation has created considerable confusion among seniors. There are questions of monthly premiums, percentages to be paid, increased taxes.

Frankly, Mr. President, there are too many questions and too few answers.

Our cost estimates for the program at the time it was enacted are alarming lower than what we now envision the program will cost. So who will pay—how much—and how often?

Although I advocate this amendment to repeal the Catastrophic Coverage Act, I adamantly believe that we cannot repeal and walk away.

We must get back to the drawing board and develop a feasible plan for protecting older Americans against the exorbitant costs of long hospital stays, doctor's visits, and prescription drugs.

All Americans, Mr. President, have at least one thing in common. We all grow old. Access to adequate, affordable health care is something we all need—either now or later. I support this amendment because the approach enacted into law last year is not a proper solution to this pressing problem.

The question of long-term health care for senior citizens is an emotionally charged issue that takes on a life of its own. But in this case, we must put objectivity and practicality before our emotions Let us develop an approach that can truly be defined as a solution.

Mr. ROTH. I yield 3 minutes to the distinguished Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 3 minutes.

Mr. NICKLES. Mr. President, I congratulate Senator ROTH and also Senator DANFORTH. In addition, I congratulate Senator MCCAIN. I think both of these proposals are giant steps in the right direction, both of which would repeal the surtax, both of which would repeal a significant portion of the ben-

efits which the American people did not want and did not ask for—as a matter of fact, both of which repeal most of the benefits that we find three-fourths of the senior citizens already had when we mandated on them the so-called Catastrophic Act. I think it was appropriately named. I think it was catastrophic for senior citizens, and certainly catastrophic for senior citizens who pay taxes. It is a very expensive bill when you consider that seniors are being taxed an additional 20 percent, and it continues to escalate. It needs to be repealed. I am optimistic it will be repealed tonight.

I support the amendment of the Senator from Delaware. I really do not want to see this bill go to conference. I am afraid the primary sponsors of the legislation would create a "son of catastrophic," it may well be catastrophic for senior citizens and for taxpayers again.

I think we should pass the language in the House-passed bill. It keeps the Medicaid portion in last year's bill and I think that is appropriate. If we are going to have an expansion in health care, let us have it for those people on the lowest end of the totem pole, those people who do not have it, those people who cannot afford it. For those who have coverage let us not mandate a Federal program on top of another. For those Federal employees, for those people in the private sector, for those who had coverage, let us not duplicate it. Why have the expansion in health care from 60 to 360 days if their employer already provides it? If that is part of their retirement plan, why should we duplicate it with a Federal plan?

That is why I think the amendment of the Senator from Delaware is most appropriate. We do not need to duplicate services that were already provided. I think it is vitally important we keep the Medicaid expansion in last year's bill, that we keep spousal impoverishment. Those are good, positive changes. If further changes are needed for those people who might fall through the cracks, that would mean expansion of Medicaid. I might tell my colleagues we are doing that with the reconciliation bill. If we do need to do more for those people who cannot afford it, let us do it, but let us not mandate it for all senior citizens.

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

Mr. McCAIN. Mr. President, I yield 5 minutes to my friend from Illinois [Mr. SIMON].

The PRESIDING OFFICER. The Senator from Illinois is recognized for 5 minutes.

Mr. SIMON. Mr. President, and my colleagues in the Senate, let me talk a little practical politics first. I know there is some confusion.

There are Members of the Senate who want to vote for the McCain proposal but who want to vote for repeal if the McCain proposal does not carry. There is a very practical way of doing that, and that is vote against the repeal at this point and then, if the amendment of my friends from Delaware and Missouri does not carry, we can vote for the McCain legislation. If the amendment of the Senator from Delaware carries, then we will still get a rollcall on final passage. Those of us who really prefer the McCain amendment can at that point vote for repeal.

That, frankly, is what I intend to do. I think the McCain proposal is clearly the preferable course. The McCain proposal gives us the opportunity to move away from the income tax, the surtax on seniors. It is simply totally unjustified to have those over 65 pay the highest rate of income tax of any of our citizens.

To those who argue, well, they are the beneficiaries, we do not do that with any other part of our income tax. We do not say to farmers, you are going to pay more in income tax because of farm subsidies. We do not say to parents, you are going to pay more in income tax because of education.

And then we do a second thing with the McCain amendment. We provide protection for people.

My distinguished friend from Nevada, the senior Senator from Nevada, one of the finest Members of this body, said, speaking in behalf of the Danforth-Roth amendment, we cannot repeal it and just walk away. But with all due respect to my colleague from Nevada, that is precisely what we will do if we just have repeal. I do not think that is the course we ought to follow. I think we ought to say no to the income tax and we ought to say yes to senior citizens; we are going to give you some additional protection.

There is a very simple way of doing that. That is to vote against the pending amendment and, if that amendment is defeated, then we can vote for the McCain proposal. If the Roth-Danforth proposal carries, then those of us who want to go on record clearly in opposition to this surtax, facing that kind of choice, can get a rollcall on final passage and vote against it. But I think clearly the better alternative for us in the Senate, the better alternative for the Nation, the better alternative for senior citizens in this country is to defeat the present amendment and vote for the McCain proposal.

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

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

The PRESIDING OFFICER. There are 6 minutes remaining.

Mr. DOLE. Mr. President, I will use about 3 minutes.

Mr. President, I do not believe I have any influence on this issue. I have already spoken on the Durenberger proposal. I am not certain how many votes we had but it was a good proposal. So now we are faced with well, now we are just going to throw everything out, give up; we made a mistake, so let us start all over. I think that would be a grave mistake. It might be for the moment perceived and maybe claimed to be a victory by some of the leaders of senior citizens groups, but I must say those who we do not hear from, the poor, the elderly and the sick are probably not going to contact us but they are going to wonder one of these days what happened to the benefits they had and they will be looking to us as those responsible for taking them away.

There is no question that our initial intention was to help protect against catastrophic costs that arose as a result of prolonged hospitalization and/or the use of physician services. What we ended up with was some of this, an attempt at adding some long-term care benefits and an entirely new and costly drug benefit. They said we do not want that, spoken loudly and clearly. We have the message. We made mistakes along the way. We passed out benefits, more than anybody anticipated, and for more than anybody wanted to pay.

But a vote for full repeal of the few catastrophic benefits along with the premiums used to finance them I think would do harm. Who are we going to hurt? If we can, let us step away from the issue of the surtax. That is behind us now. The surtax is not going to be on the floor anymore this evening. That is over with. Step away from the issue—unless we do not pass anything, and then we go to the conference with present law and repeal.

But if we can step away from the issue of the surtax, look at who loses if we repeal the entire benefit. In the frenzy over the premium, we have lost sight of the fact that this program has been to help some of the sickest among our elderly. For example, CBO estimated that 13 percent of the Medicare beneficiaries would be helped by the provision providing unlimited hospitalization; 33 percent by the limit on out-of-pocket costs; 11 percent by the new mammography screening provisions; and 27 percent by the new drug benefits.

Thirteen or thirty-three percent may not sound like much to some but it translates to between 3.9 and 9.9 million people who are sick and at risk of impoverishment because of an illness. We have been hearing from some of the wealthiest citizens speaking in opposition. That certainly is right in this country, and they have done a very good job. They have succeeded.

Surtax is gone. But let us not forget that some of our poor elderly will be helped by this new program. To repeal this program and to rescind the benefit means leaving these people without our help.

I for one think that is the wrong thing to do. I believe the House made the wrong decision and the Senate should not repeat the same error. The Senate would be the first to acknowledge, this Senate, if we have gone too far as I said earlier. We promised too much. We taxed too much. Let us not, as I said, throw it all out.

So what is the alternative? It is coming up next. I believe the next best option is still to come. That is the McCain proposal which preserves some of the critical elements of the program, and I urge my colleagues to defeat this measure.

Let us move on to the McCain measure. Senator McCain has been at the forefront of this battle. I guess before the night is over, it may prove he was right from the first and some of us were mistaken.

But, in any event, we have had good debates today. It would be my hope that we reject those who would repeal the catastrophic coverage and drop back to the McCain proposal because I believe as Senator McCain has told me privately and publicly on this floor many times there are many seniors out there who really do not prefer they lose everything. They never thought they were going to lose everything. They are if this repeal passes. They are going to lose everything because that is it.

How long will it take us to pass something else? We will not do it this year. It would be tough to do it next year. It is going to take a long, long time.

I know I have friends on this side who are leading the effort to repeal. I respect them. Senator Roth, Senator Danforth are both on the Finance Committee doing an outstanding job. They have a different point of view. But I do not agree with them on this issue.

So I hope my colleagues on both sides of the aisle will reject the pending effort, and then vote for the proposal by Senator McCain and others.

I reserve any leader time.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH. I yield 3 minutes to the distinguished Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized for 3 minutes.

Mr. GRAMM. Mr. President, I think one thing ought to be made clear here at this point because we are about to make an important decision. The point I want to make clear is we would not be here tonight making history on this bill were it not for one man. There is one person who brought the United States Senate here tonight, and his name is John McCain. Without his courage, without his persistence, and without his leadership, there is no way that we would be here tonight.

So whatever we decide, whether we repeal catastrophic, or whether we accept his proposal, if the senior citizens of America want to know who did the job, who did the work, who stood up to the pressure, who had it done, John McCain had it done.

Mr. President, I am going to vote for repeal though I think the McCain proposal is a good proposal. It is a proposal that I have cosponsored. I would view its adoption as victory. But repeal gives us a guarantee that the same people who wrote this bill to begin with will not have an opportunity to do it again in conference. I think that is the strongest argument for repeal even though, let me make it clear, the adoption of the McCain amendment is victory on this issue.

Finally, let me say, Mr. President, a lot of votes I cast here on the floor, at least in my own mind, I figure I am never going to be vindicated until I get to heaven. A year ago when I voted against catastrophic coverage, I figured that down the road in heaven St. Peter would open the golden book and weigh it out and say, "You done good."

This is one of the those rare instances where within 1 year everything has changed. What has changed is that under the requirement that we pay as we go, under a requirement for deficit reduction, the giveaway policies of the past ran up against fiscal reality. We had to pay for this entitlement up front. And it proves that collectivism is never popular if the beneficiaries have to pay.

That is why we are here tonight making history. Whether the repeal passes or the McCain amendment passes, this will be the first time in American history that both bodies of Congress have voted to roll back a massive new entitlement.

Mr. President, I am proud to be here, and we would not be here tonight were it not for Senator John McCain, the good captain, and I am proud of him. I am sure that every senior citizen, including my momma, would like to give him a big kiss. [Laughter.]

I yield the floor.

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

Who yields time?

The Senator from Delaware.

Mr. McCAIN. Mr. President, the remarks of the Senator are a great embarrassment to me.

I yield 5 minutes.

The PRESIDING OFFICER. Is the Senator from Delaware wishing to yield time at this moment?

Mr. ROTH. I yield 1 minute to the Senator from New Mexico.

The PRESIDING OFFICER. Then I will recognize the Senator from Arizona.

The Senator from New Mexico is recognized.

Mr. DOMENICI. I want to tell the Senator from Texas that one time I was at a meeting. The citizens put their hands up, and said, "That great mayor; if he is in heaven, he is paving the streets of heaven." Somebody jumped up and said, "The problem is we are afraid he went somewhere else, in the opposite direction." I wonder if the Senator from Texas was not a bit presumptuous here tonight. [Laughter.]

But, Mr. President, I just want to ask a question.

Frankly, Senator Gramm made my argument right at the end of his remarks. I wonder what assurance we have, if the McCain bill passes. I am for it. I am a cosponsor. But it is going to go over to conference.

I really feel a little strange about sending it off to conference with those who have taken all of this time to see the light, and then only reluctantly and then only under enormous pressure. I have a little bit of doubt that we will come back here after a conference with the McCain bill. That kind of bothers me.

I wish somebody who is running the committee could come down here and tell everybody if we pass Senator McCain's bill it will become law in conference. Not having any such assurance, I am not at all convinced that we ought not repeal it.

The PRESIDING OFFICER. The time has expired.

Who yields time?

Mr. McCAIN. Mr. President, I yield 5 minutes to the Senator from New Hampshire.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized for 5 minutes.

Mr. RUDMAN. I thank my friend from Arizona.

Mr. President, I listened to my friend from Texas who I agree with most of the time. I think if you think that well of someone and you give them such praise on the floor, I say to my friend from Texas you are almost obliged to vote against the pending amendment and vote for the McCain amendment.

I also join, and I think everyone here recognizes my friend from Arizona truly has made this a personal crusade. A crusader sometimes becomes very unpopular. The Senator from Arizona has taken a great deal of criticism and some abuse for his position. But he has been unswerving in bringing this issue forward. We admire that on this floor.

Mr. President, I want to speak briefly about two things: Why are we here at all? We are here because there was an enormous problem in the country recognized by the President of the United States, brought forth by his Secretary of Health and Human Services, and we acted on that. We probably acted in a faulty way but we acted on it. If we repeal this tonight, the problem that we all recognized at that time still exists.

The problem is not going away. With all due respect to my friend from Texas, if he thinks that it is going to be over tonight if we repeal it, it is not going to be over at all. When seniors around this country find out now that the entire benefit is gone, I happen to believe that the reaction will be even more strident than the reaction that we heard when they found out they had to pay for some part of that benefit, which I happen to believe was still a sound idea. I believe when we eventually reach long-term care, that idea will be revisited.

Let me say one further thing. The argument that if this goes to conference, somehow it is going to get Christmas-treed with all of those things it did the last time, just does not hold water. And my proof of that is very simple. Look at the record as to what the vote was in the House of Representatives. The vote was so overwhelming for repeal that it just defies anyone's wisdom that the House would now come back and attempt to do the same thing all over again; that just will not work; that argument just does not wash.

We should not repeal this. If we repeal it, we leave a problem with the country that we all know exists. We leave it unmet. Vote for the McCain amendment; vote to defeat this amendment.

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

Mr. ROTH. I yield 2 minutes to the distinguished Senator from Nevada.

Mr. BRYAN. Mr. President, I rise to support the Danforth-Roth amendment to repeal the Medicare Catastrophic Coverage Act. In January of this year, my colleague, Senator REID, and I introduced a piece of legislation that called for the repeal of this legislation. I understand, although I was not a member of the 100th Congress, the enthusiasm that greeted the passage of this Act, at the urging of President Reagan. It was conceived with the best of intentions to create additional insurance for the elderly.

This was so our growing elderly population did not have to fear being dependent upon public assistance if they were indeed to be stricken by major illness. It should not be forgotten, however, that it was the last administration's insistence that the beneficiaries pay for the entire cost of this coverage that led to the onerous financing mechanism of a surtax on senior citizens.

As we review the fiasco of this program, it has become a troubling note that has entered this debate. The administration wants to keep the surtax to help to make a dent in our massive deficit. However misguided the financing of this legislation was, it was never Congress' intention to make this a tax program to reduce the deficit.

The elderly in my State have been communicating to me and to my senior colleague by the thousands, in town hall meetings, by mail, even by casual conversation. What they are saying, "These are not the benefits that we need, not the benefits we want, and this is not the financing mechanism that we feel is fair."

Mr. President, repeal of this legislation is not a hasty retreat. It is a reexamination of the priorities of our health care policies. It is an opportunity to start with a clean slate, to discuss and consider what our senior citizens really want, insurance for long-term nursing home care and skilled nursing in-home care.

For these reasons, Mr. President, I urge my colleagues to pass the Danforth-Roth amendment and repeal the Medicare Catastrophic Coverage Act. Thank you, Mr. President.

Mr. GORTON. Mr. President, will the Senator from Arizona yield?

The PRESIDING OFFICER. Will the Senator from Arizona yield?

Mr. McCAIN. I yield 3 minutes to the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington is recognized for 3 minutes.

Mr. GORTON. Mr. President, a debate which pits the Senator from Texas on the opposite side from the Senator from New Hampshire is as entertaining as it is rare. Most people think that they are a single individual named "Gramm Rudman." The debate is a rather narrow one. The debate is over which position is most likely to settle this issue.

The Senator from Texas believes that we had better pass exactly the same proposition that the House passsed a couple of days ago, or we will lose our goal in a conference committee. The Senator from New Hampshire, I believe, has a sounder set of reasons. He points out, as I do, that 2 years ago when President Reagan recommended that we provide care for those who suffer catastrophic illnesses and are hospitalized for extended periods of time, we were providing care for which there was a very real need in our society, and care which could be provided at a reasonable cost spread across all Medicare beneficiaries.

The truth of that proposition is as clear today as it was 2 years ago. It has been obscured only by the add-ons over and above what the President originally reached. The McCain bill will get rid of the add-ons, but will leave the core, which we need.

If we repeal the entire bill, this issue is not over, Mr. President. We will simply be back in another 6 months or another year attempting to provide that catastrophic care once again, and subject to the risk once again of having a Christmas tree addition of benefits to it.

If we truly wish to settle this issue now both well and fairly to all concerned, we will vote this amendment down and vote for the McCain bill and simply show our confidence, by a very large vote, that a majority of 6 to 1 in the House of Representatives, and what I suspect will be at least as large a majority for the McCain bill, if we are able to vote on it on final passage, will in fact be carried out by our conferees. If it is not, we should reject the conference. Let us do this right and justly and vote with Senator McCAIN.

The PRESIDING OFFICER. Who yields time.

Mr. McCAIN. I yield 2 minutes to the Senator from Indiana.

Mr. COATS. I rise in support of the Roth-Danforth repeal amendment, but I also want to commend my colleague from Arizona for the time and effort and work he has put into fashioning a sensible, I think, approach to the problem. In fact, it very much parallels the measure that I introduced in the Senate several months ago, S. 1174, in terms of eliminating those unwanted future benefits and eliminating the surtax, but retaining the core provisions already in place.

I carried that proposal to seniors all across the State of Indiana. I visited personally with more than 1,000. My staff visited personally with more than 2,500, explaining the provisions of my bill, and I received tens of thousands of letters from seniors, and their response to my proposal, which was very similar to Senator McCAINS's was, "We are confused; it is not enough. Repeal the thing, go back to zero and start over."

It is for that reason that I have stood here to support the Roth-Danforth repeal bill. I have heard their message. Their message has been very clear. I think the very best and most sensible way we can approach this is to support the Danforth-Roth amendment, repeal this provision and go back and then examine what benefits we need to look at to protect seniors.

One last point: All of us should remember that the Roth-Danforth amendment does retain some very essential provisions. It retains the spousal improverishment and those Medicaid changes that reduce infant mortality by providing assistance to low-income women and children under the age of 1.

It also retains the Medicare buy-in provision for the States. So it is not as

if we are totally walking away from some of the necessary things we did when we passed this bill in the first place. I am going to support this amendment. If it fails, and I hope it does not, I will of course support the measure from my friend from Arizona.

For the past 9 months, I have met with literally thousands of Hoosier seniors about the Medicare Catastrophic Coverage Act in town meetings and senior forums. My staff has held many additional seminars that were attended by more than 2,500 senior citizens. At least 15,000 Medicare beneficiaries have written or called my office since the beginning of the year to discuss the catastrophic law. It is all they wanted to talk about. And the overwhelming message they have given me is: Please repeal this law and start all over again.

Almost before the ink dried on the catastrophic law, questions were raised about the projected costs and the wisdom of a number of the benefits. Based on my judgment about what a modestly priced package of benefits to give the elderly piece of mind protection from the catastrophic costs of an acute illness or injury and feedback from seniors, I introduced S. 1174 on June 14 in an effort to repair this flawed law. The thrust of that bill was to return the law to what it was originally intended to do: Take care of the basic acute care needs of the elderly at an affordable price. As of last summer, cost estimates of the catastrophic law began to rise, and the projected surplus began to fall. S. 1174, like the Roth-Danforth amendment, would have cut the size of the catastrophic law considerably and kept it budget neutral.

I can tell you that most of the Hoosiers I have talked with about the catastrophic law are confused and frightened by it. It changed so many times before it became law that even seniors who have studied it carefully are unsure of its provisions. One thing they do know is that this law burdens millions of seniors with a tax increase. Whatever strained credibility the surtax may have had when the bill became law has been destroyed by two critical facts: The law is much more expensive than originally thought, and the very group this law was supposed to benefit has made it clear they want no part of it.

Although some people in Washington may have been surprised to learn that the estimated cost has now ballooned to almost $49 billion from $30.8 billion as of last year, I can tell you that this news came as no surprise to Hoosier seniors. The more they learned about the catastrophic law the less they liked it.

I am not aware of any Medicare Program that has come close to meeting projected costs since this system was launched in 1965. The overruns are legendary. Common sense tells me that when the estimated costs of the program have risen 59 percent in just 1 year, there is little hope that the present law will not be severely in the red in the near future. This means that even with the taxes that seniors are paying, somebody will be left holding the bag. Based on experience, that somebody will be all taxpayers, including the elderly.

Another facet of the catastrophic law that angers Medicare beneficiaries is that many of them have duplicate coverage. It infuriates them to be forced to pay for benefits they are already receiving. According to the Congressional Research Service, 29 percent of noninstitutionalized Medicare beneficiaries have at least some health insurance coverage from a former or present employer. Although these seniors are fortunate to have medical benefits, they are still hard pressed to pay an additional tax for coverage they do not need.

S. 1174 eliminates those concerns by abolishing the surtax and offering a package of core acute care benefits similar to the Roth-Danforth plan. My bill was written based on what was known about the catastrophic law last summer. Since that time, however a lot more unpleasant information about the law has come to light, especially the escalation of costs I mentioned earlier. Because of this new information, and the widespread confusion about the catastrophic law among the elderly, I decided to cosponsor the Roth-Danforth plan. I believe we will best serve the interests of our seniors if we wipe the slate clean with the Roth-Danforth plan and start all over again.

The Roth-Danforth amendment is a compassionate repeal because it eliminates the surtax and all the provisions of the catastrophic law that have not yet gone into effect and it retains the benefits that have come on line this year. The intent is to ensure that no Medicare beneficiary will be forced out of a hospital room or nursing home bed due to repeal. These sections will remain in force until January 1, 1991.

This amendment also permanently retains three very important parts of the catastrophic law that relate to Medicaid. The critical protection against spousal impoverishment will remain in effect. This benefit will allow beneficiaries in a nursing home to qualify for Medicaid coverage without impoverishing their spouse. This will give spouses who are staying at home and doing their best to care for their mate a much deserved sense of dignity as well as more financial resources.

In addition, the Roth-Danforth amendment keeps the Medicare buy-in section that requires States to pay the Medicare premiums of the poorest elderly. This year the buy-in applies to those at 85 percent of the poverty level. That rate gradually increases to 100 percent of the poverty level by 1992. Finally, it retains the provision that is designed to reduce infant mortality by increasing access to Medicaid for low-income pregnant women and children under the age of one.

The Roth-Danforth amendment is the right way to repeal the catastrophic law because it eliminates the undesirable features of the present law. Like the bill I introduced last summer, S. 1174; it abolishes the surtax and retains the hospitalization and spousal impoverishment protection benefits. I urge my colleagues to join me in supporting this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. McCAIN. Mr. President, I yield 3 minutes to the Senator from Pennsylvania [Mr. HEINZ].

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 3 minutes.

Mr. HEINZ. Mr. President, this is a very critical vote, and it is one which the House of Representatives took earlier this week where, by a very substantial vote, they rolled up the entire rug of protections contained in the Catastrophic Coverage Act and put it in permanent cold storage.

I think it is critical for our debate here today to recognize exactly what will be lost if the pending amendment succeeds. Anyone who votes for this amendment is voting against the McCain amendment and anyone who votes against the McCain amendment is voting against the one piece of legislation that the elderly want, the one piece of legislation which is fiscally responsible, and the one piece of legislation which as good health policy and keeps the antispousal impoverishment protections and the home health care benefits that are the core of a good long-term care policy in this country.

If we let the rug be totally rolled up and be put into cold storage, we will sacrifice millions of patients and their families to the financial jaws of long-term hospitalization; we will withdraw life-enhancing family support in home health benefits and respite care; and, if this amendment prevails and the McCain amendment is repealed or defeated, we will send a message to thousands of terminally ill Americans that Congress now devalues the dignities and comfort of hospice care.

Mr. President, I will vote against this amendment, which repeals everything. I urge my colleagues to do the same so that we may preserve benefits that are valuable, that are responsible, that are badly needed, and which create a platform of long-term care protections on which we may build in the future.

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

The Senator from Delaware.

Mr. ROTH. I yield 2 minutes to the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 2 minutes.

Mr. SHELBY. Mr. President, I rise tonight to support the amendment to repeal. I was one of the first last year to laud the passage of the Medicare Catastrophic Coverage Act. However, a lot of us found out over the last 15 months that we come to learn that the catastrophic bill is seriously flawed and beyond repair.

I welcomed passage of the catastrophic bill as a long overdue expansion of the Medicare Program and an important first step in addressing the pressing health care needs of the Nation's elderly. However, this first step took us down the wrong path, and now we need to take a step back—back to the drawing board. Only repeal will allow us a fresh start. We need to listen to what the elderly want, instead of telling them what they need.

There is a high price tag attached to growing old in this country. The costs of hospital care, prescription drugs, home health care, preventive care and long-term care all add up to bills that push many seniors into poverty. The Medicare Catastrophic Coverage Act of 1988 was designed to protect our Nation's seniors from some of the devastating costs associated with a serious illness. And yet it is those very same citizens who realize that the high cost of the bill to its beneficiaries poses an equally great financial threat to their fixed incomes.

Mr. President, I believe that senior citizens want repeal. Today, I feel that no other alternative will satisfy the seniors in my State of Alabama. Congress must admit, as I do, that we made a mistake and vote to repeal the Act. I hope that my colleagues here will join in the repeal when we vote later.

Over the first half of this year, I traveled extensively throughout Alabama, holding town meetings in all 67 counties of the State. I remember being surprised at the reaction of many seniors at these meetings—surprised to learn that they did not want the catastrophic bill and that they would be forced to pay for benefits that they already had. Mr. President, I don't blame senior citizens one bit for opposing a law that forces them to participate in a health care plan that they neither want nor need.

At each town meeting, senior after senior would stand up and express opposition to this legislation. And I know that my experience is not unique. I commend members of this body for working to try and reach a compromise. But my constituents do not want compromise, they want repeal.

I hope that we learn from our mistakes with the catastrophic bill. First, we must not give our seniors something that they do not want, and then require them to pay for it. Second, we should listen more carefully to our senior citizens—they want coverage for nursing home care and long-term illness.

Yesterday the House voted overwhelmingly to repeal the catastrophic coverage bill. I urge my colleagues to support this amendment and do the same tonight.

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

The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, I yield myself 8 to 10 minutes of the time remaining to me as manager of the bill on my time with the bill.

The PRESIDING OFFICER. The Senator is recognized for 10 minutes, the time to be charged against the time allotted to the Senator on the bill.

Mr. ROCKEFELLER. I thank the Chair.

I guess I would just want to implore my colleagues, Mr. President, to not throw this whole thing away and to vote against repeal.

It is really amazing to me to think that, after all of these months and months of consideration, we come down to a decision as to whether we are going to flat-out repeal and say "no" to benefits for millions of Americans who are older, frail, unhealthy, and poor and who do not have health insurance and have no way of recourse, and we are pretty much going to say, "We could not take the heat and we are afraid of how you are going to treat us politically. We know what you want. We know what your needs are."

We know that we are elected to come to the Congress to solve problems. We know that in solving those problems we have to make tough decisions. Some of the toughest of those decisions is when you come to anything that has to do with health care because it is growing so fast. But then again so are senior citizens growing in numbers very fast, and they are growing older and they are growing more frail. So now we come to this moment to decide whether to repeal catastrophic health care benefits of all kinds.

I find that remarkable; I find that sad. And I think we will have the courage as a body not to give into that temptation.

I go back to 3 years ago to experiences that we all had going around our States and also in the recent years listening to our seniors. What they were pleading for was something they did not have, which was help in times of absolute desperation.

Seniors would stand up at town meetings and they would say:

You know, I could get cancer; I could get struck down by some traumatic physical disability or injury, and then I have a choice and that is that I can either spend myself, or my spouse can spend himself or herself into poverty so we can qualify for Medicaid, or I am out in the cold. There is no other way. I go broke; I go flat broke.

That is not the America that I understand that we are; that is not the body on the Hill that I understand that we are. The President talks about a shining city on the top of a hill, and we are here about to yank several million of those people down to the bottom of the hill and dump them in the cesspool because we cannot take the heat; cannot take the political heat, which is what this is all about.

People have been talking about cost; people have been talking about all kinds of things. But it really comes down to that. Do we have the courage to stand up and take the heat, to vote for something which we know in our hearts is good health policy, which we know that our seniors want?

We know that we failed in our communication to them about the implications of what it was that we passed in the original catastrophic bill, and then we pare that back and back and back. And now we are faced with the decision of whether to give them nothing, or at least something that they can hold onto.

There are 9 million seniors in this country who live alone. In West Virginia, they live in deep valleys or on the tops of mountains, but they live alone. Their families have dispersed, and they do not have that famed nuclear family to take care of them. The children are gone in my part of the country, maybe because they could not find work, and they are gone. So there is the mother or the farther by himself or herself alone at the top of a mountain with no help. So now we decided, are we going to strip them of hope or are we going to give them something that they can hold onto?

I know and every Member of this body knows that there are 10 million Americans who have absolutely no Medigap insurance at all. I know and this body knows that almost 27 percent of our senior citizens have no private supplemental insurance, and they are over 75 years old, and that 25 percent of them live in poverty. Poverty for a single senior is a sorry condition to behold.

The figures say 25 percent of those are not in good health. I would suggest it would be a lot more than that. A lot of it is in the mind. People live by themselves or maybe they live as a couple, but they are afraid of a medical catastrophe. It is not whether or not they get one—that is a true catastrophe—but they are afraid of getting one.

The proposition we have before us now is that we are going to take all hope away from those people and we will be able to go home and say, well, we voted against the supplemental

premium or something else that you did not like, and just drop these people into the ditch.

Mr. President, I am not prepared to do that. I am not prepared to do that for the people of my State of West Virginia.

My State is not a wealthy State. My people are not wealthy people. We need help. We have time and we have a bill that yet remains that will give help.

I think of the work we have yet to do, Mr. President, in health—and I spoke about this earlier in the day—here we are fretting, traumatized, turned upside down by something called catastrophic health care, which is a very simple concept is it not? I mean, a medical catastrophe is a pretty easy thing to understand. You get cancer, you get Alzheimer's you get hit by a truck, you get crippled. It is a pretty easy thing to understand. You give those people help. This is America. No other country in the free world does what we now do, which is not give those people some kind of help. Yes, we ask them to pay part of it. We pay part of it. Others pay part of it. But we never deny them the help, because this is America. Except, of course, that we have been and we do deny them help.

Long-term care, $40 to $60 billion. What kind of heat is that going to generate? Thirty-seven million uninsured Americans, more than one-quarter of them children. Two weeks ago I was in Cook County, Chicago, and I, along with a number of others, including Senator COATS, of Indiana, viewed 1-pound babies, 1½-pound babies, low birth weight because the mothers were on cocaine or they did not know anything about prenatal care. The figures of the children were a terrible thing to behold. The children could get out of the intensive care unit, Mr. President, but it will cost to $50,000 to $100,000 to $150,000 to $200,000 just while they are in there. But when they get out, if they get out, they are going to be developmentally disabled, intellectually disabled. They will have problems all their lives. I mean, we are either going to decide that we are going to attack problems and solve problems in this country or we are going to pay a mammoth cost.

I am of the opinion that health care and the cost of health care and the nature of health care and the morality surrounding health care and our obligation as a body toward health care is the most massive problem this country faces, other than the scourage of drugs.

We are going to have to do it, Mr. President. We are going to have to face up to these problems sooner or later. If we go with repeal now, what we will be doing is we will simply be stepping back and saying, "I cannot take the heat; I do not want to face the problems," and we will not. There is a Pepper Commission. The Pepper Commission will consider solutions, and we will give solutions on long-term care and the uninsured.

I yield myself 3 more minutes.

Mr. DANFORTH. Parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his parliamentary inquiry.

Mr. DANFORTH. I ask unanimous consent that the time for the inquiry not be charged to either side.

The PRESIDING OFFICER. The Senator may state his inquiry.

Mr. DANFORTH. Mr. President, as I understand the situation now, it is a doubling-up against the amendment. In other words, both sides who are controlling the time on the bill are opposed to the Roth-Danforth amendment, and therefore what they are doing is yielding themselves virtually—how much more time do they have on the bill?

Mr. McCAIN. Will the Senator yield to me?

Mr. DANFORTH. Yes.

Mr. McCAIN. I just agreed to yield 6 minutes of my time on the bill to the Senator from Delaware because he has an additional speaker.

Mr. DANFORTH. That I very much appreciate. But Senator DOLE has already taken 3 minutes on the bill to oppose this amendment. Senator ROCKEFELLER has already taken 10 minutes on the bill to oppose this amendment. And it is going to go on how much longer?

Mr. ROCKEFELLER. About 3 minutes.

Mr. DANFORTH. Mr. President, I would simply say I really do not think that is fair debate. I appreciate the generosity of the Senator from Arizona yielding us 6 minutes. We are still about 7 minutes behind. The Senator from West Virginia is going on for 3 more minutes and is controlling an additional 7 minutes, as I understand it.

So I simply raise the point that I think in fairness we should even out the time on this particular amendment and not have a substantially greater amount of time used up by the opponents of the amendment.

Mr. ROCKEFELLER. Mr. President, I believe the Senator from West Virginia is well within his rights in the course that he is pursuing. If the Senator from West Virginia is not within his rights, I would, of course, be willing to be instructed by the Parliamentarian or the Chair.

Mr. DANFORTH. I have stated a parliamentary inquiry.

The PRESIDING OFFICER. The Chair will answer the Senator's parliamentary inquiry. The Senator who is controlling time on the bill has the right to use that time on the bill at such point as he may wish during the course of the debate and has done so. It is my understanding that Senator McCAIN has stated he has yielded some portion of his time to Senator ROTH on the amendment, to be used as Senator ROTH may wish. Senator ROTH is controlling the time on the amendment on his particular side. But Senator ROCKEFELLER received appropriate recognition and is entitled to use the remainder of his time, if he wishes, on the bill, but he could not then, of course, speak on the bill itself in the event this amendment fails.

Mr. DANFORTH. I thank the Chair.

The PRESIDING OFFICER. The Senator from West Virginia has the floor, and his time has just expired for the first 10 minutes that he requested. Does the Senator request a further extension of that time?

Mr. ROCKEFELLER. The Chair is correct; for 3 minutes.

The PRESIDING OFFICER. The Senator is recognized for 3 minutes.

Mr. ROCKEFELLER. I thank the Chair very much. I will close, Mr. President, with only two thoughts, and that is the work that lies before us will be tested in terms of how we make the decision on the repeal motion before us. If we repeal, we are signaling to seniors all over this country that we do not have the courage, the leadership, the vision, quite frankly, the guts to face up to the problem. We are a problem-solving body.

It comes down to me, I guess, to some folks in South Charleston, WV. Howard Murphy, his wife Sybil has Alzheimer's disease. And Howard for many years has been caring for her. He has no help. He is exhausted emotionally, physically, psychologically. He is in great pain. You watch him touch his wife, who barely responds. He is on duty 24 hours a day. He has to feed her. There is no help for him. And we simply, as a society, have to deal with that kind of a problem, Mr. President.

If we say we are going to repeal all of catastrophic health care, I think we make a mistake of the most extraordinary dimensions and tragic dimensions, not just for the catastrophic health bill which is before us, but for the whole future in terms of our institutional courage to face up to some extremely expensive and difficult problems that face older Americans and younger Americans, problems that are not going to go away.

I hope that my colleagues will vote on both sides of the aisle against this amendment and that we will not repeal catastrophic health care.

I thank the Chair and I yield the floor.

The PRESIDING OFFICER. The time of the Senator from West Virginia at this point has expired.

Who yields time?

Mr. ROTH. Mr. President, I yield 2 minutes to the distinguished Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 2 minutes.

Mr. MACK. I thank the Senator for yielding. What I believe is the core argument against repeal is that, in essence, there is going to be a backlash. There are going to be many who are going to come out and say we have taken away coverage.

Let me try to put that in perspective. I have used these statistics in the past but I want to say it one more time. Basically 90 percent of the retirees of this Nation have some form of coverage against catastrophic illness. Ten percent of the wealthiest of the Nation have sufficient assets to take care of it. The next 70 percent have some form of Medigap insurance. The next 10 percent have no coverage. The lowest 10 percent are covered by Medicaid.

Therefore, we ought to be focusing our attention on the 10 percent. Not developing an entire program to include 100 percent of the retirees. I received 115,000 pieces of mail from my State. I have gone to town meetings. I have listened to the seniors. They say they do not want this.

They are more afraid of us and what we are going to do and what Government is going to do to them than they are concerned about catastrophic coverage. They have already protected themselves.

It is time for us to repeal this act. It is time for us to listen to what they say. They are concerned about government eating up their only protection long term and that is what they have worked for, what they have set aside to protect themselves.

We see inflation eating away at their purchasing power. We see higher taxes, property taxes. We see some of them still working and they are paying payroll taxes and Social Security taxes and they are paying taxes on 50 percent of the Social Security that they are earning.

Now with the catastrophic presently in existence they are paying another $4.80 for monthly premiums, which is going to go up. They are also subject to a surtax.

It is time to reapeal this. It is time to listen to the seniors of this Nation.

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

The Senator from Arizona.

Mr. McCAIN. Mr. President, I yield 3 minutes to my colleague from Mississippi [Mr. LOTT].

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. LOTT. Mr. President, first I would like to say as our colleagues have earlier tonight, how much I appreciate the work that the Senator from Arizona [Mr. McCAIN] has done on this legislation. Without his persistence, without his determination to get this issue considered, to get it to the floor of the Senate, it would not be here tonight. So I commend him and give full recognition to him, that he deserves. We could not get action from the committee. But because of his persistence we are here tonight and I certainly appreciate that.

It is very unusual when I am not on the same side of a particular issue as my coleague who just spoke from Florida. I have the highest regard for him and his awareness of the needs of senior citizens. But tonight I feel it is important we go back and reflect on how we got here.

As a Member of the other body in the previous Congress, I remember how this discussion began. We had a noble goal, one that certainly is still very applicable here tonight. We were looking for a way to provide some assistance to those few elderly who had long-term acute illnesses who could lose everything they had and would have no place to turn.

Obviously, it went too far. We expanded it way beyond just a few poor elderly. We got into prescription drugs and it grew and it grew. It got out of control. But it was not the concept that was wrong. The concept is still right.

Now we are about to go to the other extreme. We went too far last year. Now I think we are about to go too far here tonight. If we completely repeal this catastrophic health insurance coverage, then I think we will have thrown the baby out with the bath water.

When I go back to my State of Mississippi, what I hear from my constituents, from the elderly is they want the surtax repealed. But instead of just repealing the surtax and the prescription drugs, some of the things that went too far, we are talking about repealing everything.

If it were not for the McCain approach tonight, I would be for absolute total repeal. But Senator McCAIN, in his proposal here, has got it in the right perspective. It does repeal the surtax. It would not allow the additional costs for prescription drugs and other parts of this legislation to stay in existence or go into effect. It would provide those basic things that we do need, the long-term hospital care, spousal improverishment. Those provisions would still be there, with a very small premium.

So I urge my colleagues tonight not to completely kill the catastrophic health insurance legislation that we passed last year. It will not go away.

If we kill it now, the people who need this help will be back and they will be asking for help, and we will try to find a way to do it; maybe not this year but next year. I think the thing to do is go with what we originally intended, which is basically what Senator McCAIN has in his proposal. I urge the Senate to defeat outright repeal and pass the McCain approach.

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

Mr. ROTH. I yield 3 minutes to the Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. Mr. President, contrary to the opinion of the Senator from Mississippi, if we repeal the catastrophic health insurance bill we have not thrown out the baby with the bath. We have saved the baby and we have given the baby the opportunity to mature and live a healthy life.

The issue of health insurance for our senior citizens is not going to go away, no matter what we do with this legislation. We are going to be doing something. There is absolutely no doubt about that.

There is only one reason to vote for the McCain amendment. There is only one reason to vote against repeal. The reason to vote against repeal is that my colleagues believe the McCain legislation is the way to go in catastrophic health insurance. That is the reason to vote against repeal.

If my colleagues vote for repeal, we save the issue. If my colleagues vote for repeal, they vote to consider this matter again. And we will consider it again. But if we vote against repeal we, in effect, vote for the McCain proposition. We say, through our vote, that the McCain plan is the plan we want for catastrophic insurance.

Mr. President, today we have voted five different times to reject various plans for health insurance. Five different plans have gone down by substantial margins in votes today.

I ask the Senators who support catastrophic health insurance, the Senate, having voted against five different plans, why do you want to enact into law the McCain plan? Why do you believe that the McCain plan is the best one for this country? Would it not be better to reopen this proposition? Would it not be better to reconsider where we are going with health care for our senior citizens?

There are Members of the Senate, and particularly members of the Finance Committee, who have fought long and hard for a cap on part B coverage. The McCain plan has nothing about a cap on part B coverage.

There are Members of the Senate who have fought long and hard for a drug component to a catastrophic bill. The Senator from Rhode Island is one. Why do we want tonight to write into law a plan that does not have the drug proposal?

Mr. President, the McCain proposition has nothing for skilled nursing homes. There are Members of the

Senate who believe a skilled nursing home component is essential to a catastrophic plan. Why do we want to enact into law a program that has no space for skilled nursing homes?

The McCain proposition is a specific plan. Some people believe in that plan. Others do not. And the point that I have been making all along with respect to repeal is not that it ends a health care program, not that it ends the idea of catastrophic care, but it holds the question open.

The Pepper Commission is going to report next spring on long-term care for the elderly and on the problem of 31 million Americans who have no health insurance at all. Why should we prejudge the decision on the Pepper Commission by committing our limited resources now to the McCain plan?

So, Mr. President, again the question is whether the McCain plan is precisely what we want for catastrophic health insurance. This issue is not over. This issue is not going away. We are not deciding, as Senator ROCKEFELLER suggested, in some insensitive way, to forget about the elderly. This issue is going to be with us over and over again. But why write into law a plan that we are not sure of? Is this not a rerun of what we did in 1988?

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

The Senator from Arizona.

Mr. McCAIN. Mr. President, at this point I ask unanimous consent to allow 6 minutes of my time from the bill to be given to Senator ROTH who is a proponent of the pending amendment.

The PRESIDING OFFICER. Is there objection?

Hearing no objection, it is so ordered.

Mr. McCAIN. Mr. President, I yield 3 minutes to the Senator from Kansas [Mrs. KASSEBAUM].

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mrs. KASSEBAUM. Mr. President, the Senate today faces the daunting task of sorting through a bewildering array of proposals to reform the Medicare Catastrophic Coverage Program. I sincerely regret that many of these options appear to have been hastily cobbled together in the last few weeks, days, or even hours. Given such haste, I fear for our ability to adequately address this extraordinarily complex and controversial issue.

But address it we must. The firestorm of public criticism that has accompanied this legislation from the beginning has now reached a fever pitch, and can be ignored no longer. On Wednesday, the House voted overwhelmingly in favor of a near-total repeal. Today, we in the Senate must decide whether to follow suit or to pursue a different approach.

Of the options proposed, the most prudent seems to me to be the Medicare Catastrophic Reform Act, introduced earlier this week by my friend and colleague, Senator McCAIN. The chief advantage of this approach is that it would repeal the controversial supplemental premium, while at the same time preserving a substantial portion of the program's benefits.

The McCain proposal would retain all portions of the current catastrophic law except for the very expensive prescription drug, skilled nursing, and part B copayment benefits. Among those benefits which would remain in place are long-term hospitalization coverage and spousal impoverishment protection, as well as home health, hospice, and respite care reimbursement. The McCain bill would be funded entirely by the flat part B premium increase now in effect. This premium amount will total $4.80 per month next year.

Mr. President, I voted against the original catastrophic legislation because I did not believe it adequately addressed what I consider to be the most pressing health care need of our elderly—namely long-term nursing home and home health care. I feared that by asking America's seniors to pay the high supplemental premiums necessary to finance acute, "catastrophic" care, Congress risked foreclosing opportunities to finance more comprehensive services, such as nursing home care, which can literally wipe out a family's life savings.

Senator McCAIN's proposal would remove these high premiums and significantly scale back the scope of the program. It is my sincere hope that doing so will give Congress an opportunity to refocus its attention on long-term health care protection for America's elderly. Until we put the paralyzing controversy of catastrophic health insurance behind us, this urgent need will remain unmet.

Although reform of this deeply flawed legislation is certainly overdue, I would caution against succumbing to the temptation of full repeal. One can argue quite convincingly—as the Senator from Missouri has done—that we ought to "wipe the slate clean" and start over. This argument has a certain tidy simplicity to it, and I can certainly understand why so many of our constituents have endorsed it.

Nevertheless, I question both the wisdom and the fairness of completely dismantling a major entitlement program only 1 year after enactment. Millions of senior citizens and thousands of health care providers have come to expect and depend on the catastrophic program. As we seek ways of reforming this coverage, we must take care to do it responsibly.

The part B monthly premium increase included in the current law is more than adequate to finance a significant portion of the currently envisioned catastrophic benefits. This premium increase is neither large nor controversial. I agree with the Senator from Arizona that we ought to retain this premium, as well as the considerable benefits it is capable of funding.

As we are all aware, one thorny obstacle standing in the way of catastrophic reform efforts has been the problem of the Gramm-Rudman deficit targets. Ironically, because of the way the catastrophic health insurance program has been "front-loaded" to ensure adequate reserves in later years, any move to delay the program now would increase next year's deficit figure by several billion dollars. At this point, such an increase would probably push the Federal deficit past the $110-billion deficit target required by Gramm-Rudman for 1990. If this happens, Congress runs the risk of triggering an automatic across-the-board cut, or "sequester."

This poses a difficult challenge, but I firmly believe that a solution can and must be found. In my view, it is simply unfair for Congress to hold the Nation's senior citizens responsible for its own lack of fiscal discipline. It is for this reason that I voted earlier this afternoon to waive the Budget Act on this issue.

If, in fact, we believe the catastrophic program ought to be delayed—or even repealed—we should go ahead and legislate that change. Gramm-Rudman deficit rules are meant to be guides to help Congress control deficit spending. They are not holy writ—and if we begin treating them as such, we run the risk of becoming a prisoner of our own procedures.

Mr. President, it was 2 years ago this month that the Senate passed its initial version of the Medicare Catastrophic Coverage Act of 1988. It is my hope that we will mark this anniversary by responsibly correcting the mistake we have made. I intend to support Senator McCAIN's reform proposal, and I urge my colleagues to do the same.

I yield back the remainder of my time.

Mr. ROTH. I yield 3 minutes to the distinguished Senator from Florida.

The PRESIDING OFFICER (Mr. ROBB). The Senator from Florida is recognized for 3 minutes.

Mr. GRAHAM. Thank you, Mr. President. I appreciate my colleague yielding me time. We have heard tonight a different description of what we have been hearing. I suggest that we are all listening to our own special drummer in terms of what message we have received on this issue.

I would like to comment on some of the things that I am hearing. I am hearing people who are distressed about what they see as a fundamental unfairness in the method of financing

this program; people who made preparations throughout a substantial period of their lives for exactly these eventualities and are now being told that they acted in a foolish and imprudent way because they are going to have to pay a second time; that their previous efforts at providing for their own well-being were essentially for naught.

I have heard people saying today about the proposal that will be before us, should this amendment not be adopted, that we are engaged in a governmental bait-and-switch plan. Yes, there were many people who said they wanted to have the surtax repealed, but they did not follow that by saying "and we want to have the benefits reduced."

What we are going to have before us, if we do not adopt this amendment, is for most Americans who are covered by this program the obligation that they continue to pay the same or a greater amount of their income in the form of monthly payments but have a reduction in the benefits which they would receive. I believe that we are going to hear an increasing uproar as people realize that they have been induced into a program under one set of assumptions and now are seeing their benefits substantially reduced.

I am also hearing that for the first time we are asking of a social program that only those people who benefit will pay for that program. It is not surprising that we have had an outcry. I suggest that if we were to ask the kindergarten children of America to be the only ones to pay to support kindergartens that we would have, in their small voices, a similar outcry.

I believe that for all of those funding reasons, we need to go back to base one and reevaluate how we are going to finance our Nation's program of social and health benefits for older Americans.

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

Mr. ROTH. I yield the Senator 1 more minute.

The PRESIDING OFFICER. The Senator from Florida is recognized for 1 additional minute.

Mr. GRAHAM. I also would like to comment on what I am hearing in terms of what the real desires of our older citizens are, the fastest-growing decadal group of Americans, those Americans over the age of 85. In my State, we have almost 2 percent of our population over 85. What that population and those who look forward to the day when they will be over 85 are asking for is a program of dignified, respectful, and affordable long-term care to respond to the new realities of the aging process as they are impacting larger and larger numbers of our people. That, I say to my colleagues, is where we need to be directing our attention as we return to a reexamination of what our priorities should be.

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

Mr. McCAIN. I yield 2 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 2 minutes.

Mr. DURENBERGER. Mr. President, one of the proponents for repeal, the Senator from Texas, said do not send catastrophic back to the people, bring it to us; the implication being the people in the Finance Committee. Another one of the proponents on the Finance Committee said let us wait for the Pepper Commission. I have news for you. We are one in the same. No matter how you go, the folks who are standing up here today, with the exception of the Senator from Missouri and the Senator from Delaware, at least some of us are the folks who helped create this sort of thing. Yet the way I think the system works around here is that we also are the folks who have to help repair it.

The big question is have we learned anything out of this whole process? I suggest to everybody here that what the Senator from Mississippi said about the concept is accurate. Concept was a good one; concept of catastrophic; the concept of skilled nursing facility and home health benefits and respite care for the long-term care of the elderly. That is good, too. Prescription drug benefits appropriately constructed, that is good too.

Our problem is we did too much all at once, and we decided we were going to charge them for it. It is not going to work. I am up here to say I guess that is a lesson I have learned and I trust a lot of our colleagues have learned.

I would like to take the McCain amendment to some conference. I do not know whether I would be on it or not. But the folks who gave it to you will be. I think taking the McCain amendment to that kind of conference and building on the Pepper Commission recommendations, whatever they may be, is going to be helpful.

The last encouraging sign I share with you is that I heard what the Senators from Florida said about Floridians. I would like for you to have heard what the Senators from North Dakota and South Dakota said about their constituents; very different kind of people we are listening to. Those people want catastrophic coverage. Those people in North and South Dakota are going without any insurance at all. Those are the kind of people who need some kind of catastrophic bill, and I suspect some of them may pay for it. I do not know who ended up in Florida other than the folks who started there or in Arizona, but that is one of the problems we need to deal with in this country as we come to grips with this issue.

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

Mr. ROTH. I yield 1 minute to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho is recognized for 1 minute.

Mr. SYMMS. Mr. President, I think we can all agree that the Medicare Catastrophic Coverage Act has become something more than we bargained for. The rising cost estimates make it virtually impossible for us to make an educated decision and, rather than take a wild stab at a catastrophic insurance program, we should stop and take a good look at what we are doing.

When the law passed last year, it constituted the single largest expansion of a Federal social program since Medicare was created in 1965, and now the cost has far exceeded original expectations of $30 billion.

I do believe this law provides true catastrophic insurance, in fact it is far removed from the original intent that President Reagan discussed back in 1986. Catastrophic insurance should protect everyone, not just the elderly, from financial ruin due to a catastrophic illness.

I remember discussing this issue on the Senate floor back in October 1987. I expressed several concerns as to what the projections were for future years. Specifically, I questioned whether this bill would open up incentives to pour more benefits into catastrophic costs. I questioned whether this would ultimately lead to cost controls and rationing of the available medical products to the beneficiaries.

At that time, I questioned my colleagues as to where we would end up in 10 to 15 years, concerned that we would have more Federal involvement and the Federal Government paying for medical programs that it cannot afford. I was concerned as to what this would do to the Federal budget.

I voted against this law, and as I stated then, it was not because I was unconcerned about the problems many Americans face with catastrophic illness. It was because we had no idea what this program would become in 5 years. And now, the cost estimates are staggering.

Obviously, as I am sure most of the Members of this body can agree, we made a mistake with this supplemental premium. Let us admit our mistake, repeal it, and look at preparing a true catastrophic insurance program.

Mr. President, I would like to express my support for the efforts of my colleagues. Senator McCAIN has labored over this issue to find a solution to the catastrophic problem. His amendment, which I cosponsored, re-

peals the burdensome surtax on our senior citizens.

Senators ROTH and DANFORTH, my colleagues on the Finance Committee, have a proposal for full repeal. As 1 of the only 11 Senators who voted against the Catastrophic Act, I have always supported full repeal.

During the debate in October 1987 Senator WALLOP introduced an amendment to make the act voluntary—not tied to part B. I support this measure as well, allowing the seniors to choose whether they want the coverage, rather than having it forced on them by Congress.

Any of these proposals, if adopted, would be preferable to the current law and I would encourage my colleagues to support any one of them.

Mr. President, may we have learned from this experience of the passing of this catastrophy of cost, confusion, and coercion that ultimately the best medicine for our people may just be for the Members of Congress to stop the remedies, stop the remedies, of Government inteference.

Mr. President, I have always believed that in terms of adding more government intervention that we should be moderate.

Mr. President, the history of the last year and previous years tells us that this body is liberal in its willingness to use the force of government to dictate the affairs of our people.

Mr. President, during the past years that I have been interested in politics. I have repeatedly said stop the government remedies; stop trying to interfere with people; leave them alone.

Mr. President, medical services are like all scarce resources, there are only two ways to allocate them: One is by the whips and guns of government; the other by the volunteer action of free people through free institutions.

Mr. President, history shows us that the more people respect private ownership and the rule of law, the better the standard of living and the more respect for human rights people enjoy.

Mr. President, this brings me to conclude that my vote of 1 year ago against this bill was correct, if this fails. I support my respected friend, Senator MCCAIN.

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

Mr. MCCAIN. Mr. President, I yield 2 minutes to the Senator from Rhode Island [Mr. CHAFEE].

The PRESIDING OFFICER. The Senator from Rhode Island, [Mr. CHAFEE] is recognized for 2 minutes.

Mr. CHAFEE. Mr. President, I would like to say this about the McCain package. Does it include everything we all want? No. We varied from it. Some have wanted prescription drugs. Some have wanted the part B premium with a cap on it. But the McCain package, nonetheless, has a lot of virtue to it, and it is worthwhile supporting because it does cover the hospital care and, furthermore, it has many preventive medicine aspects to it.

I would refer to the mammography portion of it, plus the Mitchell drugs, and the hospital care. But the point I should like to make is this, Mr. President. The suggestion is that somehow, if we repeal this act and step back, as Paul on the road to Damascus, we will be struck by a bolt of lightning and come up with a health care program that is accessible, it is rational, it is first rate in every respect, including economical.

Mr. President, those of us in the Finance Committee have wrestled with this problem, and so has the whole Nation. There has been conference after conference held in every section of our Nation dealing with how to obtain good health care for our citizens. There is no agreement. So there is not going to be any great magic solution somehow appear from the Pepper Commission. The Pepper Commission may be fine, but they are not going to solve these problems for us.

Thus, Mr. President, I think it is important we take this step. It is not irretrievable. It is not that we cannot retreat from it. It is a modest step, but it will achieve significant benefits for a portion of our population that deserves and needs this type of assistance.

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

Who yields time?

Mr. MCCAIN. Mr. President, I yield myself whatever time I need.

The PRESIDING OFFICER. The Senator is recognized.

Mr. MCCAIN. Mr. President, almost 10 hours ago in my opening remarks I stated that I felt we were on the verge of something very unusual in the history of this body, that is, that we were going to either dramatically restructure or repeal a major benefit program which was passed by the Congress of the United States just a little over a year ago.

That is, indeed, the first time a major program has been affected that way.

We are now on the verge of ending this long day. We have disposed of most of the amendments. We have had very spirited debate throughout the day. I urge my colleagues before we reach final passage, either up or down, to remember that we are indeed a Judeo-Christian nation and that this Nation is founded on principles that we do everything we can to help those who are less fortunate.

I believe an outright repeal of this bill would be a serious amendment and in some respects, with all due respect to the proponents of this amendment, an abrogation of some of our responsibilities to the poor and the elderly in our society.

What I would like to do is retain blood deductible, home health, respite, mammograms, Mitchell drugs, hospice, long-term hospitalization and spousal impoverishment.

Mr. President, we can do that with $4.90 per month on Medicare part B. Yes, the costs are going to go up. Yes, there may be some increases over time in the cost of these programs even though the most expensive of those programs have been eliminated. But let us for a very modest sum give these people protection as they reach their declining years that they both want and deserve. Let us remove those that they have found too expensive and indeed in some cases unwanted or unneeded.

I appreciate the point of view of Senator DANFORTH and Senator ROTH. They make very strong and compelling arguments. I suggest at this point in time it would be far better to retain what we have and what we can have and address and move forward together in addressing the concerns of seniors in this country and that is the issue of long-term care.

The PRESIDING OFFICER. All time controlled by the Senator from Arizona has expired.

Mr. BURNS. Mr. President, I am voting against total repeal because I believe that the best option is the McCain bill. If I voted for repeal, I would be undermining several key principles outlined in my earlier statement.

Both options address the main concern of the majority of senior citizens which is repeal of the surtax. However, total repeal also takes away valuable benefits which seniors are already receiving—it rips the rug out from under them—and I do not think that is wise.

As I said earlier, the McCain proposal retains the benefits that have already been implemented and retains some of the most meritorious benefits. It is good health care policy to retain those benefits and pay for them with the part B premium paid by the beneficiaries.

If repeal passes over McCain, then I will support repeal. I believe repeal is clearly preferable to leaving the program as is.

I wanted to clarify my position given the parliamentary situation we are facing here today.

The PRESIDING OFFICER. The Senator from Delaware controls 3 minutes and 20 seconds.

Mr. ROTH. Mr. President, I want to emphasize that Roth-Danforth is, of course, our only opportunity to vote for repeal and to accomplish repeal by keeping it out of conference.

I agree with the comment made earlier that that is critically important if we do not want the same individuals

who created the problem we have now to do it once again.

To those who say that cannot happen, let me say I remember 2 or 3 years ago being a conferee in conference with the House Ways and Means Committee and we yielded to their position. The House refused to accept our yielding to their position. So I think that is proof you cannot be certain what would happen if this legislation ended up in conference once more.

Let me point out that Roth-Danforth does repeal the surtax and it does repeal the catastrophic care benefits, but it is also important to remember that it does keep the Medicaid provisions like spousal impoverishment. But what my amendment offers—and I think this is particularly important—is it offers us the opportunity to step back and take a careful look as to where we are again.

As I said earlier, we spend nearly 12 percent for health in this country—nearly twice as much as is currently spent in England. Yet, I think most of us would agree that while there are many fine attributes of our health policy, we have some very serious problems.

So that we should take this opportunity of revoking the legislation which has so infuriated our senior citizens and take a careful look as to what kind of policies they want and how can it be financed.

The one fact we have to keep in mind is that today we do not have adequate information as to what any of these programs, including those that would be covered by the McCain amendment, would cost. We have no information as to duplication, but we do know that nearly 18 million of the 36 million senior citizens have some kind of catastrophic coverage. It is important, before we move in this area, that we find out what that coverage is so that we can develop the kind of program that will serve the maximum number of people.

Mr. President, the American people have spoken. The House has listened. It listened by a vote of 360 to 66. I hope the Senate will do the same.

I yield back the remainder of my time.

The PRESIDING OFFICER. All time for both sides has expired.

The question is on agreeing to the Roth-Danforth amendment.

Mr. ROTH. I ask for the yeas and nays.

Mr. ROCKEFELLER. Mr. President, I yield 3 minutes from our time on the bill to Senator BYRD of West Virginia.

The PRESIDING OFFICER. The President pro tempore, Senator BYRD, is recognized for 3 minutes, the time being subtracted from the time of the Senator from West Virginia on the bill.

Mr. BYRD. Mr. President, I regret that the Senate has spent the entire day trying to eliminate or modify the catastrophic health law which the Congress passed with such fanfare and widespread support only a year ago. I am not in favor of repeal of catastrophic health coverage, and although I have indicated by my votes today that I am willing to look at alternative means of financing these benefits, the bottom line is that any modification of this program, much less repeal, will result in the loss of benefits to the elderly and will hurt many seniors in West Virginia.

I believe that repeal of this program would be a serious mistake. There are many in West Virginia who desperately need the hospital coverage, the drug benefit, and the physician coverage that this law provides. I, too, have heard from many in my State who want this program repealed. But I think there has been much misunderstanding and misinformation about this program. Perhaps we in Congress failed to explain it fully to our constituents and thus left them vulnerable to those who are intent on selling them on the belief that all seniors would pay the maximum surtax.

What is at issue here is the impact on my State of the loss of benefits from repeal or modification of this program. Contrary to what many think, the law we passed does include coverage for long-term care—and those provisions will be wiped out under repeal and under the McCain proposal.

Many—I would hazard a guess, most elderly—need coverage for prescription drugs. As our distinguished colleague from Massachusetts [Mr. KENNEDY] pointed out earlier today, prescription drug coverage is the benefit seniors say they most want and is the benefit that is not available from private insurers.

Most of the proposals to salvage some benefits retain coverage for hospitals. That is good, because the elderly are hospitalized more often than other members of the population. But they also have to see doctors more often, too—and repeal would eliminate coverage for that. I think this is a shame.

Repeal would eliminate coverage for mammograms for elderly women—a benefit that could save lives by identifying breast cancer early. It would eliminate home health care—which is much cheaper than hospitalization—respite care, coverage for immunosuppressive drugs for transplant patients, the blood deductible, and expanded hospice coverage.

West Virginians need these benefits—perhaps even more than the elderly in other States. There are more elderly and more poor elderly in West Virginia than in virtually all other States in the Union. This is a sad day for the Congress and will be an even sadder day for this country's elderly when our work on this bill is done.

Mr. HEINZ. Mr. President, we have arrived at the point where the Senate must now make a vote of conscience. We have, as of this moment, performed major surgery on what was a deeply flawed Medicare Catastrophic Coverage Act. We have eliminated the surtax on supplemental premiums. We have eliminated the most duplicative benefits. We have cut back where there were fears of inadequate controls on costs. What we are left with is the McCain amendment or, as the Danforth-Roth amendment proposes, complete repeal of every single benefit enacted last year. That includes not only the hospital catastrophic protection that most people want but the expressions of home health and respite care that we all know are needed and necessary. It would include the repeal of the anti-spousal impoverishment protections that will prevent the cruelest choices of all. That is what the Danforth-Roth amendment would do. The Danforth-Roth amendment will inflict unconscionable damage on Medicare beneficiaries and loved ones. And the only responsible principled choice of the Senate is to reject it.

Mr. President, even as we now debate the repeal of protections against acute medical costs for America's aged, this Chamber echoes with the voices that first spoke for their enactment. These voices are many. They are the voices of the elderly poor and low income and their families. They are the voices of every American family for whom a catastrophic illness can mean untenable choices of physical health or financial ruin, of institutional care or debilitating emotional stress and fatigue. They are the voices of the frail elderly who need often only modest support to avoid institutionalization and to keep their independence and dignity.

Over 2 years ago, Secretary of Health and Human Services, Dr. Otis Bowen, focused the public consciousness on the devastating potential of an acute long-term illness for our Nation's elderly. Medicare, for all the program pluses, left the beneficiary vulnerable if struck down by a so-called catastrophic hospital stay. Secretary Bowen rightfully recognized that the suffering associated with a catastrophic illness extended beyond the patient. Families also bore the emotional pain and too often broke under the financial burden.

The Secretary's 1986 report was the genesis of legislation that gave America's aged and their families a last full measure of security in a broad package of catastrophic coverage under Medicare.

Mr. President, earlier this week our colleagues in the House rolled up this

rug of protections on the run and put it in permanent cold storage. It is critical for our debate today to recognize exactly what will be lost if the Senate concurs with that vote.

What will be lost is the McCain bill. What we will have is the one piece of legislation that the elderly want which is fiscally responsible, and which, as good health policy, keeps the antispousal impoverishment and home health benefits that are the hope of a desperately needed long-term care foundation. What is more, without the McCain bill, we will sacrifice millions of patients and their families to the financial jaws of long-term hospitalization. We will withdraw life-enhancing family supports in home health benefits and respite care. We will force millions of seniors to once more choose between necessary prescription drugs and paying for rent, food, or heat.

And if we vote total repeal, we send a message to thousands of terminally ill Americans that Congress now devalues the dignities and comfort of hospice care.

Completely repealing the Catastrophic Health Care Act means the best benefits in this program will be bagged, tagged, and deep-sixed. It means a lot of truly needy people will be driven into nursing homes prematurely for lack of services in the community or when a postponed surgery turns an acute illness into a chronic condition. And it means this body, Mr. President, supposedly elected to act for the public good, will have turned our backs on that responsibility.

Some of our colleagues say the program is so fatally flawed that repeal is the only means of reform. I think repeal instead of reform is a copout; we ditch the baby with the bath water rather than change the diapers back in the nursery. I fear those who favor repeal would sacrifice the established critical needs of the silent 95 percent of this Nation's seniors to the fire of a very vocal and politically savvy 5 percent.

Our colleagues are aware of the special concerns I have had that any reform package preserve the prescription drug benefit. Outpatient prescription drug coverage is perhaps the most far-reaching of all the catastrophic benefits. It is the only long-term care benefit in the new law, and as such represents a step toward a solution to other long-term care concerns.

This benefit not only would alleviate the financial burden of medication—costs which can run in excess of $120 per month for 5 million Medicare recipients. But it also includes a drug utilization review screen to prevent such problems as harmful drug interactions. As I said earlier tonight, this screen, in essence, is a drug safety program that will help every beneficiary, regardless of whether they exceed the deductible limit.

But I know many Members of this body have been unwilling to agree with me, at least for now, on this point. While I feel that is unfortunate, I am not willing to sacrifice the whole over a battle for even this very critical part.

Mr. President, our purposes here today should be to help people, not to hurt them. Our job today is to act, not to overreact. That is why we must defeat the Danforth-Roth amendment.

I will vote against this effort to turn our backs on our elderly and disabled and I urge my colleagues to do the same.

Mr. ROTH. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time having expired, the question is on agreeing to the amendment of the Senator from Delaware. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii [Mr. MATSUNAGA] is necessarily absent.

I further announce that, if present and voting, the Senator from Hawaii [Mr. MATSUNAGA] would vote "nay."

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

The result was announced—yeas 26, nays 73, as follows:

[Rollcall Vote No. 239 Leg.]

YEAS—26

| | | |
|---|---|---|
| Biden | Ford | McClure |
| Boren | Graham | Nickles |
| Boschwitz | Gramm | Pell |
| Bryan | Helms | Reid |
| Coats | Hollings | Roth |
| Danforth | Humphrey | Shelby |
| Dixon | Johnston | Symms |
| Domenici | Kasten | Wallop |
| Exon | Mack | |

NAYS—73

| | | |
|---|---|---|
| Adams | Glenn | Mikulski |
| Armstrong | Gore | Mitchell |
| Baucus | Gorton | Moynihan |
| Bentsen | Grassley | Murkowski |
| Bingaman | Harkin | Nunn |
| Bond | Hatch | Packwood |
| Bradley | Hatfield | Pressler |
| Breaux | Heflin | Pryor |
| Bumpers | Heinz | Riegle |
| Burdick | Inouye | Robb |
| Burns | Jeffords | Rockefeller |
| Byrd | Kassebaum | Rudman |
| Chafee | Kennedy | Sanford |
| Cochran | Kerrey | Sarbanes |
| Cohen | Kerry | Sasser |
| Conrad | Kohl | Simon |
| Cranston | Lautenberg | Simpson |
| D'Amato | Leahy | Specter |
| Daschle | Levin | Stevens |
| DeConcini | Lieberman | Thurmond |
| Dodd | Lott | Warner |
| Dole | Lugar | Wilson |
| Durenberger | McCain | Wirth |
| Fowler | McConnell | |
| Garn | Metzenbaum | |

NOT VOTING—1

Matsunaga

So the amendment (No. 989) was rejected.

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

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

The motion to lay on the table was agreed to.

Mr. PELL. Mr. President, today we are reconsidering a program passed by the 100th Congress to provide coverage to the Nation's elderly for the costs of catastrophic illness. At that time, Mr. President, we thought we were doing a good thing. We wanted very much to ensure that no senior citizen, or his or her spouse, would ever become impoverished because of catastrophic illness. The Medicare Catastrophic Coverage Act of 1988 was intended to achieve that goal, and the Congress acted to address this important need.

At that time, Mr. President, I had serious reservations about the financing of the program. After the program was enacted, and it became clear that many of the Nation's seniors simply did not want the program, either because of its financing or because they already had similar private coverage, I cosponsored a bill introduced by Senator McCAIN to delay the program, including the surtax and certain benefits, for 1 year, so that we could carefully review and improve the program.

Mr. President, just a few moments ago, I voted to repeal this new program. I did so because I was determined to respond to the concerns voiced by so many of my constituents in Rhode Island that the catastrophic coverage program, in its present form, is simply not acceptable to them. The parliamentary situation before the vote on the Danforth-Roth amendment was that no changes had been made in the program, and that is simply not what the people of Rhode Island want. The repeal vote having failed, Mr. President, I intend to vote in favor of Senator McCAIN's bill, which provides the Senate with its very last opportunity to make needed changes and improvements in this program.

Mr. President, I support Senator McCAIN's proposal for two very important reasons: It repeals the income tax surtax which so many Rhode Islanders oppose, and it retains some of the important benefits of the original program. I believe that the McCain bill is a dramatic improvement of a well-intended program, and will address many of the concerns of the senior citizens in Rhode Island and across this Nation.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, will the Senator from New Jersey yield to permit the distinguished Republican leader and I to join in making an announcement regarding the discussions we have been having on the reconciliation bill and the schedule for the remainder of today and tomorrow?

Mr. BRADLEY. Certainly.

Mr. MITCHELL. I thank the Senator for his usual courtesy.

Mr. President, the distinguished Republican leader and I, along with Senators BYRD, HATFIELD, BENTSEN, PACKWOOD, SASSER, and DOMENICI, have just met for approximately 1 hour and 15 minutes to discuss the process by which we could proceed to consideration of and disposition of the reconciliation bill.

Following the promise that I made last evening, we had several discussions during the day, and the distinguished Republican leader had consulted with several of his colleagues. I can report to the Members of the Senate that the meeting was very open, frank, thorough, and from my perspective encouraging.

We do not yet have an agreement, but all of those who participated agreed without exception that we are moving toward an agreement with a sufficient degree of progress that justifies a further meeting tomorrow morning, that to include members of the House leadership of both parties.

Accordingly, it is my judgment, following that meeting and discussions with the distinguished Republican leader, that we should complete action on the catastrophic bill this evening and then recess until tomorrow morning, at which time the Senate will be in session and consider the Interior appropriations conference report while the meeting I have just described occurs in the hope and expectation that that meeting will result in agreement which we could then be in a position to announce to the Members of the Senate.

I emphasize that we have not yet reached an agreement, but, as I also stated, the progress was sufficiently encouraging for all of us to believe that this will be the best and most wise course of action. I cannot predict the time that will be involved in this. It is my intention that we are going to meet at 9:30 in the morning. It is my intention to have the Senate come in at 10 and go to the Interior appropriations conference report. The distinguished chairman of that committee has indicated to me that he anticipates a couple of hours. I do not see the chairman here on the floor, but he advised me he anticipated a couple of hours on that bill. By that time we should be in position to make a further announcement.

I will be pleased now to yield to the distinguished Republican leader for any comment that he may have in this regard.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. DOLE. I thank the majority leader.

I think the majority leader has stated correctly we have had a number of meetings today and I have met with a number of my colleagues and members of the administration.

I think we have one common interest, and as Senator BYRD indicated, we are going to destroy the Senate unless we get a handle on reconciliation. I am not blaming anyone. It has happened under the leadership of both parties. It has happened in the committees. We become like a State legislature; we have one big ball of wax every year. We are not protected by cloture waiver in the bill. You take it or leave it. You have a time limit. I think there is a genuine interest in trying to come to some resolution.

As I indicated to the majority leader, those of us on this side, and I think some on the other side, have another interest. Capital gains is of deep interest to the President of the United States. He went all through the campaign last year. It has been in the process all this year. The President obviously feels that is very important. It is very important.

So we have been trying to figure out some way to have a clean reconciliation bill and still ensure an opportunity to take up the capital gains matter at some appropriate time and hopefully pass it in the Senate.

But I guess I have said enough as far as specifics, but the point is we do not have any agreement yet. But we are all in good faith, and I believe every Senator would be saving several days in conference, or whatever, if we can come to some resolution.

Having said that, I told the majority leader I do not want to mislead anyone. In my position I have the responsibility also to the President of the United States, and I intend to carry that out.

So it is my hope that we can meet in the morning. Some of the Republican leaders are all over America, and we are trying to get them back by tomorrow morning. So I hope you will bear with us in the morning while we meet again and try to see if we can get to some resolution. It may take all day tomorrow.

I think in the long run it has been worth the effort, and we are prepared, as I told the majority leader, in good faith to see what we can do. If we cannot do it, then we have to, I guess, go the route of the reconciliation, go to conference with the two rather large reconciliation bills which might take 30 days or longer. So, I think if it works as we hope, we will meet tomorrow morning at 10, have debate on the Interior appropriations conference report while it is going on. Maybe we will be in a position by noon or shortly thereafter to make some announcement.

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. Accordingly, Mr. President, I understand that the amendment by the Senator from New Jersey is to be accepted by the managers, following which there will be debate and one further rollcall vote on the underlying McCain bill. That will be the final rollcall vote this evening.

The Senate will be in session at 10 a.m. tomorrow and going shortly thereafter to the Interior appropriations conference report.

Mr. BIDEN. Mr. President, will the leader yield for a question?

Mr. MITCHELL. Yes, certainly.

Mr. BIDEN. Does the leader anticipate votes on the Interior appropriations bill?

Mr. MITCHELL. Yes, I believe there will be at least two votes.

Mr. BIDEN. I saw a finger go up to my right.

I thank the Senator.

Mr. MITCHELL. I thank my colleagues, and I thank the Senator from New Jersey.

Mr. President, I yield the floor.

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CATASTROPHIC INSURANCE REFORM

The Senate continued with the consideration of the bill.

AMENDMENT NO. 990

(Purpose: To reestablish the respite care benefit in 1991 with modifications).

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

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from New Jersey [Mr. BRADLEY] proposed an amendment numbered 990.

Mr. BRADLEY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the bill, add the following new section:

SEC. . RESPITE CARE.

(a) IN GENERAL.—Notwithstanding any other provision of this Act, the amendments made by subsections (a), (b), (c), (d), and (e) of section 205 of the Medicare Catastrophic Coverage Act of 1988 shall take effect and apply to items and services furnished on or after January 1, 1991.

(b) AMENDMENT TO PAYMENT THRESHOLD.—

(1) IN GENERAL.—Paragraph (4) of section 1961(II) of the Social Security Act (42 U.S.C. 1395x(II)), as added by section 205 of the Medicare Catastrophic Coverage Act of 1988 is amended to read as follows:

"(4) The 12-month period described in this paragraph is the 1-year period beginning on

the date that the Secretary determines that a chronically dependent individual has incurred out-of-pocket part B cost sharing in an amount equal to $1780 in 1991 and equal to an amount in each succeeding year which is equal to an amount (rounded to the nearest multiple of $1) as the Secretary estimates will result, in that succeding year, in 5.5 percent of the average number of individuals enrolled under this part (other than individuals enrolled with an eligible organization under section 1876 or an organization described in subsection (a)(1)(A)) during the year incurring such amount. In the case of an individual who qualifies under this paragraph within 12 months after previously qualifying, the subsequent qualification shall begin a new 12-month period under this paragraph."

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to items and services furnished on or after January 1, 1991.

Mr. BRADLEY. Mr. President, I propose a small but, in my opinion, significant addition to the legislation now before us. This amendment salvages at least part of the respite care benefit that was enacted last year.

Now, some may ask, why the fuss over this very small benefit. Before I discuss my views, I'd like to take a moment to explain to Members of this body, what respite care is. Respite care is the provision of a little relief to family caregivers who are spending their lives caring for their chronically ill spouses or parents. Often, that family member is the only thing preventing the chronically ill person, who is living at home, from entering a nursing home.

The respite care benefit provides family support of 80 hours a year to help the caregiver in the home. I want my colleagues to be sure they heard that correctly: 80 hours a year. This is no runaway benefit that will cost hundreds of billions of dollars a year. But it will provide a respite from the incredible responsibility of caring for someone with chronic illness.

The catastrophic bill provided this benefit to about 300,000 families a year. Families who had an elderly member with serious chronic conditions and very high health care costs exceeding the $1,300 cap on doctor bills or the $600 prescription drug cap would be eligible for this new benefit. Except for people already in nursing homes we are talking about some of the sickest older Americans—and those with high health care costs.

Mr. President, I realize that the catastrophic program will have to be cut back significantly if it is going to continue in any form. This is the last amendment that can be offered to this bill now before us. I hope that we do not terminate this valuable program.

Mr. President, the amendment continues the respite benefit in a little more limited form than what was in the underlying catastrophic bill but even in this scaled-down form, about 60,000 Medicare beneficiaries a year will be helped; 60,000 of the very frail elderly, who remain in their home because of the tremendous commitment their family or loved one has made to them.

Mr. President, if we do not reinstate the respite benefit in this proposal, we are missing an opportunity to really reach out and give a hand to some very needy citizens in this country.

Mr. President, I understand that the managers of the bill are prepared to accept the amendment.

The PRESIDING OFFICER. Is there further debate?

Mr. ROCKEFELLER. Mr. President, on our side, the amendment is acceptable.

Mr. McCAIN. Mr. President, very briefly, I would like to thank the Senator from New Jersey, who has been a leader on this issue, for his very helpful contribution. Currently, due to the changes in the law made by the pending bill, the important respite benefit only applies to those qualifying for immunosuppressive and home IV drugs. Respite is important. It gives some assistance to those families caring for very ill family members.

This amendment will provide adequate protection in this area. There is enough money in the program to pay for Senator BRADLEY's proposal. For the rather nominal amount of money it would cost, we provide a good and important benefit.

I extend my appreciation to the Senator from New Jersey for proposing this amendment. We will gladly accept it on this side.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from New Jersey [Mr. BRADLEY].

The amendment (No. 990) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. McCONNELL. Mr. President, I rise today to support the legislation offered by the distinguished Senator from Arizona [Mr. McCAIN].

Last year, I voted for the Medicare Catastrophic Coverage Act because I believed it contained benefits that were greatly needed and desired by millions of senior citizens in Kentucky and across the Nation. Senior citizens had informed me of their concerns regarding the catastrophic cost of prolonged illness or injury on Medicare recipients. I believe that coverage of long-term hospitalization, home health care, respite care, hospice care, and protection from spousal impoverishment, and all benefits of the act, made significant progress toward easing the concerns of seniors regarding the cost of extended illness. The Congress developed a financing mechanism which we believed would pay the costs of the new benefits without imposing huge financial burdens on Medicare recipients or increasing the Federal budget deficit. As a matter of fact, several experts informed me that over two-thirds of my State's senior citizens would pay less than $9 extra per month in the first year for the new catastrophic benefits. We also believed that this new Medicare coverage would allow senior citizens to drop their private Medigap insurance, thereby saving them money. For these reasons I supported the act when it was considered by the Senate.

Let me reaffirm that I still support the concept of the act which was to provide needed protection from the high costs of acute catastrophic illness to Medicare recipients.

I have, however, heard from my senior constituents that they have some serious concerns with the act as it is currently written. They informed me that despite wide media coverage of the legislation as it was being considered, they did not know all the provisions of the act and its effect on them until it had been signed into law. Many senior citizens believed that the act provided coverage for their true catastrophic need—coverage for long-term care. As we all know, while the Medicare Catastrophic Coverage Act does provide limited benefits for long-term coverage, it does not cover the cost of long-term custodial care in a nursing home or at home. Other senior citizens informed me that they already had the coverage provided by the act, at a lesser cost, and because the act is mandatory they were paying for the same protection twice. Finally, senior citizens told me that they had some serious concerns with the financing of the new benefits.

The new benefits were paid for by both a flat premium and a progressive supplemental premium. The supplemental premium is based on the idea that those with a higher income will pay more than those with lower incomes. I do not believe that seniors resent having to pay for their health care. Seniors are not a group of greedy malcontents who want others to pay the costs of benefits targeted only for seniors. I think they would be willing to pay a reasonable price for benefits that truly meet their catastrophic health care needs. What they resent is paying twice for the same benefits or paying for benefits they don't want or need.

Mr. President, as we all know, there has been a groundswell of opposition to the Medicare Catastrophic Coverage Act as it is currently written. Some senior citizens have called for its outright repeal while others want the financing or benefit package changed.

Earlier this year my distinguished colleague from Arizona Senator McCAIN, introduced S. 335 which would have maintained the benefits already available to senior citizens while delaying the other benefits and the supplemental premium for 1 year to give Congress the opportunity, in a reasoned and deliberate manner, to address the concerns senior citizens have with the act. I am proud to say that I cosponsored S. 335 and voted for it twice here on the Senate floor. Unfortunately a majority of the Senate decided not to support S. 335. The Senate Finance Committee tried to craft changes in the act that were acceptable to the majority of the committee but could not do so. Senior citizens continued to express their concerns with the act and 2 days ago the House of Representatives responded by repealing the Medicare Catastrophic Coverage Act.

I do not believe that total repeal is in the best interests of Medicare recipients in my State or anywhere in the country. The act for States like mine where there is a large number of lower income senior citizens was really quite a good program. Rather I am a cosponsor and strong supporter of Senator McCAIN's proposal to scale back the benefits but continue to provide important protections against catastrophic illness. Senator McCAIN's proposal maintains many important benefits such as long-term hospitalization, spousal impoverishment protection, expanded home health and hospice care, respite care, mammography screening, coverage of the cost of immunosuppressive and home IV drug therapy and the Medicaid buy-in and pregnant mothers and infants program. It returns coverage of skilled nursing care to prior law and provides seniors with protection that will assure them access to the Medigap coverage they had prior to the enactment of the Medicare Catastrophic Coverage Act. The supplemental premium, part B out-of-pocket cap and outpatient prescription drug benefits are repealed. The retained benefits are paid for with the catastrophic flat premium.

I believe that the retention of these important catastrophic benefits while reducing the overall cost of the program will address the concerns of senior citizens who thought that the Medicare Catastrophic Coverage Act was too expensive. Furthermore, it maintains the semblance of a catastrophic protection program for those Medicare recipients who are not affluent and for whom the prospect of catastrophic illness is a pretty scary thought. I urge my colleagues to support the distinguished Senator from Arizona's proposal.

Mr. KOHL. Mr. President, few issues have fueled more controversy, more editorials, more misinformation, more generational slurs, and more political posturing than the Medicare Castastrophic Coverage Act. Cited as the most significant expansion of Medicare benefits since Medicare establishment 20 years ago, this bipartisan proposal that was signed into law by President Reagan lies before us today on the brink of total repeal.

I was not a part of this body when the law was passed, but both my distinguished predecessor, Senator Proxmire, any my colleague, Mr. KASTEN, supported the expansion along with 84 other Senators. I ask unanimous consent that, at the end of my statement, a recent editorial by my much esteemed predecessor be printed in the RECORD.

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

(See exhibit 1.)

Mr. KOHL. Mr. President, it is my strong sense that this program was designed to address a very real need and that in the course of numerous hearings that were held, there was substantial testimony that documented that need. Over a period of 18 months of House and Senate consideration in the last Congress, millions of postcards and letters poured into congressional offices at that time, asking elected representatives to support the Catastrophic Coverage Act.

Well one of the things that I have already learned in my short tenure here is that the legislative process involves a lot of negotiation. To get something done, everyone usually has to give a little here and give a little there. It is the balancing of all concerns, the identification of common goals and needs and then compromise, that allow us to move this country forward. Therefore it is no surprise that everyone is not totally pleased with the final product. And for good reason.

Like all of my colleagues, I have heard from thousands of senior citizens in Wisconsin who, for one reason or another, do not like the current law. Some do not like the nature of the surtax, arguing that it is unfair because seniors pay taxes that go to education, even though they themselves do not have children in schools; many of them want the benefits if they are financed through the General Treasury, increases in FICA taxes on working Americans, or through a whole host of new tax measures. Some think the surtax is just too expensive and most incorrectly believe that they would be paying the maximum $800 a year. Some do not like the mandatory nature of the program, arguing that they have duplicative coverage or that the Federal Government is forcing them to pay for something that they just do not need. Some would rather see Congress enact a comprehensive long-term care plan or national health insurance in lieu of taking this piecemeal approach. And others just want the whole thing repealed.

And I agree with many of those concerns. If I had my own personal preferences, I believe we need to control health care costs in this country and adopt a national health policy that provides universal access to Americans of all ages. But I understand that that will not happen overnight, and that the original authors of this legislation were trying to provide the most comprehensive expansion possible under the deficit neutral terms of the administration.

I, too, believe we need a comprehensive long-term care plan that would provide both home- and community-based and nursing home care for our elderly and disabled. But I am also aware the cost of such a program would be at least $45 billion each year and that it would be irresponsible to create such a massive new program with our current deficit and with no cost controls on home and nursing home care.

And I agree that $800 a year is extravagant for the actual benefits that would be provided to those few Americans that would pay the maximum supplemental premium. Unfortunately, the vast majority of elderly would not pay any supplemental premium and many of those individuals have certainly been misled during this debate.

I am less sensitive to the argument that all new Medicare expansions must be funded by the entire population. The perception seems to be that seniors are picking up the whole tab for Medicare A and Medicare B. To the fiscal contrary, Medicare A is being financed by current wage earners; the reserves in the trust fund contributed by today's retirees were depleted many years ago. The fund is solvent, for the time being, not because of interest earned over the years, but because of the increased amount of wages subject to the HI tax and because of the increased percentage paid by wage earners today. The demographic reality is that when Social Security passed in 1935, the average American lived to be 58 years old. We now live to be 74. While that increased longevity is a blessing and something for which we are all grateful, it means that those contributions over the years—in both Social Security and Medicare part A—simply have not stretched as far as we planned back then. Likewise, the monthly premium paid by Medicare B participants covers only 25 percent of the cost of that program. The other 75 percent comes from general revenues, which means a broad tax base. So, in reality, working families with small children are indeed sharing the burden of care for their retired counterparts.

And I am concerned with the Medigap situation. There is just conflicting information with regard to what some

of these policies cover. While millions of elderly are paying for supplemental policies, it is far from clear how many "gaps" those policies actually fill. And, despite what has actually happened since enactment of the law, insurance companies have a responsibility under law to inform their beneficiaries of duplication and to pass along those savings. Some of those savings have been minimized by the exorbitant premium increases passed along to the elderly in January of this year. But I am not altogether convinced that a good faith effort has been made by all of these policy providers to actually comply with the requirements of the catastrophic law. Because of that, there are millions of senior citizens who believe they are covered for benefits, but simply are not. To me, it is one of the greater injustices that so many elderly are being taken advantage of by their private sector providers. It is an issue I intend to explore through my service on the Special Committee on Aging.

So today we are faced with very, very difficult choices. I have told my constituents that I would support a bipartisan, good faith effort to repair the flaws in the catastrophic law. I have promised to give very careful consideration to all proposals and to support repeal only as a last resort.

I am pleased with the thoughtful proposals before us and the great leadership that has been provided by both sides of the aisle in the Senate Finance Committee.

Today I will support the amendment offered by our colleague from Massachusetts, because it is the only opportunity to save the prescription drug benefit. Only 3 out of 10 elderly have any coverage for outpatient prescription drugs. And with those costs escalating at a rate much higher than the consumer index, I think prescription drug costs will become more and more of a burden for elderly on fixed incomes.

I will oppose our colleague from Florida's proposal to make the program voluntary if the Secretary determines that the beneficiary has equal coverage from some other source. While I agree with my colleague's desire to give people options, I do not think that his proposal is workable as written. It creates another level of bureaucracy and paperwork that we simply don't need.

I will oppose the motion to finance the catastrophic benefits by removal of the "bubble." While I appreciate the desire to redistribute the cost-sharing of this program, I have three fundamental concerns with the Harkin-Levin amendment. First, this is a tax increase and the President has made it clear that he will veto any proposal that contains such a provision. Second, it is altogether unclear that the proposal could be made to work. The authors have been unable to work the numbers out. My sense is that the Finance Committee could have similar problems. And finally, I am disturbed by raising general revenues and earmarking them for this purpose.

I will very reluctantly oppose the amendment offered by Senators DURENBERGER and MITCHELL. I believe it is a very good, bipartisan, and thoughtful attempt to salvage this legislation, and I support that goal. At the same time, it is clear that the majority of the elderly at this time are unprepared to pay this surtax. Despite the fact that the cap on the supplemental premium would be $200 and despite the fact that only 14 percent of the elderly would even pay that much, it is my sense that the very nature of the surtax is fundamentally offensive to many of my constituents. I believe that, in the future, expansions of Medicare will hinge partially on the beneficiaries' willingness to bear a large share of the cost. But today, because there is a perceived injustice in the surtax, I am simply unable to support this amendment.

With regard to the amendment proposed by our colleagues from Michigan and Rhode Island, I am supportive of the inclusion of catastrophic coverage for out-of-pocket doctor bills. This is something that is missing in the McCain approach. And while our colleague from Arizona quotes polls that say that the elderly do not want nor need this benefit, I concur with our colleague from South Dakota, Senator DASCHLE, that the results of polls largely depend on how the question is asked. Medicare part B growth has not been contained. Without some benefit for catastrophic physician bills, the elderly are going to be charged increasingly high prices that are in many ways beyond their control. And I think we need to do everything we can to provide options for coverage. The voluntary option to purchase insurance for prescription drugs, respite, mammograms, hospice, and skilled nursing facility care is desirable. And as I understand this amendment, it is a truly voluntary program that would cost approximately $15 per month. These are, by and large, benefits not presently covered by the majority of private sector plans. One of the most significant losses in all of the amendments offered today is that of the skilled nursing facility benefit. While there have certainly been problems in the administration of the limited nursing home benefit under Medicare, I think elimination of the 3-day hospitalization requirement and the extension from 100 days to 150 days are desirable benefits. These provisions which were included in the catastrophic bill were first steps toward long-term care and I believe their repeal in all of the amendments, including the McCain amendment, is a step backward. While I share the concerns expressed by many of my colleagues regarding the actuarily soundness of this program and the adverse risk selection, I believe that the proposal is worthy of consideration in conference with the House.

I will support the McCain proposal. As I have indicated earlier, I regret the deletion of the physician out-of-pocket cap, the comprehensive prescription drug coverage and the expansion of the skilled nursing home benefit. But given the nature of our dilemma, and the desirability of eliminating the surtax, the proposal is sound and worthy of support.

Because of the valid alternatives offered by the previous amendments, I do not intend to support either the delay of implementation of the Medicare Catastrophic Coverage Act, nor the total repeal of the law. To extend this debate further, into next year's political election cycle, would not yield more thoughtful alternatives. I am confident that all Members in this body have put forth their best efforts to fix the current law. Likewise, I cannot in good conscience repeal an act that—while imperfect—addresses the real and serious needs of millions of Americans. It is my sincere hope that the changes made here today are solid footing for a sound reform of this act.

These have been difficult decisions and I have weighed very carefully the advantages and disadvantages of each proposal. Into each decision I have factored the voices of my constituents. While they have not spoken in a uniform voice, they have advocated change. I have done my utmost to best represent their collective concerns.

I thank my colleagues for presenting us with the wide range of alternatives that has enabled me to do so.

EXHIBIT 1

[From the Superior Telegram, Sept. 20, 1989]

ELDERLY FORCED TO MAKE FATAL CHOICES

(By William Proxmire)

A surprising number of Americans would rather die than pay more in taxes. And I really mean die.

Last year Congress finally enacted what the American Association of Retired Persons believed America's elderly need urgently: full medical care for when we are older and suffer a devastating illness that could not only impoverish us but also take our lives.

Now many of the elderly are emphatically telling Congress that they don't want catastrophic care if they have to pay taxes for it.

Nearly 60 percent of the elderly eligible for catastrophic care would be exempt, because of their low income, from paying even 1 cent of the most controversial catastrophic health care tax—the "supplementary premium."

This tax phases in as a percentage of the federal income tax liability of the care beneficiary. A single person with an income of $12,376 would pay no supplementary premi-

um tax. A married couple with an income of $17,514 would also be exempt. The tax gradually rises to a maximum of about 2 percent of taxable income. For instance a single beneficiary with a taxable income of $42,840 would pay $800 in the supplementary premium tax next April 1990 on 1989 income. By 1993 the maximum tax would rise to about 2.3 percent of taxable income.

This is what the elderly so strongly oppose. Congress believes that the serious budget crisis would not permit the government to assume the cost catastrophic health care for the elderly out of current revenues. To do so would increase an already massive deficit. Since the benefits would only be available to the elderly, Congress reasoned that the elderly should pay for it.

The highly respected American Association of Retired Persons, the principle lobbying organization for senior citizens, agreed. Now it is clear that a large proportion of the elderly who would both benefit and pay more in taxes with this legislation strongly disapprove of it. The taxpayers' revolt has been so potent that many members of Congress, who supported the legislation when it was enacted in 1988, are vigorously calling for its repeal.

Here is a dilemma that will be with Congress for many years. Medical cures that seem almost magical for the ills that will befall most of us, if we are lucky enough to survive into our old age, are coming on with a rush. Just in the past 15 years, life expectancy at birth has increased by almost four years. The medical profession has cancer and heart disease on the run. A generation from now there could be tens of millions of George Burns, 90 years old or older in America.

The cost, which will rise each year, is as horrendous as the medical technology is marvelous. The elderly like to live longer, but they hate paying for it. Advancing medical technology is offering them a contract they won't sign. They also vote like no other population group so Congress may have to repeal the catastrophic care bill.

Congress' principle tax-writing committee—House Ways and Means—has proposed a compromise. They would cut the top surtax rate in half on the elderly who take catastrophic coverage. They would also give the elderly the choice of completely avoiding the surtax by giving up catastrophic coverage and also losing care by physicians and other medical services.

The elderly would have a choice. If an an elderly person you'd rather take a chance on dying than pay more taxes, Congress may say, "Be our guest." The powerful political message here is that millions feel far more deeply about raising taxes than members of Congress realize. Congress is getting that message loud and clear.

William Proxmire, former chairman of the Senate Banking Committee, retired last year after 31 years in the Senate.

Mr. HATCH. Mr. President, I am pleased to rise in support of Senator McCAIN's proposal which retains the flat premium and provides those benefits which can be covered by such a premium. And, it is astounding how many benefits can be retained.

What is retained is:

The extended inpatient hospital benefit;

The blood deductible;

The revised home health benefit which expands benefits from 21 to 38 days;

The respite care benefit which provides chronically dependent beneficiaries up to 80 hours of in-home services;

After 1 year, the mammography screening program;

The coverage of certain drugs, including immunosuppressive drugs and home IV drug therapy; and

The expanded hospice benefit.

All of this is financed by the existing flat premium which this year is $4 and rises no higher than $4.90 in fiscal year 1990; $7.40 in fiscal year 1991; $9.20 in fiscal year 1992; and, $10.20 in fiscal year 1993.

In fiscal year 1989, the benefits will cost $1.06 billion.

In fiscal year 1989, the flat premium raises $1.165 billion in total income.

The difference between the revenues and costs are +$150 million.

Over 5 years, the benefits will cost approximately $9.023 billion.

Over 5 years, the flat premium raises $13.477 billion.

Over 5 years, the difference between the revenues and costs is +$4.454 billion which is a comfortable cushion. Or, the Secretary also has the authority to reduce the flat premium if there are excessive revenues.

Mr. President, I believe this is a workable proposal that we in the Senate should support. It is fiscally responsible.

We keep the flat premium and provide seniors with the benefits that $4 will cover.

The McCain bill is sound health policy and is a package of catastrophic benefits that seniors will be willing and able to purchase at an affordable cost.

The seniors in America know about the McCain amendment. The seniors in America want the McCain amendment. I am pleased to support the McCain amendment. I am pleased to work with Senator McCAIN since we started this effort in May. Mr. President, the McCain legislation is understood and is wanted by seniors.

Mr. GLENN. Mr. President, I rise in support of the pending legislation, S. 1726, the Catastrophic Insurance Reform bill, which appears to be our best hope to maintain some of the important benefits contained in the Medicare Catastrophic Coverage Act of 1988.

During debate on S. 1726, I supported an amendment offered by Senator DURENBERGER and a bipartisan group of Senators, and I regret that it was defeated. This amendment would have achieved two important goals—retention of many of the important benefits contained in the Medicare Catastrophic Coverage Act of 1988, and reduction of the supplemental premium. It was a good compromise between the current legislation and repeal, which is favored by a vocal group of seniors who object to the current financing of benefits.

In addition I supported an amendment offered by Senator KENNEDY which would have maintained the important new prescription drug benefit contained in current law. Paying for outpatient prescription drugs is a great burden for many older Americans, and this is a benefit for which there is little private insurance coverage. Unfortunately, this amendment was also defeated by a majority of my colleagues in the Senate.

I supported the Medicare Catastrophic Coverage Act of 1988, and I voted to opposition to repealing it. This legislation, the first major expansion of Medicare since it was enacted in 1965, was an important first step in providing catastrophic coverage for Medicare beneficiaries. It provides important insurance against catastrophic acute care and prescription drug costs.

In an effort to maintain some of the benefits contained in the 1988 catastrophic law, I voted for final passage of S. 1726, the Catastrophic Insurance Reform Act, introduced by Senator McCAIN. This legislation retains the following important benefits contained in current law—hospitalization, the blood deductible, home health, respite care, mammography screening, and coverage of home IV drugs and immunosuppressives. I regret that it repeals the expanded skilled nursing home benefits, the outpatient prescription drug benefit, and the cap on part B out-of-pocket expenditures. These reductions in benefits were made so that the supplemental premium, which has received so much opposition, could be repealed. The remaining benefits would be financed by the existing flat monthly part B premium.

The House of Representatives has voted to repeal the catastrophic legislation, so this issue is still not finally resolved. It is my sincere belief that the elderly of this Nation will be best served by far if the House recedes to the legislation that was just passed by the Senate.

Mr. ROCKEFELLER. Mr. President, a great deal of debate and introspection has brought us here today. The Medicare Catastrophic Coverage Act—the most sweeping expansion of benefits in the history of the program—is at a crossroads. Will it be repealed, as we watched the other body vote earlier this week? Or will we search for what was best in this program and make a constructive effort to move ahead with that?

Let's remember what this program is about, and why the Congress and President Reagan created it with such enthusiasm less than 2 years ago.

The catastrophic program provides coverage for unlimited hospitalization; unlimited physician services after a catastrophic deductible; important new long-term care benefits, including skilled nursing home care and home

health and home respite care; new coverage for outpatient prescription drugs; and the first preventive care benefit ever—mammography screening for breast cancer.

These benefits were enacted because millions of seniors could not afford to buy private insurance protection against serious illness. Millions more have purchased inadequate policies—often multiple policies—which don't meet basic minimum Federal standards.

Yes, and some retirees are fortunate enough to have purchased excellent insurance against catastrophic coverage, or to have such coverage purchased for them. For these people, the catastrophic law provided protections against double coverage, so that nobody would be forced to buy duplicative insurance.

In fact, most of the public debate over catastrophic has been on the financing, not on the benefits. We've heard from numerous aging groups and labor unions—do not repeal the benefits. In addition to the harm repeal would do to seniors—including those who are already hospitalized and dependent on the new coverage—it would establish a horrible precedent. In this era of the uninsured and the underinsured, we should not be repealing catastrophic.

Let's take another look at the financing. The supplemental premium, which was intended to be fair, is perceived by many as too burdensome. The maximum premium amount—and even amounts well below the maximum $800—has been criticized. So, in good faith, we've gone back to the drawing board.

The Finance Committee has labored for weeks, examining options for adjusting the catastrophic financing and for corresponding adjustments in the benefit package. On behalf of the committee, I can say that this task was not easy. Nor was it taken lightly. In fact, it has brought us here today.

Now, we face a range of options for modifying the catastrophic program in a manner that will be acceptable to beneficiaries and that will preserve various benefits. I commend all of my colleagues who will offer amendments today in an effort to preserve important new coverage for senior citizens. Let us not forget that this was—and remains—our primary goal. We must strengthen the Medicare program. We must take steps to meet the elderly's unmet needs, both for acute care and for long-term care services.

Do not turn your backs on the senior citizens of this country by denying them necessary coverage. Do not repeal the Medicare Catastrophic Coverage Act.

Mr. HELMS. Mr. President, on October 27, 1987, I read the following portion of a Chicago Tribune editorial into the RECORD:

> If you're over 65 or hope to be some day, or if you love someone who is or wants to be, don't be too quick to cheer for that new catastrophic health care bill speeding through the Congress. However it's being hyped, the truth is that the legislation, as passed by the House, won't protect the elderly from the devastating costs of most catastrophic illness.

Those words are just as true today as they were in 1987.

Two years ago senior Americans were led to believe that the goodhearted Congress of the United States would provide them with all of the health benefits that they desperately needed. Many of those same seniors now know that when the Congress promises the world with a fence around it, the taxpayers had better head for the hills.

Mr. President, during my nearly 17 years in the Senate I have received thousands of letters from the senior citizens in North Carolina concerning problems with health care. The complaints usually focus on rising premiums, denial of coverage, premature discharge. The list goes on and on. But never have seniors in North Carolina been so agitated and so angered by an action of the U.S. Government as they have been by the passage of catastrophic tax. Notice I said catastrophic tax, for that is precisely what it is.

If there ever was a case in which the time-worn policy of tax and spend and spend and tax led to disillusionment and fiscal irresponsibility this is it. Lawmakers had plenty of warning, but Congress once again ignored those of us who predicted that more taxes would trigger a firestorm among retired Americans. These new taxes, by the way, paid for programs that 80 percent of retired elderly neither wanted or needed.

In fact, Mr. President, the majority of those who promoted this ill-conceived program were the hired guns of the professional Washington lobbies. Catastrophic protection was not very high on the list of health priorities for the majority of senior citizens. Yet no one wanted to vote against that enticing title, "The Medicare Catastrophic Illness Coverage Act." I was one of 11, as I recall, who did vote against what I felt was a very bad and very unfair piece of legislation.

The senior citizens of this country have made an important contribution to the debate on the future of health care in this country. They have thrown up a roadblock in the headlong drive toward the rationing of health care through socialized medicine. That is the direction we would have travelled had the seniors not stood up and declared that the benefits this act contained were already provided and more efficiently, by the private sector.

Mr. President, as a senior American myself, I was deeply offended by those in this body—and those in the media—who proclaimed that all of the uproar over this legislation was caused by greedy seniors. To that I say bullfeathers.

The senior citizens who rose up against this program are people who worked and saved all of their lives to make this country better for each and every one of us. They built this country. Now some around here are calling them names for refusing to be further burdened by more and more taxes. My hat's off to them. They have put the U.S. Congress in its place.

I commend those Senators who have joined the fight to repeal this onerous tax. It should never have been approved by Congress in the first place. I was criticized severely by the news media in my State when I, and a few other Senators, voted against this socialistic catastrophic pipe dream in 1988. It is comforting to have so many converts this year willing to repeal legislation that should never have been approved.

Mr. LEVIN. Mr. President, today we have had a number of options before us on how to address the health care needs of this Nation's senior citizens. From my perspective, the Harkin-Levin approach offered us the best chance of enacting a catastrophic health insurance program with adequate benefits and which was paid for by an equitable funding mechanism. The Senate, however, did not support this approach.

It is also clear from this debate that there is no support for the supplemental premium surtax in the current law and that a majority does not even support a somewhat reduced surtax. I believe that the surtax in the current law is fundamentally unfair and cannot support it.

The McCain approach embodied in S. 1726 is not my preferred choice, but it is the only choice available for those who support some form of catastrophic health insurance and who oppose the surtax. It provides, among other benefits, for 365-day hospital care coverage, some prescription drug coverage, mammography screening, hospice care benefits, and protection against spousal impoverishment.

This is a limited package of benefits, but important benefits, nevertheless. It is clearly preferable to outright repeal of this program, and it is for that reason that I will vote to support the McCain bill, S. 1726.

Mr. BAUCUS. Mr. President, I have talked to many, many Montana seniors about the Medicare Catastrophic Coverage Act. I have also received thousands of letters on it.

People have told me in no uncertain terms they don't like the way the program is financed. They also say they think some of the benefits—but not all—have value to them.

As a member of the Senate Finance Committee, I worked for many months on this legislation.

Mr. President, we hammered out this bill under very, very tight constraints. When we were working on this legislation over a year ago, the Reagan administration insisted on the current financing scheme.

The administration told us: If seniors want these benefits, then they must pay for them. They said it could not increase the Federal budget deficit. They said we had to build up very significant reserves, financed by beneficiaries, to ensure the fiscal solvency of the program.

Those were very strict conditions. But we met them all. We succeeded in developing a package of benefits, and the mechanisms to pay for it, under those strict conditions.

We believed that the benefits in the package were important to seniors. We believed the benefits were so important, the package would be worth it to them.

Mr. President, we acted in good faith.

But the bottom line is, do seniors want all of these benefits and the surtax, or some of the benefits and no surtax?

My many conversations with Montana seniors have convinced me that they don't want the surtax. They believe strongly that it's not necessary and it's not fair.

And they don't want or need all of the benefits the bill provides. Many of the benefits in the program are valuable. No question about it.

Spousal impoverishment. Protection from the cost of long-term hospital stays. Respite care and home health care. Mammography screening.

Others are far less important. The cap on out-of-pocket doctor payments, for example, and the prescription drug benefit.

The McCain proposal strikes the right balance. It repeals the surtax. And it keeps the benefits that Montana seniors tell me they want.

Mr. President, I will vote for the McCain proposal today. Of all the alternatives we have seen during this debate, it makes the most sense.

I also want to say that this vote does not mark the end of a debate.

As a member of the Pepper Commission, I can attest that we will soon embark on a very important debate: how to provide Americans with protection against the expenses of long-term care.

We have had many months of study, meetings, and hearings in the Pepper Commission, and we have more yet to come. Next year we will issue the Pepper Commission's report on long-term care.

I look forward to that debate. That is the debate Montana seniors have told me they want us to get on with.

Mr. KERRY. Mr. President, I rise tonight because I believe very deeply that the Medicare Catastrophic Coverage Act desperately needs reform and is unfair in some respects. But I also believe that the benefits of the Medicare Catastrophic Coverage Act are simply too important to repeal.

The catastrophic program expanded Medicare benefits to eliminate the fear that a lengthy and costly illness will devastate a family's finances. While we may hope and pray that we or someone we love does not experience a serious illness with catastrophic costs, none of us knows which of us will.

We have cast a series of important votes today in an effort to reform the act, to preserve the benefits while addressing its shortcomings. There is nothing more important to me than to make sure this program works and works fairly.

These benefits in the Catastrophic Act would remove the fear from millions of the elderly that a lengthy and costly illness will devastate their finances and those of their families: the cap on out-of-pocket expenses under Medicare part B, the limit on hospital costs, expanded home health care benefits, expanded skilled nursing care. These are major benefit expansions—the first since Medicare was enacted.

These benefits are simply too important to repeal. The act makes significant improvements in Medicare coverage for all of our elderly. Some of the benefits are unavailable in the private sector—respite care, for example. Others are very expensive in the private sector—such as the prescription drug benefit.

Today, we have voted down five different plans to reform the act. We must not repeal the act. We must vote to support the McCain bill.

I understand the anger about the increased Medicare premiums. I agree that the supplemental premium is an unfair burden and I have voted three times today to eliminate it. And, in voting for the McCain bill, my colleagues and I will have eliminated this unfair burden. Many middleclass elderly who will have to pay the supplemental premium feel that they will pay an unfair tax and not receive adequate benefits. I agree.

Some people are also very concerned that they are paying for coverage they already receive from former employers or through Medigap policies. I share that concern. Many Medicare beneficiaries have Medigap policies paid for, at least in part, by former employers. Others purchase their own policies. Under the law, duplicate coverage is supposed to phase out and private premiums are supposed to fall accordingly, but this is not happening the way it was supposed to. Our Federal retirees feel especially hard hit by duplicate coverage. They are, and we must eliminate this inequity.

These problems must be addressed, and we have tried to address them today. In deliberating how to vote today, I was guided by two goals: One was to eliminate, or, at the very least, severely cut back, the supplemental premium. The second was to retain the benefits that meet the needs of the elderly, needs that have not disappeared since last year when the Senate overwhelmingly passed this act, with bipartisan support.

In voting today, I cosponsored the amendment offered by my colleague from Massachusetts, Senator KENNEDY, because it repealed the unfair surtax while keeping vital prescription drug and hospital benefits.

I supported the amendment offered by Senator DURENBERGER although it did not completely eliminate the supplemental premium because it retained important hospitalization and physical coverage.

I also supported the amendment proposed by Senator RIEGLE and Senator CHAFEE which would have eliminated the surtax but kept hospitalization coverage and retained coverage of catastrophic physician costs, but at a much higher level. I supported this proposal even though it made some important benefits optional, some benefits, including mammography, that I believe should have been included in the mandatory category.

And, now, Mr. President, I will vote for the McCain legislation and against complete repeal. It is the only option left that preserves any of the important benefits that the act created. Catastrophic hospitalization coverage, expanded home health and hospice benefits, and respite care are preserved. While I may have preferred to preserve other benefits as well, I support the McCain bill and urge my colleagues to do so.

The PRESIDING OFFICER. No additional amendments being in order, the question is on the engrossment and third reading of the bill.

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

The PRESIDING OFFICER. The time remaining is 15 minutes and 3 minutes and 7 seconds for a the respective sides.

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

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. McCAIN. Mr. President, I yield 5 minutes to the Senator from South Dakota [Mr. PRESSLER].

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 5 minutes.

Mr. PRESSLER. Mr. President, I am pleased to join my distinguished colleague, Senator McCAIN, in supporting a catastrophic health insurance program that retains many good benefits but gets rid of the excessive surtax method of financing them. Twice this past summer I have voted to support the distinguished Senator from Arizona on this matter. I voted to delay the surtax because it is opposed by senior citizens and it is bad public policy at this time. For that reason, I voted against the Durenberger-Mitchell amendment. The Durenberger amendment retained a surtax.

The debate today is evidence of the tension between paying for benefits and developing a way to pay for those benefits.

Everyone wants to help those aged most in need—the poor and frail elderly. I am among that group and that is why I support the McCain amendment. It removes the surtax which is abhorrent to the middle-income elderly. In fact, no surtax is the only acceptable approach for those elderly. At the same time, the McCain amendment preserves benefits for those aged who have no other way of financing their health care needs. It is a "happy medium" between outright repeal and a surtax to pay for benefits.

Senator McCAIN's amendment preserves the catastrophic core consisting of expanded hospital benefits, home health, respite care, mammography, hospice, blood benefit and immunosuppressive and IV drug benefits. A modified skilled nursing home benefit is preserved, along with the Medicaid buy-in provision. It is extremely important that they are the foundation for any effective long-term care program.

Outright repeal of these benefits would be a setback for seniors who are so poor they cannot afford to pay for a Medigap policy to take over where Medicare stops. That includes a significant number of elderly in America.

The poor and frail elderly are as much my concern as those who can afford their own policies. The McCain amendment respects the freedom of those who don't want a surtax and helps the poor who have no other way to obtain quality health care services.

The controversy over the catastrophic Medicare surtax has generated hundreds of thousands of pieces of mail. This clearly demonstrates that America's senior citizens want a voice in what they pay for it. They want to be part of anything we develop here. This was an example of Congress developing something without getting the grassroots support. The crafting of health care policy no longer can take place behind closed doors. During the past few months seniors let us know what they want. They have become involved in the formation of health care policy. We certainly know that they do not want a surtax, but they do want long-term care benefits.

I think the main message from this whole exercise is that the senior citizens across this country want us to hold meetings among them, want us to consult at the grass roots. They do not want us just to listen to Washington lobbyists, but to go out in the country and listen to what the people want.

The amendment of our distinguished colleague, Senator McCAIN, best represents what seniors in this country want. Of course it is not ideal. However, given the current choices of repeal, retaining the surtax and the McCain amendment, the McCain amendment is the best approach.

We should support this amendment and use it as a foundation for designing an even better long-term care policy for our Nation.

I wish to pay tribute to my colleague, Senator McCAIN, who has provided us leadership in this matter.

● Mr. SANFORD. Mr. President, I am supporting the McCain amendment because I believe catastrophic care protection is important and I do not believe we should repeal this program.

The McCain amendment eliminates the surtax while keeping many important benefits. I believed the Durenberger compromise provided better protection and was more soundly financed, and I am disappointed that this proposal was defeated. I think it was very carefully developed. Physician costs are increasing now by about 15 percent each year, significantly increasing out-of-pocket costs for beneficiaries. The McCain compromise provides no protection against these out-of-pocket increases.

But the McCain amendment does retain many good provisions in existing law like, including home health care and hospice care expansions. While I am concerned that the way this compromise is financed may not be adequate and may create problems in the future, I think we should fix the catastrophic care program and not eliminate the important benefits it now provides.●

Mr. D'AMATO. Mr. President, I rise today as an original cosponsor of the Catastrophic Reform Act, legislation introduced by my colleague from Arizona to make needed changes in the Medicare Catastrophic Coverage Act.

I believe this legislation represents the most reasonable catastrophic reform proposal offered to date. It addresses the groundswell of concern among our Nation's seniors by scrapping completely the controversial supplemental surtax. At the same time, it retains the most important benefits of the Catastrophic Act, including long-term hospitalization protection, spousal impoverishment protection, home health, respite, and hospice care benefits, mammograms, and the so-called Mitchell drugs.

Like this measure, both proposals offered on the House floor on Wednesday proposed to eliminate the surtax. But there the similarities end. The Stark-Waxman-Gradison proposal, defeated by a vote of 156 to 269, would have retained none of the core benefits of the act. Instead, it would have preserved only a scaled down prescription drug benefit, home health, hospice, and respite programs. The so-called Donnelly-Archer proposal, which passed by a vote of 360 to 66, would repeal the act entirely.

I believe we can address the program of the surtax without resorting to all-out repeal—a drastic solution that would leave many senior citizens totally unprotected against potentially ruinous medical bills. Under the legislation introduced by Senator McCAIN, we can totally eliminate the surtax, while retaining the benefits our senior citizens deserve and want.

Our passage of the Catastrophic Coverage Act in 1988 contained the implicit promise that we would protect senior citizens against catastrophic health expenses—without imposing on them a catastrophic financial burden. If we are serious about keeping this promise, we can keep it—but only if we reject repeal, and support the Catastrophic Reform Act.

Mr. GRASSLEY. Mr. President, I continue to support the proposal of my colleague from Arizona, Senator McCAIN, for reasons I have already stated, and I oppose repeal.

First and foremost, Mr. President, the McCain proposal eliminates the supplemental premium which our constituents are telling us they do not want.

Second, it retains several good benefits. It retains the hospital protections, which will be used by almost 2 million Medicare beneficiaries in any given year.

At this point in the debate, of course, the question of the supplemental premium is settled, but I just want to reemphasize once again for the benefit of my constituents that the McCain proposal responds to the outpouring of protest from the elderly about this surtax.

It keeps the spousal impoverishment provision which will protect from impoverishment the spouse of a nursing home resident who continues to reside in the community. This clearly is a major benefit which we must retain.

Senator McCAIN's proposal would also keep the blood deductible, the home health, respite care, hospice, and mammography benefits as well as the home IV and immunosuppressive drug benefit.

I argued earlier this year that, although these were good benefits, they were not sufficient to generate support for the catastrophic program

given the high cost of the program to the tax paying older person.

However, in the context of the current McCain proposal, the total cost of the program would be met by the flat basic premium of around $4 per month in 1989. None of this small premium is exorbitant. Hence, in this circumstance, I believe that these benefits are worth the cost.

In addition, Senator McCain's proposal retains benefits for the low-income which will be paid for through general revenues, not through the premiums paid by Medicare beneficiaries.

Mr. President, this approach is preferable to outright repeal because it keeps good benefits which otherwise would be lost.

Mr. President, I urge my colleagues to support the McCain proposal.

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

Mr. President, the hour is late and I will try to be brief. I wish to extend my appreciation to Members on both sides of the aisle who were of enormous assistance to me and, more importantly, to this cause.

I would also like to point out my deep appreciation for the patience and tolerance displayed by the chairman of the Finance Committee, who has had to wrestle with this issue for far longer than I have. He has always showed me and others in this body the utmost courtesy and consideration.

I also would like to thank my friend from West Virginia, Senator Rockefeller, who I have had the pleasure of spending today with. Senator Hatch brought this issue to the fore and provided me with a great deal of assistance and, in some cases, courage. Senator Simon and Senator Heflin have been very much involved in this issue for a very long period of time; and also Senator Gorton, Senator Rudman, Senator Gramm, and many, many others.

No work like this is possible without staff work. I would like to thank Nancy Taylor of Senator Hatch's staff; Jeff Sanders of the Budget Committee; Ted Tottman of Senator Grassley's staff; Ed Kivett of Senator Gramm's staff; Doug Badger of the Policy Committee staff; Gwendolyn Van Paasschen, Dave McIntyre, and Chris Koch of my staff.

Mr. President, there are many others that I would like to thank.

Finally, I would like to say I think we have done something very important here tonight. We could not have done it without this body acting in a fashion that I think we can all be proud of. I believe that tonight millions of senior citizens will rest a little bit easier in the knowledge that the Congress of the United States, at least this body, has reacted in a sensitive and caring fashion.

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

Mr. ROCKEFELLER. Mr. President, I guess it is appropriate to say that I am going to vote for the McCain bill, because I think, with respect to home health care, mammography, and a lot of other things, it has at least something to offer, and something constructive is better than nothing. I think it merits our vote.

I wish to thank Senator McCain. He, as always, has been a gentleman and a pleasure to work with.

Also, I wish to thank my own staff, Tamera Stanton, Karen Pollitz, Mary Ella Payne; and also Marina Weiss and Joe Humphreys of Senator Bentsen's staff; and all those who have put up and progressed arduously through this long day.

I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The bill, having been read the third time, the question is, Shall the bill pass? The yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii [Mr. Matsunaga] is necessarily absent.

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

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

The result was announced—yeas 99, nays 0, as follows:

[Rollcall Vote No. 240 Leg.]

YEAS—99

| | | |
|---|---|---|
| Adams | Fowler | McClure |
| Armstrong | Garn | McConnell |
| Baucus | Glenn | Metzenbaum |
| Bentsen | Gore | Mikulski |
| Biden | Gorton | Mitchell |
| Bingaman | Graham | Moynihan |
| Bond | Gramm | Murkowski |
| Boren | Grassley | Nickles |
| Boschwitz | Harkin | Nunn |
| Bradley | Hatch | Packwood |
| Breaux | Hatfield | Pell |
| Bryan | Heflin | Pressler |
| Bumpers | Heinz | Pryor |
| Burdick | Helms | Reid |
| Burns | Hollings | Riegle |
| Byrd | Humphrey | Robb |
| Chafee | Inouye | Rockefeller |
| Coats | Jeffords | Roth |
| Cochran | Johnston | Rudman |
| Cohen | Kassebaum | Sanford |
| Conrad | Kasten | Sarbanes |
| Cranston | Kennedy | Sasser |
| D'Amato | Kerrey | Shelby |
| Danforth | Kerry | Simon |
| Daschle | Kohl | Simpson |
| DeConcini | Lautenberg | Specter |
| Dixon | Leahy | Stevens |
| Dodd | Levin | Symms |
| Dole | Lieberman | Thurmond |
| Domenici | Lott | Wallop |
| Durenberger | Lugar | Warner |
| Exon | Mack | Wilson |
| Ford | McCain | Wirth |

NAYS—0

NOT VOTING—1

Matsunaga

So the bill (S. 1726), as modified and amended, was passed, as follows:

S. 1726

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

SECTION 1. REPEAL OF MEDICARE CATASTROPHIC COVERAGE PROVISIONS EFFECTIVE IN YEARS AFTER 1989 AND SUPPLEMENTAL MEDICARE PREMIUM.

(a) General Repeal.—

(1) In general.—The following provisions of the Medicare Catastrophic Coverage Act of 1988, as amended by the Technical and Miscellaneous Revenue Act of 1988, are hereby repealed, and the Social Security Act shall be applied and administered as if such provisions (and the amendments made by such provisions) had not been enacted:

(A) Section 201.

(B) Subsections (i), (j), and (k) of section 202.

(C) Section 211(c)(3).

(D) Section 212 (other than subsection (b)(2)).

(E) Section 213.

(2) Effective date.—The repeals made by this subsection shall take effect as if included in the Medicare Catastrophic Coverage Act of 1988.

(b) General Delay.—

(1) Section 1834(d)(2) of the Social Security Act, as added by section 203(c)(1)(F) of the Medicare Catastrophic Coverage Act, is amended by striking "1990" and inserting "1991".

(2) Section 203(c)(2) of the Medicare Catastrophic Coverage Act is amended by striking "1991" and inserting "1992".

(3) Section 1835(a)(2)(G) of the Social Security Act, as inserted by section 203(d)(1)(C) of the Medicare Catastrophic Coverage Act, is amended by striking "1993" and inserting "1994".

(4) Section 1154(a)(16) of the Social Security Act, as amended by section 203(d)(2) of the Medicare Catastrophic Coverage Act, is amended by striking "1993" and inserting "1994".

(5) Section 203(g) of the Medicare Catastrophic Coverage Act is amended by striking "1990" and inserting "1991".

(6) Section 1834(e)) of the Social Security Act, as added by section 204(b)(2) of the Medicare Catastrophic Coverage Act, is amended—

(A) in paragraph (2)(B)(ii), by striking "1992" and inserting "1993",

(B) in paragraph (4)(A)(i), by striking "1990" and inserting "1991",

(C) in paragraph (4)(B), by striking "1991" and inserting "1992", and

(D) in paragraph (5), by striking "1990" and "1991" each place each appears and inserting "1991" and "1992", respectively.

(7) Section 204(3) of the Medicare Catastrophic Coverage Act is amended by striking "1990" and inserting "1991".

(c) Supplemental Medicare Premium Repeal.—

(1) General repeal.—Section 111 of the Medicare Catastrophic Coverage Act of 1988, as amended by the Technical and Miscellaneous Revenue Act of 1988, is hereby repealed, and the Internal Revenue Code of 1986 shall be applied and administered as if such provisions (and the amendments made by such provisions) had not been enacted:

(2) Conforming amendments relating to trust funds.—

(A) Federal hospital insurance catastrophic coverage reserve fund.—Section 1817A of the Social Security Act (42 U.S.C. 1395i-1a) is amended by adding at the end thereof the following new subsection:

"(d) On November 1, 1989, the Secretary shall transfer any amount remaining in the Trust Fund (including interest) to the general fund.".

(B) SMI TRUST FUND.—Section 1841(a) of the Social Security Act (42 U.S.C. 1395t(a)) is amended by striking "which are attributable to the catastrophic coverage rate and which are not otherwise appropriated under section 1817A(a)(2) to the Federal Hospital Insurance Catastrophic Coverage Reserve Fund".

(3) EFFECTIVE DATES.—The repeal and amendments made by this subsection shall take effect as if included in the Medicare Catastrophic Coverage Act of 1988.

(d) MODIFICATION OF EXTENDED CARE SERVICES.—

(1) DURATION OF EXTENDED CARE SERVICES REDUCED TO 100 DAYS PER YEAR.—Section 1812 of the Social Security Act (42 U.S.C. 1395d) is amended by striking "150 days" in subsections (a)(2) and (b)(1) and inserting "100 days".

(2) POST-HOSPITALIZATION REQUIREMENT REINSTATED.—

(A) IN GENERAL.—Section 1812 of the Social Security Act (42 U.S.C. 1395d) is amended—

(i) in subsection (a)(2), as amended by paragraph (1), by striking "extended care services for up to 100 days during any calendar year" and inserting in lieu thereof "(A) post-hospital extended care services for up to 100 days, and (B), to the extent provided in subsection (f), extended care services that are not post-hospital extended care services";

(ii) in subsection (b)(1), by inserting "post-hospital" before "extended care";

(iii) in subsection (e), by inserting "post-hospital" before "extended care"; and

(iv) by adding at the end thereof the following new subsections:

"(f)(1) The Secretary shall provide for coverage under clause (B) of subsection (a)(2) of this section, of extended care services which are not post-hospital extended care services at such time and for so long as the Secretary determines, under such terms and conditions (described in paragraph (2)) as the Secretary finds appropriate, that the inclusion of such services will not result in any increase in the total of payments made under this subchapter and will not alter the acute care nature of the benefit described in subsection (a)(2) of this subsection.

"(2) The Secretary shall provide—

"(A) for such limitations on the scope and extent of such services described in subsection (a)(2)(B) of this section, and on the categories of individuals who may be eligible to receive such services, and

"(B) notwithstanding sections 1814, 1861(v), and 1886 of this title for such restrictions and alternatives on the amount and methods of payment described in such subsection,

as may be necessary to carry out paragraph (1).

"(g) For a definition of 'post-hospital extended care services' and definitions of other terms used in this part, see section 1861 of this title.".

(B) MISCELLANEOUS AND CONFORMING AMENDMENTS.—

(i) Section 1811 of such Act (42 U.S.C. 1395c) is amended by inserting "post-hospital" before "extended care".

(ii) Paragraphs (2)(B) and (6) of section 1814(a) of such Act (42 U.S.C. 1395f(a)) are each amended by inserting "post-hospital" before "extended care" each place it appears.

(iii) Section 1861(e) of such Act (42 U.S.C. 1395x(e)) is amended—

(I) in the matter before paragraph (1), by inserting "and, subsection (i) of this subsection," after "and paragraph (7) of this subsection";

(II) in the second sentence, by inserting ", and subsection (i) of this section" after "and section 1814(f)(2)";

(III) in the fourth sentence, by inserting "except for purposes of subsection (a)(2)" after ", such term shall not"; and

(IV) by inserting after the first sentence the following new sentence: "For purposes of subsection (a)(2) of this section, such term includes any institution which meets the requirements of paragraph (1) of this section.".

(iv) Section 1861 of such Act (42 U.S.C. 1395x) is amended by inserting after subsection (h) the following new subsection:

"(i) The term 'post-hospital extended care services' means extended care services furnished an individual after transfer from a hospital in which such individual was an inpatient for not less than 3 consecutive days before his discharge from the hospital in connection with such transfer. For purposes of the preceding sentences, items and services shall be deemed to have been furnished to an individual after transfer from a hospital, and such individual shall be deemed to have been an inpatient in the hospital immediately before transfer therefrom, if such individual is admitted to the skilled nursing facility—

"(A) within 30 days after discharge from such hospital, or

"(B) within such time as it would be medically appropriate to begin an active course of treatment, in the case of an individual whose condition is such that skilled nursing care would not be medically appropriate within 30 days after discharge from a hospital;

and an individual shall be deemed not to have been discharged from a skilled nursing facility if, within 30 days after discharge therefrom, such individual is admitted to such facility or any other skilled nursing facility.".

(v) Subsections (v)(1)(G)(i), (v)(2)(A), and (v)(3) of section 1861 of such Act (42 U.S.C. 1395x) are each amended by inserting "post-hospital" before "extended care" each place it appears.

(vi) Section 1861(y) of such Act (42 U.S.C. 1395x(y)) is amended

(I) by inserting "Post-Hospital" before "Extended Care" in the heading and by inserting "post-hospital" before "extended care" each place it appears, and

(II) in paragraph (1), by inserting "(except for purposes of subsection (a)(2))" after "Boston, Massachusetts, but only".

(vii) Section 1866(d) of such Act (42 U.S.C. 1395cc(d)) is amended by inserting "post-hospital" before "extended care".

(viii) Subsections (d)(1) and (f) of section 1883 of such Act (42 U.S.C. 1395tt) are amended by inserting "post-hospital" before "extended care" each place it appears.

(3) COINSURANCE MODIFIED.—

(A) AMOUNT.—Paragraph (3) of section 1813(a) of such Act (42 U.S.C. 1395e(a)) is amended to read as follows:

"(3) The amount payable for post-hospital extended care services furnished an individual shall be reduced by a coinsurance amount equal to one-eighth of the impatient hospital deductible for each day (before the 101st day) on which he is furnished such services after such services have been furnished to him for 20 days.

(4) USE OF EXCESS PREMIUM REVENUES.—Notwithstanding any other provision of law, the Secretary of Health and Human Services shall use any excess revenues resulting from the amendments made by this section to—

(A) first, reimburse the Federal Hospital Insurance Trust Fund for any costs resulting from the provision of extended care services to individuals admitted before November 1, 1989, and

(B) second, to further reduce premiums imposed under section 1839 of the Social Security Act.

(5) STUDY.—The Secretary of Health and Human Services, or the Secretary's delegate, shall study the reasons for the unexpected increase in cost estimates of the extended care services benefit under title XVIII of the Social Security Act. The Secretary shall report to the Congress no later than February 1, 1990 the results of the study, including any recommendations for further modifications to such benefit appropriate during the consideration of the provision of long-term care benefits.

(6) EFFECTIVE DATE.—The amendments made by this subsection shall apply to admissions occurring after October 31, 1989, and shall apply to care and services furnished on or after such date.

(e) LIMITATION OF DRUG BENEFITS TO IMMUNOSUPPRESSANTS AND HOME IV DRUGS.—

(1) IN GENERAL.—Subparagraph (B) of section 1861(t)(3) of the Social Security Act (42 U.S.C. 1395x(t)(3)) is amended by striking "in 1990" and inserting "in years after 1989".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect as if included in the Medicare Catastrophic Coverage Act of 1988.

(f) ADJUSTMENT IN MEDICARE PART B PREMIUM.—

(1) IN GENERAL.—Section 1839(a) of the Social Security Act (42 U.S.C. 1395r(a)) is amended—

(A) in paragraph (1) by striking all after "(a)(1)" and inserting the following: "(A) The Secretary shall, during September of 1989 and of each year thereafter, determine the monthly actuarial basic rate and the monthly actuarial catastrophic illness rate for enrollees age 65 and over which shall be applicable for the succeeding calendar year.

"(B) The monthly actuarial basic rate determined under this paragraph for a calendar year shall be the amount the Secretary estimates to be necessary so that the aggregate amount for the calendar year with respect to those enrollees age 65 and over will equal one-half of the total of the benefits and administrative costs which he estimates will be payable from the Federal Supplementary Medical Insurance Trust Fund for services performed and related administrative costs incurred in such calendar year with respect to such enrollees (excluding benefits payable under section 1833(c)).

"(C) The monthly actuarial catastrophic illness rate determined under this paragraph for a calendar year shall be equal to the sum of—

"(i) the amount the Secretary estimates to be necessary so that the aggregate amount for the calendar year with respect to those enrollees age 65 and over will equal the total of the benefits and administrative costs which he estimates will be payable from—

"(I) the Federal Supplementary Medical Insurance Trust Fund for services performed and related administrative services costs incurred in such calendar year with re-

spect to such enrollees under section 1833(c), and

"(II) the Federal Hospital Insurance Trust Fund, which are attributable to the Medicare Catastrophic Coverage Act of 1988, as amended, and

"(ii) the amount (if any) that the Secretary estimates to be necessary to offset any amount—

"(I) by which the monthly premiums otherwise payable under this section with respect to such enrollees for such calendar year (disregarding subsections (b) and (f)) are reduced by reason of the limitation imposed by subsection (f), and

"(II) that are attributable (as determined by the Secretary) to the portion of such monthly premiums that is determined under paragraph (3)(A).

"(D) In calculating the monthly actuarial rates under this paragraph, the Secretary shall include appropriate amounts for a contingency margin.",

(B) in paragraph (2) by striking "1983" and inserting "1989",

(C) in paragraph (3)—

(i) by striking "1983" in the first sentence and inserting "1989",

(ii) by striking the second sentence and inserting the following: "The monthly premium shall (except as otherwise provided in subsection (e)) be equal to the sum of—

"(A) a weighted average of the monthly actuarial catastrophic illness rate for enrollees age 65 and over, determined under paragraph (1) of this subsection, and that rate for disabled enrollees under age 65, determined under paragraph (4) of this subsection, for that calendar year, and

"(B) the smaller of—

"(i) the monthly actuarial basic rate for enrollees age 65 and over, determined according to paragraph (1) of this subsection, for that calendar year, or

"(ii) the monthly payment rate most recently promulgated by the Secretary under this paragraph, increased by a percentage determined as follows: The Secretary shall ascertain the primary insurance amount computed under section 215(a)(1), based upon average indexed monthly earnings of $900, that applied to individuals who became eligible for and entitled to old-age insurance benefits on November 1 of the year before the year of the promulgation. He shall increase the monthly premium rate by the same percentage by which that primary insurance amount is increased when, by reason of the law in effect at the time the promulgation is made, it is so computed to apply to those individuals for the following November 1.", and

(iii) by striking "amount of an adequate actuarial rate for enrollees age 65 and over as provided in paragraph (1)" in the third sentence and inserting "amounts of adequate actuarial rates for enrollees as provided in paragraphs (1) and (4)", and

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

"(4)(A) The Secretary shall also, during September of 1989 and of each year thereafter, determine the monthly actuarial basic rate and the monthly actuarial catastrophic illness rate for disabled enrollees under age 65 which shall be applicable for the succeeding calendar year.

"(B) The monthly actuarial basic rate determined under this paragraph for a calendar year for shall be the amount the Secretary estimates to be necessary so that the aggregate amount for the calendar year with respect to disabled enrollees under age 65 will equal one-half of the total of the benefits and administrative costs which he estimates will be payable from the Federal Supplementary Medical Insurance Trust Fund for services performed and related administrative costs incurred in such calendar year with respect to such enrollees (excluding benefits payable under section 1833(c)).

"(C) The monthly actuarial catastrophic illness rate determined under this paragraph for a calendar year shall be equal to the sum of—

"(i) the amount the Secretary estimates to be necessary so that the aggregate amount for the calendar year with respect to disabled enrollees under age 65 will equal the total of the benefits and administrative costs which he estimates will be payable from—

"(I) the Federal Supplementary Medical Insurance Trust Fund for services performed and related administrative services costs incurred in such calendar year with respect to such enrollees under section 1833(c), and

"(II) the Federal Hospital Insurance Trust Fund, which are attributable to the Medicare Catastrophic Coverage Act of 1988, as amended, and

"(ii) the amount (if any) that the Secretary estimates to be necessary to offset any amounts—

"(I) by which the monthly premiums otherwise payable under this section with respect to such enrollees for such calendar year (disregarding subsections (b) and (f)) are reduced by reason of the limitation imposed by subsection (f), and

"(II) that are attributable to the portion of such monthly premiums that is determined under paragraph (3)(A) (as determined by the Secretary).

"(D) In calculating the monthly actuarial rates under this paragraph, the Secretary shall include appropriate amounts for a contingency margin.".

(2) CONFORMING AMENDMENTS.—

(A) Section 1839 of the Social Security Act (42 U.S.C. 1395r) is amended—

(i) by striking "the Medicare Catastrophic Coverage Account) in the last sentence of subsections (a)(1) and (a)(4) and inserting "the amendments made by the Medicare Catastrophic Coverage Act of 1988",

(ii) by striking "(b), (e), and (g)" in subsection (a)(2) and inserting "(b) and (e)",

(iii) by striking "subsections (f) and (g)(6)" in subsection (b) and inserting "subsection (f)",

(iv) by striking "monthly premium" in subsection (e)(1) and inserting "portion of the monthly premium otherwise determined under subsection (a)(3)(B)",

(v) by inserting "basic" in subsection (e)(1) after "actuarial", and

(vi) by striking subsection (g).

(B) Section 1840 of such Act (42 U.S.C. 1395s) is amended by adding at the end thereof the following new subsection:

"(i) Notwithstanding the previous provisions of this subsection, premiums collected under this part which are attributable to the monthly actuarial catastrophic illness rate established under subsections (a)(1)(C)(i)(II) and (a)(4)(C)(i)(II) of section 1839 shall, instead of being transferred to (or being deposited to the credit of) the Federal Supplemental Medical Insurance Trust Fund, be transferred to (or deposited to the credit of) the Federal Hospital Insurance Trust Fund.".

(C) Subsection (a) of section 1844 of such Act (42 U.S.C. 1395w) is amended by striking the last sentence.

(D) Subsections (a)(1)(A)(i) and (a)(1)(B)(i) of section 1844 of such Act (42 U.S.C. 1395w) are each amended by striking "twice the dollar amount of the actuarially adequate rate" and inserting "the sum of the dollar amount of the actuarially adequate catastrophic illness rate and twice the dollar amount of the actuarially adequate basic rate".

(E) Section 1876(a)(5) of such Act (42 U.S.C. 1395mm(a)(5)) is amended—

(i) in the matter preceding subparagraph (A), by striking "200 percent of", and

(ii) in subparagraphs (A)(ii) and (B)(ii), by striking "monthly actuarial rate" and inserting "the sum of the monthly actuarial catastrophic illness rate and twice the monthly actuarial basic rate".

(3) EFFECTIVE DATES.—

(A) The amendments made by paragraph (1) of this subsection shall apply to monthly premiums for months beginning after October 1989.

(B) The amendments made by paragraph (2) of this subsection shall take effect on or after November 1, 1989.

(g) REVISION OF MEDIGAP REGULATIONS.—(1) Section 1882 of the Social Security Act (42 U.S.C. 1395ss), as amended by section 221(d) of the Medicare Catastrophic Coverage Act of 1988, is amended—

(A) in the third sentence of subsection (a) and in subsection (b)(1), by striking "subsection (k)(3)" and inserting "subsections (k)(3), (k)(4), and (m);

(B) in subsection (k)—

(i) in paragraph (1)(A), by inserting "except as provided in subsection (m)," before "subsection (g)(2)(A)", and

(ii) in paragraph (3), by striking "subsection (l)" and inserting "subsections (l), (m)"; and

(C) by adding at the end the following new subsections:

"(m) In the case of an insurer which had in effect, as of December 31, 1988, a medicare supplemental policy with respect to an individual, for which the individual terminated coverage as of January 1, 1989 (or the earliest renewal date thereafter), no medicare supplemental policy of the insurer shall be deemed to meet the standards in subsection (c) unless the insurer—

"(1) provides written notice, by January 15, 1990, to the individual (at the most recent available address) of the offer described in paragraph (2), and

"(2) offers to the individual, during the period beginning on January 1, 1990, and ending on March 1, 1990, continuation of coverage under such a medicare supplemental policy (with coverage effective as of January 1, 1990), under the terms respecting treatment of pre-existing conditions and group rating of premium which are at least favorable to the individual as such terms as existed with respect to the policy as of December 31, 1988.".

(2) SENSE OF CONGRESS.—It is the sense of Congress that States should respond, at the earliest practicable date after the date of enactment of this Act, to requests by insurers for review and approval of riders and premium adjustments for medicare supplemental policies in order to comply with the amendments made by paragraph (1).

(3) ADJUSTMENT OF CONTRACTS WITH PREPAID HEALTH PLANS.—Section 222 of the Medicare Catastrophic Coverage Act of 1988 is amended by inserting "and before January 1, 1990," after "December 31, 1988," each place it appears.

(4) NOTICE OF CHANGES.—The Secretary of Health and Human Services shall provide, in the notice of medicare benefits provided under section 1804 of the Social Security

Act of 1990, for a description of the changes in benefits under title XVIII of such Act made by the amendments made by this section.

(5) MISCELLANEOUS TECHNICAL CORRECTION.—Section 221(g)(3) of Medicare Catastrophic Coverage Act of 1988 is amended by striking "subsection (f)" and inserting "subsection (e)".

(6) EFFECTIVE DATE.—The provisions of this subsection shall take effect January 1, 1990, except that the amendment made by paragraph (5) shall be effective as if included in the enactment of Medicare Catastrophic Coverage Act of 1988.

(h) SPELL OF ILLNESS REINSTATED FOR SNFF.—

(1) IN GENERAL.—Section 1813 of the Social Security Act is amended by striking "in any calendar year" and "during the year" in subsection (a)(3)(A) and inserting "during any spell of illness".

(2) CONFORMING AMENDMENTS.—

(A) Section 1832(b) of such Act is amended by inserting " 'spell of illness'," after "For definitions of".

(B) Section 1861 of such Act is amended by inserting before subsection (b) the following new section:

"(a) The term 'spell of illness' with respect to any individual means a period of consecutive days—

"(1) beginning with the first day (not included in a previous spell of illness (A) on which such individual is furnished extended care services, and (B) which occurs in a month for which he is entitled to benefits under part A, and

"(2) ending with the close of the first period of 60 consecutive days thereafter on which he is not an inpatient of a skilled nursing facility.".

(i) ADJUSTMENT TO AVERAGE PER CAPITA COSTS.—The Secretary of Health and Human Services shall adjust the per capita rate payment announced on September 7, 1989, pursuant to section 1876(a)(1)(A) of the Social Security Act (42 U.S.C. 1395mm(a)(1)(C)) to delete payment for catastrophic benefits modified by this bill. These adjusted rates shall be announced in a manner intended to provide notice to interested parties as soon as possible prior to the beginning of the calendar year.

(j) ADJUSTMENT TO THE ADJUSTED COMMUNITY RATE.—Organizations with a contract under section 1876(g) of the Social Security Act shall revise their proposed adjusted community rates submitted pursuant to section 1876(e)(3) of such Act to reflect the payment adjustments in subsection (i) as soon as possible prior to the beginning of the calendar year.

SEC. 2. RESPITE CARE.

(a) IN GENERAL.—Notwithstanding any other provision of this Act, the amendments made by subsections (a), (b), (c), (d), and (e) of section 205 of the Medicare Catastrophic Coverage Act of 1988 shall take effect and apply to items and services furnished on or after January 1, 1991.

(b) AMENDMENT TO PAYMENT THRESHOLD.—

(1) IN GENERAL.—Paragraph (4) of section 1861(ll) of the Social Security Act (42 U.S.C. 1395x(ll)), as added by section 205 of the Medicare Catastrophic Coverage Act of 1988 is amended to read as follows:

"(4) The 12-month period described in this paragraph is the 1-year period beginning on the date that the Secretary determines that a chronically dependent individual has incurred out-of-pocket part B cost sharing in an amount equal to $1,780 in 1991 and equal to an amount in each succeeding year which is equal to an amount (rounded to the nearest multiple of $1) as the Secretary estimates will result, in that succeeding year, in 5.5 percent of the average number of individuals enrolled under this part (other than individuals enrolled with an eligible organization under section 1876 or an organization described in subsection (a)(1)(A)) during the year incurring such amount. In the case of an individual who qualifies under this paragraph within 12 months after previously qualifying, the subsequent qualification shall begin a new 12-month period under this paragraph."

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to items and services furnished on or after January 1, 1991.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill, as amended, was passed.

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

The motion to lay on the table was agreed to.

Mr. BIDEN. Mr. President, today we are reconsidering the question of providing insurance coverage for catastrophic costs to seniors in this Nation. Let me say at the outset that I believe there is a need for catastrophic health insurance in this country. Many seniors do not have adequate protection against catastrophic medical expenses, and we should make sure that they receive it.

Nonetheless, I believe that we should be governed by two major principles in deciding how to provide this coverage. Today, we have voted on many amendments. My vote on each of these proposals was cast in light of these principles.

First, I believe that the costs of a Federal program that benefits an important segment of our society should be shared by all of society—not just by the affected group. We do not ask only veterans to pay for veterans benefits; we do not ask only the disabled to pay for disability benefits; and we should not ask only senior citizens to fund Medicare benefits.

Second, I believe that we should not require people to pay for health care insurance that duplicates coverage which they already had.

In order to achieve the first principle of broad-based financing, I supported the amendment by Senators HARKIN and LEVIN to repeal the supplemental premium or surtax, and replace it with a more universal system of funding. This proposal would have corrected a basic inequity and anomalie of our current Tax Code. Right now, a single individual with a taxable income between $47,000 and $109,050, already pays a marginal tax rate of 33 percent. If that person makes more than $109,050, however, their marginal tax rate drops back down to 28 percent. This amendment would have evened out the so-called bubble, and ensured that the 33-percent rate would continue to apply for these higher incomes. This change would produce more than enough revenue to cover the funds lost by repealing the supplemental premium.

In order to achieve the principle that no one should be forced to pay for duplicative coverage, I supported the amendment by Senator BOB GRAHAM of Florida to make participation in the act voluntary. Many seniors have private insurance plans already covering some catastrophic expenses, and do not want or need the additional coverage offered by the act. Under Senator GRAHAM's amendment, any senior citizen who already has sufficient private insurance would have been allowed to opt out of the catastrophic program. This change would have met the principle of voluntariness, and avoided needless and costly duplication, while still preserving the financial integrity of the catastrophic program.

Unfortunately, the proposal by Senators HARKIN and LEVIN did not succeed, and the Senate refused to approve a broad-based funding plan. Similarly, the proposal by Senator GRAHAM failed, and the Senate refused to approve a truly voluntary program.

The next proposal before the Senate was the amendment offered by Senators ROTH and DANFORTH to repeal the catastrophic program. I voted for this amendment, because while I believe we need to provide catastrophic health insurance to those elderly who need it, I have said many times that had I been present, I would have voted against final passage of the Catastrophic Coverage Act. I oppose the current law both because it requires mandatory participation and because it is not broadly financed. Once the Senate defeated the Harkin-Levin and Graham amendments, it was clear that we could end up with a law that did not meet either test. Had the Roth-Danforth amendment been approved, I would then have begun working to provide catastrophic protection to those seniors who need it in a manner meeting the two principles outlined above. This amendment also failed, however.

Ultimately, I supported Senator MCCAIN's bill, because it was the best remaining option. First, it repealed the supplemental premium or surtax. In my view, this surtax represented the most troublesome and unfair element of the current act's financing approach. Second, Senator MCCAIN's amendment maintained a valuable package of benefits and coverage for those senior citizens who need it. Under Senator MCCAIN's proposal, we would still retain the important benefits for long-term hospitalization, protect against spousal impoverishment, provide coverage for mammography screenings, and provide some limited coverage for home health care and respite care. I consider this package to be

the best and most valuable coverage which can be financed without a supplemental premium or a broader base of funding.

Mr. President, the McCain bill represents a substantial improvement over the Catastrophic Coverage Act as it was enacted last year. Nonetheless, it is far from perfect. It still relies on a system of senior only financing, and it is still a mandatory program. I supported this legislation because it was better than the alternative, but I believe that we can and should do better. I will continue to work toward that end in the months ahead.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The distinguished Republican leader.

Mr. DOLE. Mr. President, I just want to take 30 seconds to congratulate the Senate. I think we are close to the House. We recognized the limits on how far we should go on this particular issue.

I particularly want to congratulate Senator McCAIN and indicate for the record that I am not always in support of Senator McCAIN's view, but I think he persisted and prevailed in an appropriate way. I congratulate him and the Democrats and Republicans who have been working together. They have achieved the result, I guess, many of us felt would be the result at the close of business this evening.

The PRESIDING OFFICER. The Chair in his capacity as a Senator from the State of Iowa suggests the absence of a quorum.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

## UNANIMOUS-CONSENT AGREEMENT—H.R. 2788

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate considers the conference report on the Interior appropriations bill, H.R. 2788, it be considered under the following time limitation: 1 hour equally divided on the conference report under the control of Senators BYRD and McCLURE or their designees; 90 minutes equally divided on Senator Helms' amendment to amendment No. 153; I further ask unanimous consent that the vote on the conference report be stacked to occur immediately prior to the vote on or in relation to the Helms amendment; that there be 30 minutes for Senator GORTON to debate amendment No. 167; that the managers' time may be utilized either before or after adoption of the conference report; that no other floor amendments be in order; that Senators FOWLER and ADAMS each have up to 15 minutes of debate under their control.

The PRESIDING OFFICER. Is there objection?

Mr. McCLURE. Mr. President, we have no objection.

The PRESIDING OFFICER. The Chair hears none, and it is so ordered.

## MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent there be a period for morning business with Senators permitted to speak therein.

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

## ELEANOR SAYRE WRITES ON THE HELMS AMENDMENT

Mr. KENNEDY. Mr. President, there have been many eloquent and thoughtful analyses of the Helms amendment and its unwise attempt to restrict grants by the National Endowment for the Arts.

The Senate has devoted considerable attention to the issue and the Interior Appropriations Conference Committee members are to be commended for the diligence and sensitivity they have applied in addressing this issue.

Since the debate began, I have heard from a number of constituents on the subject of artistic expression. Many of them have expressed their strong concern over the chilling effect that the Helms amendment would have on the arts community.

One of the most eloquent letters I have received is from Eleanor Sayre, curator emeritus at the Boston Museum of Fine Arts. She is the granddaughter of President Woodrow Wilson and I am pleased that leaders as knowledgeable and committed as Ms. Sayre have taken the time to be involved in this important debate. I ask unanimous consent that her letter may be printed in the RECORD.

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

MUSEUM OF FINE ARTS,
*Boston, MA, August 4, 1989.*

Hon. EDWARD M. KENNEDY,
*Russell Senate Office Building,*
*U.S. Senate, Washington, DC.*

DEAR SENATOR KENNEDY: As the granddaughter of Woodrow Wilson, I take the liberty of addressing you concerning the measure voted last week to prohibit Federal funds from being used to "promote, disseminate or produce obscene or indecent materials, including but not limited to depictions of sadomasochism, homoeroticism, the exploitation of children, or individuals engaged in sex acts . . .". It seems to me that the measure would have shocked my grandfather, for he would have foreseen that it would lead to the unconstitutional practice of the Congress doubling, in effect, as censors.

I suspect that this President would also have found the wording of the measure loose and ill-considered. This aspect of it I can address more authoritatively in my role as Curator Emeritus of the Department of Prints, Drawings and Photographs at the Museum of Fine Arts. Our collection, of world importance, consists of an estimated half-million European and American works of art spanning six centuries. Artists made drawings, woodcuts, engravings, etchings, lithographs, book illustrations of almost everything of concern to man. As a curator I was at times offered as a gift, or for purchase by the museum, material that would fall within the purview of the Senate measure. What, I then asked myself, was the artist's principal intent? Merely to titillate? Or to enable the world to see more acutely than it ordinarily does the depth and complexity of human emotions? Or to arouse awareness of something simpler, such as the beauty of complex forms?

There were two prerequisites for giving an equitable answer. I could not be like a former dean of a prestigious art school whose prurient mind made him view even the most earnest and naive drawings of naked, female models by students as too erotic to hang in his university gallery. And I had to be certain that I comprehended the work. Art is a language, or rather it consists of many languages that differ from region to region and undergo drastic changes as the centuries pass. It is all too easy to denigrate works of art in languages one does not know. Under the influence of Inquisition censorship, eighteenth-century Spanish officials caused paintings by Titian, Rubens and Dürer to be removed from the Royal Palace as obscene and all but succeeded in having them destroyed, never realizing that these very paintings constitute some of the world's greatest masterpieces; nineteenth-century Frenchmen thought Impressionist paintings appalling when they were first shown; and twentieth-century Nazis literally condemned all German Expressionist works as degenerate.

The satirical prints and drawings of Francisco Goya (1746-1828), in which he attacked the follies and vices he saw around him afford an excellent example of works that were understood at the time of their creation. Read in context in Goya's own day, his graphic work was perceived as profoundly moral. After his death these same works of art came to be viewed as fantasies or the work of a disturbed mind. Learning to read them again, we are discovering that his contemporaries were right.

An exhibition of paintings, drawings and prints, Goya and the Spirit of Enlightenment, just concluded a tour of museums in Madrid, Boston and New York. Over a million vistiors saw it. It was an extremely expensive venture because the valuation of the works of art was so high. What made it possible were an indemnity granted by the Federal Council on the Arts and the Humanities and a generous grant from the National Endowment for the Humanities, a federal agency. Two banks and the New York Stock Exchange also helped.

In Boston the general public saw material some of which the Senate measure would prohibit. They understood Goya's attacks on vice because the Museum of Fine Arts provided explanatory labels that helped them do so. Far from being offended (even by an explicit satire on the molestation of little boys by men), visitors were deeply moved by the morality of a great artist. A local clergyman urged his parishioners to spend time in the exhibition during Lent.

Rather than censoring such exhibitions as this, the Senate might better exert pressure to ensure that explanatory texts (such as

labels) make the serious purpose of an artist intelligible to laymen. What is important is not the subject matter of art and literature in itself, but what the artists or author is saying.

Sincerely yours,

ELEANOR SAYRE,
*Curator Emeritus.*

## HAPPY 90TH BIRTHDAY, IVO SPARKMAN

Mr. HEFLIN. Mr. President, I rise to bring to the attention of the U.S. Senate that today is the 90th birthday of Mrs. John J. Sparkman. Mrs. Sparkman is the widow of the late Senator John J. Sparkman. Ivo Sparkman is a great, gracious lady and many Members of the Senate, of course, remember her quite well. I spoke with her on the telephone and wished her a happy birthday today. She expressed to me the desire to let people know that she is doing fine and that she is in good health.

The city of Huntsville declared today as "Ivo Sparkman Day." She went to a luncheon, was quite chipper, and is in excellent health. I know that everyone in the Senate joins me in wishing her a happy birthday.

## 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 sundry nominations and a withdrawal which were referred to the appropriate committees.

(The nominations and withdrawal received today are printed at the end of the Senate proceedings.)

## MESSAGES FROM THE HOUSE

At 10:30 a.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, in which it requested the concurrence of the Senate:

H.R. 3299. An act to provide for reconciliation pursuant to section 5 of the concurrent resolution on the budget for fiscal year 1990.

At 1:07 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3385. An act to provide assistance for free and fair elections in Nicaragua.

The message also announced that the House disagrees to the amendment of the Senate to the bill (H.R. 1487) to authorize appropriations for fiscal years 1990 and 1991 for the Department of State, and for other purposes; it agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and appoints the following as managers of the conference on the part of the House:

From the Committee on Foreign Affairs, for consideration of the entire House bill and the entire Senate amendment, and modifications committed to conference: Mr. FASCELL, Mr. HAMILTON, Mr. SOLARZ, Mr. WOLPE, Mr. CROCKETT, Mr. GEJDENSON, Mr. DYMALLY, Mr. SMITH of Florida, Mr. BERMAN, Mr. BROOMFIELD, Mr. GILMAN, Mr. LAGOMARSINO, Mr. LEACH of Iowa, Mr. ROTH, and Ms. SNOWE.

As additional conferees from the Committee of Armed Services, for consideration of sections 1016 and 1030 of the Senate amendment, and modifications committed to conference: Mr. MAVROULES, Mr. MCCURDY, and Mr. MCCRERY.

As additional conferees from the Committee on Banking, Finance and Urban Affairs, for consideration of sections 631, 632, 633, 1021, 1025, and 1030 of the Senate amendment, and modifications committed to conference: Mr. GONZALEZ, Mr. FAUNTROY, Ms. OAKAR, Mr. WYLIE, and Mr. BEREUTER.

As additional conferees from the Committee on Education and Labor, for consideration of sections 134 of the Senate amendment, and modifications committed to conference: Mr. HAWKINS, Mr. WILLIAMS, and Mr. GUNDERSON.

As additional conferees from the Committee on Energy and Commerce, for consideration of sections 221 through 229 of the House bill and sections 208, 701 through 707, and 1025 of the Senate amendment, and modifications committeed to conference: Mr. DINGELL, Mr. MARKEY, and Mr. RINALDO.

As additional conferees from the Committees on Interior and Insular Affairs, for consideration of section 1041 of the Senate amendment, and modifications committeed to conference: Mr. UDALL, Mr. VENTO, and Mr. YOUNG of Alaska.

As additional conferees from the Committee on the Judiciary, for consideration of sections 138 and 213 of the House bill and sections 111, 114, 120, 131, 502, 503, 504, 1008, 1037, 1042, 1046, 1047, 1048, 1049, and 1057 of the Senate amendment, and modifications committed to conference: Mr. BROOKS, Mr. EDWARDS of California, Mr. MORRISON of Connecticut, Mr. FISH, and Mr. SMITH of Texas.

As additional conferees from the Committee on Merchant Marine and Fisheries, for consideration of sections 1013, 1038, and 1044 of the Senate amendment, and modifications committed to conference: Mr. JONES of North Carolina, Mr. STUDDS, Mr. DYSON, Mr. DAVIS, and Mr. YOUNG of Alaska.

As additional conferees from the Committee on Post Office and Civil Service, for consideration of sections 120, 121, 141 through 152, 161 through 146, 1011, and 1051 of the Senate amendment, and modifications committed to conference: Mr. FORD of Michigan, Mr. ACKERMAN, Mr. SIKORSKI, Mr. HORTON, and Mrs. MORELLA.

As additional conferees from the Committee on Public Works and Transportation, for consideration of sections 116 and 221 of the Senate amendment, and modifications committed to conference: Mr. ANDERSON, Mr. OBERSTAR, Mr. BOSCO, Mr. HAMMERSCHMIDT, and Mr. PETRI.

As additional conferees from the Committee on Rules, for consideration of sections 1002 and 1036 of the Senate amendment, and modifications committed to conference: Mr. DERRICK, Mr. BEILENSON, and Mr. QUILLEN.

As additional conferees from the Permanent Select Commitee on Intelligence, for consideration of section 1008 of the Senate amendment, and modifications committed to conference: Mr. BEILENSON, Mr. MCCURDY, and Mr. LIVINGSTON.

## MEASURES REFERRED

The following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 3385. An act to provide assistance for free and fair elections in Nicaragua; to the Committee on Appropriations.

## EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1762. A communication from the President and Chief Executive Officer of the Corporation for Public Broadcasting, transmitting pursuant to law, the report of the National Public Radio NPR and the Public Broadcasting Service [PBS]; to the Committee on Commerce, Science, and Transportation.

EC-1763. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations—Institutional Eligibility Under the Higher Education Act of 1965; as amended; to the Committee on Labor and Human Resources.

## PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-336. A resolution adopted by the board of aldermen of the town of Brusly, LA, favoring the restoration of local regula-

tory authority over cable television systems; to the Committee on Commerce, Science, and Transportation.

POM-337. A joint resolution adopted by the Legislature of the State of California; to the Committee on Environment and Public Works:

"ASSEMBLY JOINT RESOLUTION NO. 13

"Whereas we live in a world of finite resources where society cannot be sustained without careful conservation of natural resources; and

"Whereas inadequate attention to resource recycling is contributing to resource depletion, air and water pollution, and economic inefficiency; and

"Whereas the materials discarded daily in the United States could help assure availability of basic materials for our manufacturing industry; and

"Whereas American recycling industries, a major source of raw materials, are forced to compete with heavily subsidized virgin materials extraction and processing industries; and

"Whereas the states and cities could reduce their expensive burden of solid waste by one-third to one-half in markets for recyclable materials; and

"Whereas a national recycling policy could encourage the growth of markets for recyclable materials; and

"Whereas, The National Recycling Coalition, Inc., has petitioned the Congress of the United States for a national recycling policy; and

"Whereas, The Legislature of the State of California endorses the petition for a national recycling policy; now, therefore, be it

*"Resolved by the Assembly and the Senate of the State of California, jointly,* That the legislature of the State of California respectfully memorializes the President and the Congress of the United States to instruct the administrative agencies and departments, including the Environmental Protection Agency, the Department of the Interior, and the Departments of Commerce, Agriculture, and Treasury, to prepare recommendations and guidelines establishing a national recycling policy utilizing data already developed by the Council on Environmental Quality, the National Commission on Supplies and Shortages, and the National Commission on Materials Policy; and be it further

*"Resolved,* That the national recycling policy shall encourage and provide incentives for the development and use of goods produced from recycled materials and reduce unfair competition from and subsidies for nonrenewable resources industries; and be it further

*"Resolved,* That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Administrator of the Environmental Protection Agency, to the Secretary of the Interior, the Secretary of Commerce, the Secretary of Agriculture, and the Secretary of the Treasury, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

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POM-338. A petition from a citizen of the State of New Jersey relative to penalties for drug related offenses; to the Committee on the Judiciary.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PELL, from the Committee on Foreign Relations, without amendment and with a preamble:

S. Con. Res. 71 Concurrent resolution congratulating Malta on the 25th anniversary of its independence.

By Mr. BIDEN, from the Committee on the Judiciary:

Report to accompany the joint resolution (S.J. Res. 180) proposing an amendment to the Constitution of the United States authorizing the Congress and the State to prohibit the physical desecration of the flag of the United States (Rept. No. 101-162).

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## EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PELL, from the Committee on Foreign Relations:

William P. Glade, of Texas, to be an Associate Director of the United States Information Agency;

Barbara Zartman, of New York, to be Deputy Director of the Peace Corps;

Stephen Read Hanmer, Jr., of Virginia, to be Deputy Director of the United States Arms Control and Disarmament Agency;

James David Berg, of Kentucky, to be Executive Vice President of the Overseas Private Investment Corporation;

Robert R. Randlett, of New Jersey, to be Assistant Administrator of the Agency for International Development;

Elizabeth M. Tamposi, of New Hampshire, to be Assistant Secretary of State for Consular Affairs;

Gordon K. Durnil, of Indiana, to be a Commissioner on the part of the United States on the International Joint Commission, United States and Canada:

Evelyn Irene Hoopes Teegen, of Minnesota, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Fiji, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Tonga, Ambassador Extraordinary and Plenipotentiary of the United States of America to Tuvalu, and Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Kiribati.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Evelyn Irene Hoopes Teegen.
Post: Ambassador to Fiji, Tonga, Tuvalu and Kiribati.

Contributions, amount, date, and donee:

1, 2. Self and spouse, 1988: $85, reelect Stangeland Committee; $10, Schrimpf for Congress; $225, Durenberger reelect Committee. 1987: $185, Durenberger reelect Committee; $125, George Bush for President. 1986: $100, Barb Sykora for Congress; $25, reelect Stangeland Committee. 1985: $10, Dave Rued for Congress.

3. Children and spouses, Susan Reese Teegen, no contribution. Martha and Dean Adolph, no contributions.

4. Parents, Father—J. Wendell Hoopes, no contributions.

5. Grandparents, deceased.

6. Brothers and spouses, deceased.

Michael Ussery, of Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Morocco, to which position he was appointed during the recess of the Senate from October 22, 1988, to January 3, 1989.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Elbert Michael Ussery.
Post: Morocco.
Nominated: June 6, 1989.
Contributions, amount, date, and donee:

1. Self, Elbert Michael Ussery, none.

2. Spouse, Elizabeth Anne Strong, none.

3. Children and Spouses Names, none.

4. Parents Names: Mary E. Ussery, Elbert Melbourne Ussery (deceased), none.

5. Grandparents Names, deceased.

6. Brothers and Spouses Names: none.

7. Sisters and spouses, Martha Ussery Johnson, none; Thomas C. Johnson, none.

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Thomas F. Stroock, of Wyoming, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Guatemala.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Thomas F. Stroock.
Post: Ambassador to Guatemala.
Contributions, amount, date, and donee:

1. Self, 1984: $200, Marlenee Congress Club; $1,000, Republican Senatorial Inner Circle; $1,000, Wyoming Republic State Committee; $5,000, Republican National Committee. 1985: $1,000, Wyoming Republican State Committee; $1,000, Republican Senatorial Inner Circle; $50, Wyoming Republican Party; $1,000, Republican Senatorial Inner Circle; $100, Republican Senatorial Inner Circle. 1986: $100, Montanans for Marlenee; $1,000, Majority Leader's Joint Trust. 1987: $100, Dole for Presidency Exploratory Com.; $150, Wyoming Republican Party. 1988: $250, George Bush for President; $750, George Bush for President; $100, Montanans for Marlenee; $150, Senator Bob Dole; $50, Wallop Senate Drive; $100, Natrona County Republican Party; $100, Wyoming Republican Party; $100, Montanans for Marlenee. 1989: $1,000, Wyoming Republican Central Committee; $1,000 Craig Thomas for U.S. Congress.

2. Spouse, Marta F. Stroock, none.

3. Children and Spouses Names, Margaret Stroock Low and Andrew Low, Sandra Stroock Leotta and Miguel Leotta, Elizabeth D. Stroock and Anne. M. Stroock, none.

4. Parents, deceased.

5. Grandparents Names, deceased.

6. Brothers and Spouses Names, none.

7. Sisters and spouses, Sandra Cowan McElwaine, None.

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Glen A. Holden, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Jamaica.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Glen A. Holden.
Post: Ambassador to Jamaica.
Contributions, amount, date, and donee:

1. Self, 1985: $10,000, RNC; $10,000, Senatorial Trust; $2,500, Republican Congres-

sional Leadership Council; $750, Symms for Senate; $1,000, Dreier for Congress. 1986: $1,000, California Unity Fund; $10,000, RNC; $2,500, Republican Congressional Leadership Council; $4,000, Fund for America's Future. 1987: $100, Dornan in 1986 (debt retirement); $2,500, Republican Congressional Leadership Council; $10,000, RNC; $1,000, Bob Dole for President; $1,000, Bush for President; $1,000, Dawkins for Senate. 1988: $10,000, Presidential Trust; $1,000, National Republican Senatorial Committee; $1,000, Californians for Pete Wilson; $1,000, Voinovich for Senate; $1,000, Roth for Senate; $1,000, Danforth for Senate; $1,000, Chaffee for Senate; $1,000, Durenberger for Senate; $1,000, Wallop for Senate; $1,000, Heinz for Senate; $1,000, Dawkins for Senate. 1989: $10,000, Senatorial Trust.

2. Spouse, Gloria A. Holden, 1985: $2,000, Californians for Pete Wilson; $1,000, Friends of Antonovich; $750, Symms for Senate; $1,000, Dreier for Congress. 1986: $1,000, Bob Naylor for Senate; $1,000, California Unity Fund; $1,000, Antonovich for Senate; $1,000, Bobbi Fiedler for Congress; $500, Kastin for Senate (Wisconsin); $4,000, Fund for America's Future. 1988: $10,000, Republican National Committee; $1,000, Bush for President.

3. Children and Spouses, Glen A. Holden, Jr., 1985: $2,500, Republican Congressional Leadership Council; $500, Symms for Senate; $2,000, Californians for Pete Wilson; $1,000, Re Elect Packwood Committee. 1986: $1,000, Antonovich for Senate; $5,000, Republican Congressional Leadership Council; $1,000, Ed Zschau. 1988: $5,000, Republican Congressional Leadership Council; $5,000, RNC; $1,000, Dole for President; $1,000, Bush for President.

Mrs. Nancy (Glen A. Holden, Jr.) Holden (daughter-in-law), 1985: $1,000, Californians for Pete Wilson; 1988: $1,000, Bush for President.

Georgianne Holden Stone (daughter), 1985: $1,000, Californians for Pete Wilson; $1,000, Re Elect Packwood Committee. 1986: $1,000, Antonovich for Senate; $1,000, Linda Chavez for Senate. 1988: $1,000, John Radcliff for Congress (Hawaii); $1,000, Gunter for Senate; $5,000, National Republican Committee; $1,000, Bush for President.

H. Richard Stone (Georgianne Holden Stone) (son-in-law), 1985: $1,000, Californians for Pete Wilson; 1988: $1,000, Bush for President.

Geannie A. Holden Sheller (daughter), 1985: $1,000, Re Elect Packwood Committee; $1,000, Californians for Pete Wilson. 1986: $1,000, Antonovich for Senate; $1,000, Linda Chavez for Senate; $1,000, Friends of Bob Graham; $1,000, Fiedler for Congress. 1988: $1,000, John Radcliff for Congress (Hawaii); $1,000, Gunter for Senate; $5,000, National Republican Committee; $1,000, Bush for President.

Michael W. Sheller (Geannie A. Holden Sheller) (son-in-law), 1985: $1,000, Californians for Pete Wilson. 1988: $1,000, Bush for President.

Note.—Any contributions made by my immediate family were made from their personal accounts.

4. Parents, Lilah Holden and Arthur Holden (both deceased prior to the requested reporting period).

5. Grandparents, deceased.

6. Brother and spouse, Robert S. Holden—not more than $50-$100 in any year; Esta Holden—not more than $50-$100 in any year.

Sisters and spouses, Helen M. Manning—under $200 in the last four year period. Loyd Manning—under $200 in the last four year period; Marilyn Smithrud—none; Paul Smithrud—none.

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Sally J. Novetzke, of Iowa, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Malta.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Sally J. Novetzke.

Post: Ambassador to Malta.

Contributions, amount, date, and donee:

1. Self, 1984-85: $500, to state Republican Party; $150, to Lincoln Club; $100, to Linn County Republican Party. 1985-86: $500, to State Republican Party; $150, to Lincoln Club; $100, to Linn County Republican Party, $250, to Tom Tauke. 1986-87: $1,000, to State Republican Party; $150, to Lincoln Club; $100, to Linn County Republican Party. 1987-88: $250, to State Republican Party; $150, to Linn Eagles; $100, to Linn County Republican Party; $1,000, to Federation of Republican Women (National).

2. Spouse, Richard, none.

3. Children and spouses, Sara Elliott, none; Wynn Elliott, none; Elizabeth and Corey Johnson, none; Richard, Jr. and Andrew, none.

4. Parents, Marjorie Johnson, to the best of her knowledge, did not contribute to a Federal candidate. She did contribute to the National Republican Party and local candidates. My father, Melvin Otto Johnson, is deceased.

5. Grandparents, Minnie and August Iserman, deceased; Hilda and Fred Johnson, deceased.

6. Brothers and spouses, David and Mary Johnson, none.

7. Sisters and spouses, none.

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Nicolas Miklos Salgo, of Florida, for the rank of Ambassador in his capacity as the Special Negotiator for Property Issues.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Nicolas M. Salgo.

Post: Special Envoy, Property Issues.

Nominated: March 7, 1989.

Contributions, amount, date, donee:

1. Self, 1985: $10,000, Republican Eagles; $10,000, Republican Eagles. 1986: $2,000, Dole for Senate; $5,000, Campaign America; $1,000, Majority Leaders Joint Trust; $10,000, Republican Eagles. 1987: $10,000, Presidential Trust; $10,000, Republican National Finance Committee; $10,000, Republican National Finance Committee. 1988: $2,000, George Bush for President; $1,000, Dole for President; $1,000, Haig for President; $502,163.17, Republican National State Election Committee; $1,000, Dana Rohrabacher for Congress. 1989: $2,000, New York Republican County Committee; $5,000, Campaign America.

2. Spouse, 1985: $10,000, Republican Eagles; $10,000, Republican Eagles. 1986: $2,000, Dole for Senate; $10,000, Republican Eagles; $5,000, Campaign America. 1987: $10,000, Republican National Finance Committee; $1,000, Dole for President. 1988: $1,000, Haig for President. 1989: None.

3. Children and spouses, none.

4. Parents, none.

5. Grandparents, none.

6. Brothers and spouses, no political contributions.

7. Sisters and spouses, none.

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Charles Warren Hostler, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Bahrain.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Dr. Charles W. Hostler.

Post: U.S. Ambassador to Bahrain.

Contributions, amount, date, and donee:

1. Self, $1000, "Repub. Sen. Inner Circle"; $10,000, "Victory '88"; $90,000, "Victory '88 (Calif.).

2. Spouse, none.

3. Children and spouses, my son made no contributions.

4. Parent, deceased.

5. Grandparents, deceased.

6. Brothers and spouses, none.

7. Sisters and spouses, none.

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Paul Matthews Cleveland, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Malaysia.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Paul Matthews Cleveland.

Post: American Embassy Wellington.

Contributions, amount, date, and donee:

1. Self, none.

2. Spouse, Carter S., none.

3. Children and spouses, Robin, Sandra, James, and Peter, none.

4. Parents, deceased.

5. Grandparents, deceased.

6. Brothers and spouses, James and Catherine Cleveland, none.

7. Sisters and spouses, none.

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Christoper H. Phillips, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Brunei Darussalam.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Christopher H. Phillips.

Post: Ambassador to Brunei.

Contributions, amount, date, and donee:

1. Self, $1000, 1985, Fund for America's Future: $1,000, 1987, Bush for President; $200, 1988, Republican National Committee.

2. Spouse, Mabel Phillips, none.

3. Children and spouses, Charles and Miriam P. Eley, none. Andrew J. Corbett, Jr., (son-in-law), $1000, 1987, Robert Dole; $100, 1988, Republican National Committee. Victoria P. Corbett, none. David W. Phillips, none.

4. Parents, William and Caroline D. Phillips, deceased.

5. Grandparents, deceased—John and Annie T. Phillips, James C. and Charlotte A. Drayton.

6. Brothers and spouses, William Phillips, $350, 1985, Republican National Committee; $300, 1986, Republican National Committee; $500, 1987, Republican National Committee; $500, 1988, Republican National Committee; $300, 1989, Republican National Committee; $100, 1985, GOP Victory Fund; $100, 1986, GOP Victory Fund; $50, 1986, National Re-

publican Senatorial Committee; $100, 1987, Presidential Support Fund; $300, 1988, Americans for Bush; $500, 1988, R.N.C. Presidential Fund. Barbara Phillips, $15, 1985, Citizens for Reagan; $25, 1987, Citizens for Reagan; $50, 1988, Lindy Bean-Jones for Congress; $150, 1988, O'Meara for Congress.

7. Sisters and spouses, Elliott B. Strauss, $325, 1986, Republican National Committee; $70, 1986, Jeremiah for Senate; $350, 1987, Republican National Committee; $400, 1987, Bush-for-President; $50, 1987, National Republican Congressional Committee; $36, 1987, Jesse Helms Legal Defense; $50, 1988, Republican National Committee; $600, 1988, Bush-for-President; $15, 1988, Friends of Orrin Hatch; $300, 1989, Republican National Committee. Beatrice P. Strauss, none. John W. Bryant, $25, 1987, Bush-for-President. Anne P. Bryant, none.

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William Ludwig Jacobsen, Jr., of Washington, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic Guinea-Bissau.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: William Ludwig Jacobsen, Jr.

Post: Guinea-Bissau.

Contributions, amount, date, and donee:

1. Self, none.

2. Spouse, none.

3. Children and spouses, Karl-Eric Jacobsen, Kristina Jacobsen, Heidi Jacobsen Happapel, Andrew Hannapel (spouse), none.

4. Parents, Dorothy B. Jacobsen, none.

5. Grandparents, N.A.

6. Brothers and spouses, James Hall Jacobsen (Tina Jacobsen), Kurth Christopher Jacobsen (Martha Hines), Byram Edward Jacobsen (Andray Jacobsen), none.

Sisters and spouses, none.

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Penne Percy Korth, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Mauritius.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Penne P. Korth.

Post: Ambassador to Mauritius.

Contributions, amount, date, and donee:

1. Self, none.

2. Spouse, $200, 1985, Jim Wright; $200, 1986, Jim Wright; $200, 1987, Jim Wright; $200, 1988, Jim Wright; $200, 1989, Jim Wright.

3. Children and spouses, Fritz-Alan Korth, Jr., none. Maria Eleanor Korth, none. James Frederick Korth, none.

4. Parents, James S. Percy, deceased. Ann R. Percy, none.

5. Grandparents, Peter R. Percy, deceased. Florence Percy, deceased. Byron E. Green, deceased. Ruth Green, none.

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Kenneth L. Brown of California, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Côte d'Ivoire.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Kenneth L. Brown.

Post: Abidjan, Côte d'Ivoire.

Contributions, amount, date, and donee:

1. Self, none.

2. Spouse, Bonnie Lea-Brown, none.

3. Children and spouses, Kai, Craig, Charity Brown, none.

4. Parents, Juanita Brown, none. Roy L. Brown, deceased.

5. Grandparents, Gilson and Etta Martin, deceased. Sam and Ada Brown, deceased.

6. Brothers and spouses, Gilbert and Robin Brown, none.

7. Sisters and spouses, Elaine and Art Flory, none.

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Charles E. Cobb, Jr., of Florida, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Iceland.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Charles Elvan Cobb, Jr.

Post: Ambassador to Republic of Iceland.

Contributions, amount, date, and donee:

1. Self, 1989: $1,000, Pete Dawkins for U.S. Senate; $1,000, McConnell Senate Committee; $1,000, People for Senator Rudy Boschwitz. 1988: $1,000, David Karnes for U.S. Senate; $2,000, Connie Mack for U.S. Senate; $1,000, Ken Adams for Congress; $1,000, Senator Wallop Campaign; $10,000, Republican Eagles; $500, Bafalis for Congress; $500, Clay Shaw for Congress. 1987: $11,000, Republican Senatorial Circle; $10,000 Republican Eagles; $1,000, Vice President's Exploration Account; $5,000, Fund for America's Future. 1986: $10,000, Republican National Committee (EAGLES); $500, Claude Pepper for Congress; $500, Orrin Hatch for Senate; $5,000, Fund for America's Future. 1985: $2,000, Friends for Bob Graham; $2,000, Re-Elect Paula Hawkins; $1,000, Republican Senatorial Inner Circle; $1,000, Walt Disney Company PAC; $5,000 Fund for America's Future.

2. Spouse, 1988: $1,000, Connie Mack for U.S. Senate; $10,000, Presidential Trust; $680, Askew for U.S. Senate. 1987: $1,000 George Bush for President; $1,000, Pete duPont for President. 1986: $2,000 Bob Graham for U.S. Senate. 1985: $1,000, Packwood Committee.

3. Children and spouses, Tobin T. Cobb, 1988: $1,000, George Bush for President.

4. Parents, Father, None. Mother, deceased.

5. Grandparents, deceased.

6. Brothers and Spouses, N/A.

7. Sisters and spouses, Particia Cobb Veatch, None.

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John Giffen Weinmann, of Louisiana, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Finland.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: John G. Weinmann.

Post: Ambassador to Finland.

Contributions, amount, date, and donee:

1. Self, $10,100, 1984, Republican Eagles; $4,000, 1985, Louisiana Republican Foundation; $10,000, 1985, Republican Eagles; $1,000, 1985, Henson Moore Election Committee; $250, 1985, New Orleans Republican PAC; $1,000, 1986, Louisiana Republican Foundation; $1,000, 1986, Victory 86—LA Republican Party; $250, 1986, Richard Baker Campaign Fund; $10,000, 1986, Republican Eagles; $1,000, 1987, Louisiana Republican Foundation; $100, 1987, Baker for Congress; $100, 1987, Louisiana Republican Party; $10,000, 1987, Republican Eagles; $5,000, 1987, Fund for America's Future; $1,000, 1987, George Bush for President; $100, 1987, Russell B. Long Committee; $1,500, 1987, The President's Dinner; $100, 1987, New Orleans Republican Party; $10,000, 1988, The Presidential Trust; $250, 1988, Louisiana Republican Party; $250, 1988, McCrery for Congress; $500, 1988, Pete Dawkins Campaign Fund; $25, 1988, Louisiana College Republican Federation; $1,000, 1988, Clyde Holloway Campaign Fund, First Primary; $1,000, 1988, Louisiana Republican Trust; $32, 1988, Barnard Co. (Convention Host Committee); $621, 1988, Barnard Co. (Convention Host Committee); $1,060, 1988, Martin Greater Film Graphics (Convention Host Committee); $1,398, 1988, Blaine Kern Artists, Inc. (LA Rep. Party); $250, 1988, Clyde Holloway Second Primary; $33, 1989, LA Republican Party.

2. Spouse, $500; 1985, Lindy Boggs' Campaign Fund; $1,000, 1985, Henson Moore Election Committee; $1,000, 1986, Victory 86—LA Republican Party; $1,000, 1987, George Bush for President; $5,000, 1988, Victory 88.

3. Children and spouses, Winston E. Weinmann, $200, 1987, GOP Victory Fund; $250, 1988, George Bush for President; $30, 1988, Fulton County Republican Party. Brooke T. Weinmann (Mrs. Winston E. Weinmann), none. Robert T. Weinmann, $1,000, 1988, George Bush for President; John G. Weinmann, Jr., $200, 1988, George Bush for President; $1,000, 1988, Louisiana Victory 88 Fund. Clifford L. Weinmann (Mrs. John Giffen Weinmann, Jr.), none. Mary Virginia Weinmann, none. George G. Weinmann, none.

4. Parents, Mary M. Weinmann (Mother), none.

5. Grandparents, none living.

6. Brothers and spouses, no siblings.

7. Sisters and spouses, no siblings.

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Marion V. Creekmore, Jr., of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Democratic Socialist Republic of Sri Lanka, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Maldives.

Nominee: Marion V. Creekmore, Jr.

Post: Sri Lanka:

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Contributions, amount, date, and donee.

Nominee: Marion V. Creekmore, Jr.

Post: Sri Lanka.

Contributions, amount, date, and donee:

1. Self, none.

2. Spouse, Linda R. Creekmore, none.

3. Children and Spouses, Mary Catherine Creekmore, none. Debra Lynn Creekmore, none.

4. Parents, Marion V. Creekmore, Sr. (deceased); Grace Blalock Creekmore, none.

5. Grandparents, Jessie and Velma Blalock (deceased). Thomas Coleman and Megarie Creekmore (deceased).

6. Brothers and Spouses, Robert Larry Creekmore, none. Nancy Norment Creekmore, none.

7. Sisters and spouses, N.A.

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Henry Allen Holmes, of the District of Columbia, a career member of the Senior Foreign Service, Class of Career Minister, to be Ambassador at Large for Burdensharing.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Henry Allen Holmes.

Post: Ambassador at Large.

Contributions, amount, date, and donee:

1. Self, none.

2. Spouse, Marilyn J. Holmes, none.

3. Children and spouses, Gerald A. Holmes, none. Katherine and Daniel Chuba, none.

4. Parents, deceased.

5. Grandparents, deceased.

6. Brothers and spouses, Richard P. and Lucy Hubbard Holmes, $100, 1989, Jack Rains (candidate for Governor of Texas).

7. Sisters and spouses, Elsie Holmes and William Peck, none.

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Henry Allen Holmes, of the District of Columbia, a career member of the Senior Foreign Service, Class of Career Minister, to be Ambassador at Large for Burdensharing.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Alan Green, Jr.

Post: Ambassador to the Socialist Republic of Romania.

Contributions, year, donee, and amount:

1. Self, Alan Green, Jr., 1984: Campaign Fund for Republican Women, $150; Mark Hatfield Re-election, $1,000; Andy Ireland Campaign Committee, $300; Bentley for Congress, $150; Friends of Denny Smith, $250; Bob Smith for Congress, $250. 1985: Fund for America's Future, $5,000; Moshofsky for Congress, $100; Bentley for Congress, $100; Ireland for Congress, $350; California's Joe McCloskey, $125; Bob Packwood Re-election, $1,000. 1986: Bush for President, $750; Fund for America's Future, $2,500; Ireland for Congress, $500; Republican National Committee, $200; Mary Burrows for Congress, $250; Robert Smith for Congress, $250; Meeker for Congress, $500. 1987: Bush for President, $250; Bush for President,[1] $1,000; Friends of Denny Smith, $100; Republican National Committee, $450; Ireland for Congress, $500; George Bush Compliance Committee, $1,000. 1988: Ireland for Congress, $500; Republican National Committee, $250; Dawkins for Senate, $100; Re-elect Hatfield Committee, $1,000; Presidential Inaugural Committee, $4,190. 1989: Friends of Denny Smith, $250; Republican National Committee, $250.

2. Spouse, Joan Irwin Green 1984: Republican National Committee, $130, Ireland for Congress, $250. 1985: Republican National Committee, $400, Ireland for Congress, $100. 1986: Bush for President, $750, Ireland for Congress, $100, Fund for America's Future, $2,500. 1987: Bush for President, $250, Bush for President [1], $1,000, Republican National Committee, $100, Ireland for Congress, $100, Republican National Committee, $200.

[1] Legal maximum allowed for expenses incurred for an event held at our residence on behalf of presidential candidate George Bush and wife Barbara.

3. Children and spouses, Carter Green and Gregg Peterson (daughter and son-in-law), Frenzel for Congress Committee, 1985, $30, Republican National Committee, 1986, $25, Republican National Committee, 1987, $50, Bush for President Committee, 1988, $500, Republican National Committee, $25. Kelsey and John Grout (daughter and son-in-law), Fund for America's Future, 1986, $500, Bush for President, 1987, $300. Helen Ladd and John Mengel (daughter and son-in-law), Fund for America's Future, 1987, $500. Dorice C. Irwin (mother-in-law), Fund for America's Future, 1987, $1,000.

4. Parents, Mother: Helen Ladd Green, deceased. Father: Alan Green, deceased.

5. Grandparents, Maternal: Mr. & Mrs. Wesley Ladd—Both deceased. Fraternal: Mr. & Mrs. Charles Green—Both Deceased No Contributions

6. Brothers and spouses, none.

7. Sisters and spouses, Helen Green Labbe, deceased, married and divorced C. Henri Labbe, also deceased.

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Alvin P. Adams, Jr., of Virginia, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Haiti.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Alvin P. Adams, Jr.

Post: Ambassador to Haiti.

Contributions, amount, date, and donee:

1. Self, none.

2. Spouse, none.

3. Children and spouses, Lex N. Adams, Tung T. Adams, none.

4. Parents, Alvin P. Adams, $750 (about), 1984, Reagan Campaign; $750 (about), 1988, Bush campaign.

5. Grandparents, none.

6. Brothers and spouses, none.

7. Sisters and spouses, none.

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David Jameison Smith, of Virginia, for the rank of Ambassador during his tenure of service as Chief Negotiator for Defense and Space.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: David Jameison Smith.

Post: Chief Negotiator for Defense and Space (Ambassador).

Contributions, amount, date, and donee:

1. Self, $66, 1985, National Republican Senatorial Committee; $10, 1985, People for Cozzens; $25, 1985, GOP Victory Fund; $100, 1985, Kolbe for Congress; $15, 1985, GOPAC; $15, 1985, GOPAC; $15, 1986, GOPAC; $20, 1986, GOP Victory Fund; $100, 1986, McCain for Senate; $100, 1986, Kyl for Congress; $25, 1988, Friends of Dick Lugar; $25, 1988, GOP Victory Fund; $25, 1988, Kolbe 88; $15, 1988, GOPAC; $25, 1988, Jon Kyl Reelection Committee; $25, 1988, Dawkins for Senate; $19.89, 1989, Jon Kyl Reelection Committee.

2. Spouse, $9.40, 1987, Dole for President.

3. Children and spouses, Kelly E. Sanborn, none.

4. Parents, David J. Smith, none; Nancy L. Carpi, none.

Grandparents, David J. Smith, Esther Smith and Alfred Lepore, all deceased. Helen Lepore, none.

6. Brothers and spouses, none.

7. Sisters and spouses, none.

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## 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. GRASSLEY:

S. 1736. A bill to temporarily suspend the duty on mercuric oxide; to the Committee on Finance.

By Mr. BOSCHWITZ (for himself and Mr. BURNS):

S. 1737. A bill to extend the Small Business Development Center Program; to the Committee on Small Business.

By Mr. HATFIELD (for himself and Mr. PACKWOOD):

S. 1738. A bill to convey certain Oregon and California Railroad Grant Lands in Josephine County Oregon to the Rogue Community College District, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HARKIN:

S. 1739. A bill to establish within the Department of Health and Human Services a permanent Federal Council on Nutrition and Health, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. BINGAMAN (for himself and Mr. FORD):

S. 1740. To establish a research and demonstration program to promote cofiring of natural gas and coal in certain boilers, to provide Federal funding and tax incentives to carry out the program and to clarify the status of cofired electric utility or industrial boilers for purposes of new source performance standards; to the Committee on Finance.

By Mr. McCAIN (for himself, Mr. DANFORTH, and Mr. BOND):

S. 1741. A bill to amend the Federal Aviation Act of 1958 to increase competition among commercial air carriers at the Nation's major airports, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. BINGAMAN (for himself and Mr. LIEBERMAN):

S. 1742. A bill to further the goals of the Paperwork Reduction Act and provide for comprehensive information resources management of Federal departments and agencies and for other purposes; to the Committee on Governmental Affairs.

By Mr. DECONCINI (for himself and Mr. SIMPSON):

S. 1743. A bill to clarify the application of the antitrust laws to certain agreements imposing territorial limitations on the distribution of trademarked products for resale; to the Committee on the Judiciary.

By Mr. LAUTENBERG (for himself and Mr. CHAFEE):

S. 1744. A bill to suspend temporarily the duty on 2,3,6 Trimethylphenol (TMP); to the Committee on Finance.

By Mr. BRADLEY:

S. 1745. A bill to extend the temporary suspension of duty on jacquard cards and to include in the suspension plastic jacquard cards and other cards to be used as jacquard cards; to the Committee on Finance.

By Mr. BAUCUS:

S. 1746. A bill to initiate actions under section 310 of the Trade Act of 1974 with respect to agricultural trade barriers, and to extend and initiate the triggered marketing loan program or an expanded export enhancement program, if an international trade agreement under the General Agreement on Tariff and Trade is not submitted to Congress by February 15, 1991, and for other purposes; to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. DECONCINI and Mr. DURENBERGER):

S.J. Res. 214. A joint resolution to express the sense of the Congress regarding the removal of offensive sexual material from television broadcasting; to the Committee on Commerce, Science, and Transportation.

## SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MITCHELL (for himself and Mr. DOLE):

S. Res. 192. Resolution authorizing the testimony and representation of Senate employees in the case of United States v. jorge Artalego, (D.C. Superior Ct.); considered and agreed to.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GRASSLEY:

S. 1736. A bill to temporarily suspend the duty on mercuric oxide; to the Committee on Finance.

TEMPORARY DUTY SUSPENSION ON MERCURIC OXIDE

● Mr. GRASSLEY. Mr. President, today I am introducing a bill to temporarily suspend the duty on mercuric oxide.

Red mercuric oxide is used in the manufacturing of batteries. Up until 6 years ago there were two domestic sources for this material. Unfortunately, both of these companies have stopped production. Now most of this product is imported from such countries as England, West Germany, Spain, and the People's Republic of China.

As we are all aware batteries are used in a variety of devices such as communications equipment, medical devices and many military applications. Since there is no current domestic source for mercuric oxide I believe this legislation should be categorized as noncontroversial. I am therefore hopeful that the Finance Committee will give this legislation consideration when they take up the miscellaneous tariff bills this year.

Mr. President, I ask that a copy of this legislation be inserted in the RECORD at this point.

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

S. 1736

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

SECTION 1. MERCURIC OXIDE.

Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

| | | | | |
|---|---|---|---|---|
| "9902.28.25 | Mercuric oxide (provided for in subheading 2825.90.60)... | Free | No change | No change | On or before 12/31/92". |

SEC. 2. EFFECTIVE DATE.

The amendment made by this Act applies with respect to articles entered, or withdrawn from warehouse for consumption, on or after the date that is 15 days after the date of enactment of this Act.●

By Mr. BOSCHWITZ (for himself and Mr. BURNS):

S. 1737. A bill to extend the Small Business Development Center Program; to the Committee on Small Business.

EXTENSION OF SMALL BUSINESS DEVELOPMENT CENTER PROGRAM

● Mr. BOSCHWITZ. Mr. President, today I am introducing legislation which will reauthorize the U.S. Small Business Administration's Small Business Development Center [SBDC] Program. The program is currently authorized until October 1, 1990; my bill will reauthorize SBDC's until October 1, 1995.

SBDC's are sponsored by the Small Business Administration [SBA] in partnership with State and local governments, the educational community, and the private sector. The centers provide one-stop assistance to small business. They provide counseling, training, and management and technical assistance to present and prospective small business owners. SBDC services are developed in cooperation with local SBA district offices to ensure that the SBDC's coordinate efforts, share information, and avoid duplication with other resources available throughout the State.

There are 53 SBDC's in 46 States. In each State there is a lead organization, endorsed by the Governor, which sponsors the SBDC and from which the statewide director manages the program. The lead organization coordinates program services offered to small businesses through a network of subcenters and satellite locations in each State. These subcenters are located at colleges, universities, community colleges, vocational schools, chambers of commerce or economic development corporations.

The lead center in my State of Minnesota is the Department of Trade and Economic Development. It has a variety of organizations serving as host organizations for SBDC subcenters. These include: The University of Minnesota-Duluth campus and the Extension Service Division; area vocational technical institutes; community colleges; area economic development offices; and a State legislature funded nonprofit organization specializing in high technology R&D.

SBDC assistance is specifically tailored to the local area and the needs of individual clients. In fact, the subcenter at the College of St. Thomas in St. Paul, MN, has an employee who speaks many Asian languages and dialects. He operates an Asian resource desk at the subcenter and provides great assistance to the large Asian population in the St. Paul area.

I would like to mention two examples of assistance provided by the Minnesota SBDC network. The Pine Technical College subcenter assisted a garment manufacturer whose sales had grown from $17,000 to $100,000 in 1 year. The client had borrowed small amounts from several different sources, and needed help in consolidating loans and purchasing equipment. The SBDC helped the client develop a business plan, establish a budget, and set priorities. This enabled the client to obtain financing for the necessary equipment from a local bank and from the central Minnesota initiative fund. The business now employs 21 people, and recorded $360,000 in sales volume during the first 6 months of 1989.

The Brainerd Technical College subcenter maintains an invention and innovation consultant whose services are available statewide. Recently, the subcenter helped a local pharmacist-inventor get his product tested by an officially recognized testing facility. This enabled him to market the product to a commercial and medical supply firm and obtain financing for further product development.

SBA provides 50 percent or less of the funding for the operation of each State SBDC. The applicant organization provides 50 percent or more of State program costs. These matching funds are provided by contributions from State legislatures, private sector foundations and grants, State and local chambers of commerce, State-chartered economic development corporations, public and private universities, vocational and technical schools, community colleges, and so forth. Increasingly, these matching funds are exceeding the required 50 percent matching share.

In addition to counseling, training and management and technical assistance, SBDC's also provide special programs and economic development activities. Among these are services to inventors with patentable products, international trade centers for export and import advice, business law information and guidance, procurement matching assistance, venture capital

formation and small business incubators.

The SBDC's also make special efforts to reach members of minority groups, veterans, women, the handicapped, and other current or potential small business owners. They also provide assistance to small businesses applying for small business innovation and research grants.

In 1988, approximately 80,000 small business owners and prospective owners were counseled through SBDC's. The Minnesota SBDC and its subcenters provided counseling and training to 15,000 businesses; nearly 80 percent of these businesses were outside the Twin Cities metropolitan area.

Mr. President, small business development centers provide a great deal of assistance to existing and prospective small businesses. It is necessary to reauthorize this program. I urge my colleagues to support this legislation.●

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By Mr. HATFIELD (for himself and Mr. PACKWOOD):

S. 1738. A bill to convey certain Oregon and California Railroad grant lands in Jospehine County, OR, to the Rogue Community College District, and for other purposes; to the Committee on Energy and Natural Resources.

CONVEYANCE OF CERTAIN LAND TO ROGUE COMMUNITY COLLEGE DISTRICT

● Mr. HATFIELD. Mr. President, today Senator PACKWOOD and I are introducing a bill that conveys a small parcel of Oregon and California Railroad grant land—so-called O&C land—to the Rogue Community College in Josephine County, OR. Our collleague in the Oregon congressnional delegation, Congressman BOB SMITH, is introducing an identical version today in the House of Representatives.

Located on the parcel of land identified in the bill are a number of buildings that belong to Rogue Community College, an educational institution that is important to both the southern Oregon region and our entire State. Since acquiring those facilities in 1971, the college has attempted to gain title to the land on which they sit. Currently, they are leasing the property from the Bureau of Land Management [BLM].

It was originally thought that this transfer could occur through the provisions of the Federal Property and Administrative Services Act [FPASA]. Under those provisions, the property would be transferred to the General Services Administration [GSA], deemed surplus to the Federal Government, and sold to the college.

While this scenario was supported by the BLM, the GSA as unable to implement the transfer and sale due to the property's special designation as O&C land. Because O&C lands are reacquired public domain lands, they cannot be disposed of under current law. Therefore, conveying title to the land occupied by the college requires the legislative solution which we are introducing today.

Mr. President, in general, the primary use of O&C land is timber management. That practice benefits the local countries economically be providing timber to local mills and by a special revenue sharing arrangement based on timber sale receipts. However, the land now occupied by the Rogue Community College and identified in this bill has been certified by the BLM as incapable of reforestation. Accordingly, its transfer to the college would in no way diminish the producutivity of O&C lands.

In fact, I believe just the opposite would occur. By allowing the college the certainty to plan for expansion, this transfer would enhance what I believe is a very high value use of that particular parcel—promoting educational excellence.

As some of my colleagues may remember, Senator PACKWOOD and I introduced this same bill last year during the second session of the 100th Congress. Unfortunately, there was not time for the Senate to complete action on that legislation. It is my hope during this new Congress that both the Energy and Natural Resources Committee, of which I am a member, and the entire Senate will consider and approve this legislation in an expeditious manner. Rogue Community College and its fine president, Dr. Harvey Bennett, deserve to see their facilities secured for future growth and expansion.

Mr. President, I ask that a memorandum prepared by the Department of the Interior's Pacific Northwest Regional Solicitor explaining the history of this issue and a copy of the bill be printed at this point in the RECORD.

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

S. 1738

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

SECTION 1. CONVEYANCE OF LAND.

(a) CONVEYANCE.—Subject to section 2, the Secretary of the Interior shall convey, without consideration, all right, title, and interest of the United States in and to land described in subsection (b) to the Rogue Community College District in Josephine County, Oregon (hereafter in this Act referred to as the "District").

(b) LAND DESCRIPTION.—The land referred to in subsection (a) is land in Josephine County, Oregon, described as Township 36 South, Range 6 West, W.M., Section 27.

SEC. 2. LIMITATIONS ON CONVEYANCE.

The conveyance authorized by section 1(a) is subject to the following limitations:

(1) ENCUMBRANCES.—Such conveyance shall be subject to all encumbrances on the land existing as of the date of enactment of this Act.

(2) MINERAL RIGHTS.—Such conveyance shall reserve to the United States all minerals in the land, including geothermal rights, together with the right to prospect for, mine, and remove the minerals and geothermal resources.

(3) RIGHT OF WAY FOR DITCHES AND CANALS.—Such conveyance shall be subject to the proviso in the fourth undesignated paragraph under the caption entitled "United States Geological Survey" in the first section of the Act of August 30, 1890 (26 Stat. 371, 391) (43 U.S.C. 945).

(4) REVERSIONARY INTEREST.—Such conveyance shall be subject to a reversionary interest in the land described in section 1(b) to be held by the United States. If such land ceases to be used for educational purposes, all right, title, and interest in and to such land shall revert to the United States and shall be identified, classified, and managed as Oregon and California Railroad Grant Lands.

SEC. 3. PURCHASE OF LAND AFTER REVERSION.

If the land described in section 1(b) should revert to the United States by operation of paragraph (4) of section 2, the District may acquire such land from the United States, during the two year period ending after the date the land has reverted to the United States, by quitclaim deed, upon application to the Secretary of the Interior and the payment of the fair market value of such land and any improvements thereon.

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U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF LAND MANAGEMENT,
*Portland, OR, December 7, 1987.*

HON. MARK O. HATFIELD,
*United States Senator, Yamhill, Portland, OR.*

DEAR SENATOR HATFIELD: This is in response to a request for drafting service for proposed legislation that would accomplish the transfer of O&C land presently leased to the Rogue Valley Area Education District.

Enclosed is a draft of legislative language that would accomplish the transfer, but yet protect any other party having valid existing rights at the time of transfer. The draft also contains language that would automatically return title to the United States in the event that the property would be used for purposes other than education and/or conveyed to another party without written approval from the Secretary of the Interior.

Additionally, and for your information, we are enclosing a memorandum prepared by the Office of the Regional Solicitor, Pacific Northwest Region which clearly and concisely sets out the entire history of the case along with the legal interpretation of the issues at that point in time.

If we can be of any further assistance in this matter, please let me know.

Sincerely,

/s/ PAUL M. VETTERICK,
FOR CHARLES W. LUSCHER,
*State Director.*

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U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SOLICITOR,
*Portland, OR, April 16, 1984.*

To: Oregon State Director, Bureau of Land Management (943.1).

From: Office of the Regional Solicitor, Pacific Northwest Region.

Subject: Disposal of O&C Land to Rogue Community College.

Over the past three years the BLM has been negotiating with the General Services Administration as to the possible disposal of

the O&C land on which the Rogue Community College is operating its college under a twenty-five year lease. However, the GSA has continued to question its authority to accept this property under the Federal Property and Administrative Services Act of 1949, (40 U.S.C. § 471 *et seq*), hereinafter referred to as the FPASA, because of its special status as O&C land. You have requested that our office examine the issues involved and provide you our legal opinion on this question. Based upon a careful examination of the legislation history of the O&C lands and the provisions of the FPASA we have concluded that O&C lands are reacquired public domain land which have been reserved for special purposes and that they cannot be disposed of under the FPASA.

To assist in understanding this matter it is helpful to outline the circumstances leading to the present situation.

BACKGROUND INFORMATION

The land in question consists of the SW¼ NE¼ of section 27, T. 36 S. R. 6. W. Willamette Meridian. It is located approximately 2 ½ miles southwest of the city of Grants Pass, Oregon, which is the county seat of Josephine County. The land was originally part of the public domain which was granted to the Oregon and California Railroad Company in aid of the construction of a railroad from Portland to the Oregon—California boundary by the Act of July 25, 1866 (14 Stat. 239). Because of violations of the terms of the grant, the Congress revested all unsold lands by the Act of June 9, 1916 (39 Stat. 218).

In 1965 and 1966 the Fort Vannoy Job Corps Center was constructed on the area. It consisted of approximately 36 buildings and sheds, having an estimated value in 1971 of approximately $730,000. According to BLM records no merchantable timber remains on the area. The camp was terminated in 1968 and the Rogue Community College initiated proceedings to acquire the site and its buildings. The buildings were surplused to the General Services Administration by the BLM under the FPASA and subsequently transferred to the Department of Health, Education and Welfare.

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*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, the Secretary of the Interior may convey, without consideration, to Rogue Valley Area Education District the following described land in Josephine County, Oregon: Section 27, SW¼NE¼ T. 36 S., R. 6 W., W.M. Said conveyance shall be subject to all existing encumbrances, shall reserve to the United States the mineral estate, including geothermal resources, and be made subject to the Act of August 30, 1890, 26 Stat. 391, 43 U.S.C. 945. Provided, that the Rogue Valley Area Education District shall not transfer said property, nor use said property for any purpose other than educational purposes without the written approval of the Secretary of the Interior. Transfer or change in use of said property without written approval from the Secretary of the Interior will automatically defeat the title to said property and will revest the same in the name of the United States and will be so noted on the records of the United States as Oregon and California Railroad Grant Lands. Provided further, that upon application for transfer or change in use and approval thereof and the payment of fair market value of the land and improvements, Rogue Valley Area Education District may transfer said property or change the use as approved by the Secretary of the Department of the Interior.

By an Agreement of Sale with HEW dated August 19, 1971, the Rogue Community College acquired the buildings on this land without cost. In accordance with the terms of the agreement the college earned a public benefit allowance for the value of the buildings by agreeing to use the property for educational purposes for 15 years. Concurrent with the sale of the buildings, the BLM leased the underlying land to the college for a period of 10 years under the terms of a Recreational or Public Purpose Lease dated July 1, 1971, for a lump sum payment of $100. The land was leased rather than sold under the R&PP Act because that act specifically provides that O&C land may only be leased. (43 U.S.C. § 869(c)) In 1973, in response to a Congressional inquiry, the Medford District Manager advised the Oregon State Director that because O&C land was involved it could not be disposed of through GSA under the FPASA and would therefore have to be exchanged or sold through special legislation. The possibilities of an exchange were explored at that time by the parties but were never fully pursued because of the complexities involved and time which this would take.

The files of the BLM also contain a copy of a memorandum of some interest from the Oregon State Director to the Director dated April 18, 1973, which, however, was apparently never sent. This draft memorandum indicates that the BLM knew of no precedent for the disposal of O&C lands by the GSA and that the Director's policy at the time the site was leased to the college was to limit disposal to a lease under the R&PP Act. While the statement sheds no light on whether the land could be legally disposed of under the FPASA, it does point out the important policy questions involved if a disposal of fee title under that act were to be pursued.

Between 1973 and 1979 no further activities were reported concerning the acquisition of the property by the college. However, approval was given by the BLM for the construction of several new school buildings.

In 1979 inquiries were again made by the college through Senator Hatfield as to the means by which the college could acquire title to the site. In response to this inquiry the Oregon State Director advised Senator Hatfield in a letter dated November 21, 1979, that sale for fair market value under FLPMA or land exchanges were the only two methods by which the college could acquire the title to the property under existing law. There is some confusion as to whether this response was intended to refer only to statutes under which the BLM operates directly or was also intended to imply that disposal by the GSA under the FPASA was not possible.

After learning that the Josephine County Commissioners and the Association of O&C Counties were agreeable to a disposal of the land through the GSA, the Oregon State Director advised the Medford District Manager on March 13, 1980, to proceed with disposal if the college formally requested such disposal and could demonstrate that the present lease was inadequate. The college was so advised and on April 24, 1980, formally requested the transfer of title.

Following the preparation of the necessary environmental analysis and land report, the District Manager reported the property available for disposal on August 4, 1980. The report was approved by the State Director and forwarded to the Denver Service Center on September 8, 1980, with the recommendation that the land be declared surplus, reported to GSA for disposal and conveyed to the college. On January 6, 1981, the Denver Service Center reported the land to GSA. Additional information was provided to GSA on February 26, 1981, including the fact that because of its isolated character and developments on the land it was uneconomical to manager and could not be restored to timber growth.

By a letter dated April 13, 1981, the GSA advised the BLM that it could not dispose of O&C land under the Federal Property and Administrative Services Act of 1949 for the following reasons: Because of the O&C land designation, we sought advice from our Regional counsel. GSA can accept excess property for disposal under the Federal Property and Administrative Services Act of 1949, as amended. However, counsel advises that the term 'property' does not include land in the public domain. It has been held that "O&C" lands are a part of the public domain and as such may not be disposed of by GSA under its authorities. Accordingly, we are returning your report of excess.

Discussion of the letter with the GSA has revealed that it was based upon the informal oral advice of the attorneys for the GSA and that no written opinions were prepared.

On May 20, 1981, the BLM resubmitted its excess land report to the GSA and advised that "property" which can be disposed of by GSA "includes lands withdrawn or reserved from the public domain when such lands have been determined by the Secretary of Interior, with concurrence of the Administration of GSA, [as] not suitable for return to the public domain because they have been substantially changed by improvements or otherwise." The resubmission then indicated that the BLM had determined that the lands in question were unsuitable for return to the public domain. This document notes that the matter had been discussed by the Solicitor's Office in Washington with the GSA and that it was felt that the initial application had been returned by the GSA because it failed to state that the lands in question were unsuitable for return to the public domain.

The GSA responded to this resubmission again questioning whether it had any authority to dispose of O&C land under the Federal Property and Administration Services Act, and that in any event if they lands were transferred to GSA for disposal there could be no assurance that they would be retransferred to the Rogue Community College.

In an attempt to resolve this impasse, our office wrote to the GSA on October 16, 1981, indicating that while we were reluctant to advise GSA as to its authorities, it appeared that GSA had authority to dispose of all property which is excess to the needs of a federal agency unless the property falls within one of the specific exemptions cited in the Federal Property and Administrative Services Act. We noted that: The O&C lands are portions of public domain which were granted to the Oregon and California Railroad Company in aid of the construction of a railroad. Upon violation of certain covenants in the grant, the lands were revested to the United States by an act of Congress on June 9, 1916 (39 Stat. 218). If such O&C lands fall within any of the exceptions which deprive the GSA of disposal authority, this would appear to be the exception for "lands withdrawn or reserved

from the public domain." However, there is specifically excluded from this exception "lands or portions of lands so withdrawn or reserved which the Secretary of the Interior, with the concurrence of the Administrator, determines are not suitable for return to the public domain for disposition under the general public land laws because such lands are substantially changed in character by improvements or otherwise."

It was under this exclusion to the public domain exception that BLM reported the Rogue Community College site to the GSA. We also outlined the means by which the site could be transferred to the Department of Education and thence to the college if the GSA were willing to accept the property as surplus.

In response to the comments from our office the GSA advised by a letter dated November 4, 1981, that it would only consider the acceptance of the land if it received:

1. An unqualified certification that the BLM may properly, within its authorities and existing statutes, withdraw the lands at Grants Pass from their O&C classification, determine them to be "property" as defined under the Federal Property and Administrative Services Act of 1949, and report them excess to GSA for disposal.

2. A formal land determination from the BLM that the O&C lands in question, or a portion of them, are unsuitable for retention in the public domain together with a request that GSA concur in that determination.

Certain additional information was also requested from the BLM.

Because of the delays in disposing of this property to the colleage it became necessary to extend the existing lease. On November 5, 1981, a new 25 year lease was offered to the college at a rental of $50 per five year period. This offer was accepted by the college and the new lease was approved by the BLM on November 19, 1981.

LEGAL ANALYSIS

The O&C Lands were originally portions of public domain which were granted in aid of the construction of a railroad. Their subsequent history up to the time of revestment has been succinctly set forth as follows by the Ninth Circuit Court of Appeals in *Skoko* v. *Andrus*, 638 F.2d 1154 (9th Cir. 1979), *cert. den.* 444 U.S. 927, 62 L.Ed.2d 183 (1979):

Between 1866 and 1870, Congress granted almost 4,000,000 acres of land to the Oregon & California Railroad to promote the construction of a railroad from Portland, Oregon, to the California Border. The granting statutes contained a proviso, "That the lands granted . . . shall be sold to actual settlers only in quantities not greater than one quarter section to one purchaser, and for a price not exceeding two dollars and fifty cents per acre." *Oregon & California Railroad Co.* v. *United States*, 1915, 238 U.S. 393, 403, 35 S. Ct. 908, 913, 59 L.Ed. 1360.

The railroad was built, but the proviso was violated. As a result, Congress, by joint resolution, directed the Attorney General to enforce the proviso. 35 Stat. 571 (1908). In the ensuing action, *supra*, the Court held that the proviso was a covenant, not a condition. It therefore refused to forefeit the lands still owned by the railroad, ordered the covenant enforced, and gave Congress "a reasonable time" to frame the remedy. *Id*, at 438-39, 35 S. Ct. 908.

Congress responded with the Chamberlain-Ferris Revestment Act of June 9, 1916, 39 Stat. 218, which declared all undisposed of grant lands "hereby, revested in the United States." 39 Stat. 219.

In 1912 while federal court actions were in progress to forefeit these lands, the Congress passed what has been called the "Forgiveness Act" (Act of August 29, 1912, 37 Stat. 320). This act permitted the government to compromise with and issue patents to those persons who had purchased O&C lands from the railroad grantee. It also provided in Section 2 of the Act: That none of the lands reverting to the United States by virtue of any right of forefeiture thereto as aforesaid shall be or become subject to entry under any of the public-land laws of the United States, or to the initiation of any right whatever under any of the public-land laws of the United States.

This reflects the intent of Congress that upon any successful forfeiture action the forfeited lands would not be directly disposed of under the homestead, lieu land or other statutes which were then the subject of such controversy.

The status of any reacquired O&C lands was again considered by Congress during the hearings leading up to the Revestment Act of June 9, 1916, (39 Stat. 218). As reported at page 116 of the Hearings Before the Committee on the Public Lands, House of Representatives on H.J. Res. 58, 64th Cong., 1st Sess., February 24, 1916, it was indicated by C. J. Smyth, Special Assistant to the Attorney General that the above quoted provision of the Foregiveness Act of 1912 would have no application where the Congress rather than the courts provided for the revestment of the O&C lands to the United States. He concluded that: It might be (sic) well be said that if the title to these lands was resumed by the United States without any provision for their future disposition they would become subject to the public-land laws now in existence. In fact, I do not see at this moment how that conclusion could be escaped. If, therefore, Congress concludes to revest the title in the United States, it ought at the same time to provide for some disposition of the lands.

In order to avoid subjecting the revested O&C lands to the general public-land laws then in effect, Congress specifically provided under the terms of the Act of June 9, 1916 (39 Stat. 218) for the disposition of these lands. The act provides that the lands be classified into (1) power-site lands, (2) timber lands, or (3) agricultural lands; that the timber on the lands should be sold for cash; and that the non-mineral agricultural lands should be subject to entry and sale under the homestead laws. It further provided that rights of way could be granted across such lands in the same manner as for public lands and that mineral lands (other than those suitable for power sites) were subject to entry and disposition under the mineral-land law of the United States.

This statute was later amended and supplemented by the O&C Act of August 28, 1937, (43 U.S.C. § 1181a) which provided that lands classified as timber lands be managed for timber production in support of local communities and industries. It also provided for the reclassification of lands more suitable for agricultural use.

Based upon the special history of the O&C lands and the above statutes, the Department of the Interior has on several occasions issued opinions which concluded that Congress has set aside the O&C lands for the purposes specified in the 1916 and 1937 acts and that they may not be used or disposed of for purposes or by means not provided for by the Congress.

In an opinion dated March 9, 1940, the Solicitor advised the Secretary that: [C]ongress has specifically provided a plan of utilization of the Oregon and California Railroad revested lands. This plan among other things involves the disposal of lands and timber and the distribution of the moneys received from such disposition. It must be concluded that Congress has set aside the lands for the specified purpose.

In view of this the Solicitor concluded that a presidential withdrawal of the O&C lands as an addition to the Oregon Caves National Monument was not authorized since it would conflict with the requirements of the O&C Act.

One year later on August 25, 1941, the Assistant Secretary issued an instruction advising that the mining laws were in conflict with the timber management requirements of the O&C Act and therefore did not apply to such lands. (57 ID 365) In reaching this conclusion the Assistant Secretary noted that the O&C Act required the permanent retention of lands classified for forest management and their management for timber production and other purposes specifically stated in the act. He also noted that it was a well established policy of the Congress to reserve lands from disposal except where there existed express statutory provisions for their disposition citing the case of *United States* v. *Sweet*, 245 U.S. 563, 62 L.Ed 473 (1918).

The same conclusions as to the special status of the O&C lands was reached by the Associate Solicitor for the Division of Public Lands in an opinion to the Director of the BLM dated October 7, 1966. (M-36697) Here the Associated Solicitor stated that: Congress has in a special manner sought to preserve the interests of the United States, and of the beneficiary counties, in the O&C lands and in the valuable timber resources they contain. Clearly, these lands have a special status which sets them separate and apart from the public lands of the United States. In other words, the O&C lands have been "appropriated" by the Congress.

Since such lands are appropriated for special designated purposes the Associate Solicitor concluded that they were not available as Indian Allotments under 25 U.S.C. § 334.

The care which the Congress has continued to assert concerning the preservation of the O&C lands as a special category of appropriate land has already been alluded to with respect to the Recreation and Public Purpose Act (43 U.S.C. § 869(c)) which provides for the lease but not the sale of O&C lands. More recently with the passage of the Federal Land Policy and Management Act of 1976 (FLPMA) the Congress has provided at 43 U.S.C. § 701(b) that any provisions of FLPMA which are inconsistent with timber management or revenue disposal provisions of the O&C Act must give way.

Given the historical and legal background of the O&C land, the question remains as to how these lands are to be classified and managed with respect to the Federal Property and Administrative Service Act of 1949, as amended, 40 U.S.C. § 471 *et seq.* This statute provides for the disposal of certain surplus property of the United States by the General Services Administration. The property subject to such disposal is defined in the statute as follows: The term "property" means any interest in property except (1) the public domain; lands reserved or dedicated for national forest or national park purposes; minerals in lands or portions of lands withdrawn or reserved from the public domain which the Secretary of the Interior

determines are suitable for disposition under the public land mining and mineral leasing laws; and lands withdrawn or reserved from the public domain except lands or portions of lands so withdrawn or reserved which the Secretary of the Interior, with the concurrence of the Administrator, determines are not suitable for return to the public domain for disposition under the general public-land laws because such lands are substantially changed in character by improvements or otherwise; (2) naval vessels of the following categories: Battleships, cruisers, aircraft carriers, destroyers, and submarines; and (3) records of the Federal Government. (40 U.S.C. § 472(d))

In order to understand the place of the O&C lands within this definition it is helpful to examine the legislative history of the FPASA. In Senate Report 857 which accompanied the bill which amended the FPASA to its present general form in 1958, the term "public domain" was described as: Original public domain lands which have never left Federal ownership; also, lands in Federal ownership which were obtained by the Government in exchange for public lands or for timber on such lands; also, original public domain lands which have reverted to Federal ownership through operation of the public-land laws. S. Rep. No. 857, 85th Cong. 2nd Sess. (1957), *reprinted in* 1958 U.S. Code Cong. & Ad. News 2227, 2233.

Lands withdrawn or reserved from the public domain are further described in Senate Report 857 as follows: Two categories of federally owned real property may be said to fall within the term "reservations." Original public domain lands—lands to which title has been in the United States since acquisition—and withdrawn to a greater or lesser degree from the general operation of the public-land laws relating to settlement, entry, location, and sale, are "Federal reservations." So, too, are lands acquired or reacquired by the United States by purchase, condemnation, or by exchange for such purchased, condemned, or donated lands or for interests in or on such lands, and held for a specific public purpose. The term "withdraw" is used interchangeably with the term "reserve" to describe the statutory or administrative action which restricts or segregates a designated area of Federal real property from the full operation of the public-land laws relating to settlement, entry, location, and sales, which action holds them for a specific—and usually limited—public purpose.

Examples of reservations include: national forest reserve lands; national parks, monuments, and other units of the national park system; fish and wildlife refuges; petroleum, oil shale, coal, and other mineral reserves; recreation and wilderness areas; reclamation and power withdrawals or reservations; military reservations, and similar areas, all of which are held by some Federal agency for specified public purposes, and all of which may be created wholly from reserved original public domain lands, wholly from acquired or reacquired lands, or from portions of both. Other examples of Federal reservations, frequently created wholly from acquired lands, are post-office sites, weather stations, immigration and customs facilities, lighthouses, Federal courthouse sites, and the like. U.S. Code Cong. & Ad. News, *supra*, at 2233.

The recognition which Congress gave to the fact that upon revestment the O&C lands could be disposed of as any other public domain lands unless certain reservations were enacted has already been described with reference to the Forgiveness Act of 1912 and the Revestment Act of June 9, 1916. This taken together with the above description of the terms contained in the FPASA, makes it is clear that the O&C lands are reacquired public domain lands which have been reserved for those special purposes described in such statutes as the 1916 Revestment Act and the August 28, 1937 O&C Act (43 U.S.C. § 1181a *et seq.*) Because of their special reserved status they can only be disposed of in accordance with the mandate of Congress.

Such O&C lands can be sold for their fair market price in accordance with 43 U.S.C. § 203 so long as such sales would not be inconsistent with the timber management or revenue disposal provisions of the O&C Act as required by 43 U.S.C. § 701(b). Such lands can also be exchanged in accordance with 43 U.S.C. § 206. They can be leased but not sold in accordance with the Recreation or Public Purposes Act (43 U.S.C. § 869(c)). As reacquired public domain lands which have been reserved by Congress for a special purpose, the O&C lands do not fall within the definition of "property" as that term is used in the FPASA. While we indicated in our letter to the GSA on October 16, 1981, that lands reserved from the public domain which the Secretary of the Interior determined were not suitable for return to the public domain because of substantial changes in character by improvements could be disposed of under the FPASA, the present analysis of the legislature history of the O&C land makes it clear that since the Secretary has, in any event, no authority to return parcels of O&C land to the public domain, this provision of the FPASA is also inapplicable to the O&C lands. As noted earlier with respect to the attempted withdrawal of O&C lands as an addition to the Oregon Caves National Monument, only Congress can provide for the means by which the O&C lands may be disposed of. Therefore it is our opinion that without new legislation it will not be possible to exchange or sell these lands for less than their fair market value.

The suggestion has also been made that it might be possible for the FLM to dispose of the lands on which the Rogue Community College is located under 42 U.S.C. § 2704. That statute provides that: Notwithstanding any other provisions of law, the Director of the Office of Economic Opportunity shall establish procedures and make arrangements which are designed to assure that facilities and equipment at Job Corps centers which are being discontinued will, where feasible, be made available for use by State or Federal agencies and other public or private agencies, institutions, and organizations with satisfactory arrangements for utilizing such facilities and equipment for conducting programs, especially those providing opportunities for low-income disadvantaged youth, including, without limitation—

(1) special remedial programs;

(2) summer youth programs;

(3) exemplary vocational preparation and training programs;

(4) cultural enrichment programs, including music, the arts, and the humanities;

(5) training programs designed to improve the qualifications of educational personnel, including instructors in vocational educational programs; and

(6) youth conservation work and other conservation programs.

We do not believe the statute has any application to the present situation for a number of reasons. First, the Act relates to "facilities and equipment" only. There is no indication that Congress intended that it would provide the basis for the disposal of the title to federal land. Further, the statute merely provides that such "facilities and equipment" be made available for *use* by others, not that title passed. It also directs that such use be for special programs for disadvantaged youth, a purpose which at best may only make up a part of the program of education presently being offered by the Rogue Community College. In any event, in view of the specific Congressional mandate which has been laid down for the management of O&C lands it would be extremely difficult to imply a different and inconsistent use for the land on the basis of such a vaguely worded statute. In addition, the fact that the statute speaks in terms of Job Corps centers which are *being discontinued* appears to have little bearing upon a center which was discontinued in 1968, more than fifteen years ago and whose "facilities and equipment" were disposed of to the Community College under other statutory authority in 1971.

If we may be of further assistance in this matter please let us know. Your case file is returned herewith.

For the Regional Solicitor.

DONALD P. LAWTON,
*Assistant Regional Solicitor,*
*Pacific Northwest Region.*●

By Mr. HARKIN:

S. 1739. A bill to establish within the Department of Health and Human Services a permanent Federal Council on Nutrition and Health, and for other purposes; to the Committee on Labor and Human Resources.

NUTRITION AND HEALTH ACT

● Mr. HARKIN. Mr. President, today I am introducing the Nutrition and Health Act of 1989. This legislation will serve a key role in promoting the health of our citizens by establishing a central clearinghouse and focal point for current scientific information on the connection between nutrition and health.

Mr. President, few issues interest Americans as much as their personal health. That is true of the Members of the Senate and it's true of our families and our constituents. Health care costs are spiraling out of control in our Nation, stretching the budgets of the Federal Government, our State and local governments, employees and our individual families. We are all keenly aware of the need to restrain health care costs and have attempted to do so through a variety of means.

One of the most meaningful ways to restrain health care costs is by preventing the need for health care in the first place. Obviously, this is easier said than done. The human body is a complex entity that is only imperfectly understood by the best of us. Our knowledge of the causes of disease and the prevention of disease is increasing exponentially and yet we have only scratched the surface of understanding disease and the best methods for maintaining sound health.

Over the last 20 years, we have begun to understand, slowly, that nu-

trition is connected to health. What we eat and how we live has some causal connection to our chances of contracting certain diseases or adverse health conditions. As an example, the role of cholesterol in heart disease has become much more clearly understood in recent years and the role of diet in controlling cholesterol has also become better understood. Many of us have changed our lifestyles in response to this new information.

These new thoughts were discussed at the White House Conference on Food and Nutrition in 1969. Then, in 1974, the Senate Select Committee on Nutrition and Human Needs developed an extensive report on a number of aspects of nutrition and the role it plays not only in our individual lives, but in the health and productivity of our Nation. Our colleagues, Senators KENNEDY, DOLE, and CRANSTON served on that important committee which has made such a positive contribution to our Nation's understanding of the role and benefits of good nutrition.

More recently, in 1989, the Surgeon General of the United States issued his first report on nutrition and health which stated clearly that 5 of the 10 leading causes of death among Americans could be reduced through improved diet, nutrition, and life styles. The No. 1 cause of death in America is heart disease. It is responsible for more than 1 million deaths annually and costs Americans more than $60 billion annually. Most of those afflicted with this disease are unaware that it is directly related to their diets.

Earlier this year, the National Research Council issued a 3-year study entitled "Diet and Health: Implications for Reducing Chronic Disease Risk" which reviewed current nutrition research and further documented the connection between nutrition and the incidence of certain diseases and adverse health conditions. In addition, the NRC study contained a 6-page list of the existing gaps in our scientific knowledge in this important area. I must assume that this in only a partial list of what we do not know about the connection between nutrition and the incidence of certain diseases and adverse health conditions.

Mr. President, the American public is increasingly aware of and interested in good nutrition. Many of us in this Chamber have changed our dietary habits over the last few years in response to new information on nutrition. Our agricultural community and food processors are finding new improved methods of producing our foods and commodities in response to new information in this area. But all of us share a common problem: What nutrition information do we believe and where can we find solid information on nutrition?

Each year, the Federal Government spends over $300 million on nutrition research, but the information from that research and other nutrition research that is ongoing in this country and abroad is not always easy to locate.

The participants in the 1969 White House Conference on Food and Nutrition discussed the need "to expand the information about foods and nutrition that is available to the consumers." They found that "there is no central repository for nutrition data in the United States" and called for a "nutrition archive or data bank" to be established in the Department of Health, Education, and Welfare, which is now, of course, the Department of Health and Human Services.

Many of the observations made by the 1969 White House Conference were repeated in the 1974 report of the Senate Select Committee on Nutrition and Human Needs. The Select Committee found that the "quality of the Government's information on the status of nutrition and health is fragmentary, partial, improvised and unreliable," with policymakers unable to obtain "objective answers" to questions concerning the relationship betwwen nutrition and health. The committee found that there was an inadequate exchange of information on nutrition among research groups and noted a number of gaps in our base of knowledge. Finally, the Senate Select Committee recommended the establishment of a "nonpartisan publicly supported agency whose purpose it would be to collect, evaluate and disseminate information on healthful nutrition to the public."

The legislation that I am introducing today proposes one approach for addressing the need that was identified in 1969, in 1974 and, I believe, remains today: the need to gather in one place all the currently available scientific research into the connection between nutrition and health.

The Nutrition and Health Act of 1989 would establish a Federal Council on Nutrition and Health. The Council's mission will be to assemble all currently available nutrition research from our country and foreign countries, to identify and monitor the progress of ongoing research, and identify, where possible, areas where there exist gaps in our current knowledge. The Council will retain this information in retrievable and understandable form.

Mr. President, it also is important to understand the role the Council will not play. The Council will not make policy. The Council, and this legislation, will not take from any existing Federal agency any enforcement or policymaking authority in the area of nutrition and health. Rather, the Council will attempt to gather the information that can be used by others in the development of policy; that can be used by food companies and others in making their case to policymakers; that can be used by the media in communicating about nutrition and health; and, most importantly, that can be used by American consumers in making their individual choices about nutrition and health.

Mr. President, this Congress has the opportunity to make real strides in the area of nutrition. Our colleague from New Mexico, Mr. BINGAMAN, is leading an ongoing initiative that many of us support in the area of nutrition. The National Nutrition Monitoring legislation will coordinate current Federal surveys regarding the Federal Government's recommendations regarding nutrition. Our colleagues from Ohio and Rhode Island, Mr. METZENBAUM and Mr. CHAFEE, have introduced legislation that calls for changes in the labels on food packages. The purpose of this initiative is to provide sufficient information upon which the consuming public can select products of their own choosing.

The legislation I propose today provides an important and related third initiative in the nutrition arena. The choice of diet by American consumers and good public policy in the area of nutrition must be based on competent scientific information—information which is often hard to locate today. The proposed Federal Council on Nutrition and Health will gather the information and make it available for use by policymakers, consumers, food companies, agriculture, researchers, and the media.

Finally, Mr. President, I want to emphasize that my objective is to create a clearinghouse and increased focus for scientific information in the area of nutrition and health. A clearinghouse of the dimensions envisioned in this legislation does not exist today, although several existing agencies of the Federal Government have portions of this information gathered and could, perhaps, be expanded to provide this function. If during the coming legislative process it becomes clear that there is a better approach to achieve the clearinghouse function, then I am prepared to modify this legislation to adopt that better approach. My sole objective—an objective which I believe each of us share—is to provide an economical and efficient source of information regarding nutrition and health for use by the American people.

Mr. President, I encourage my colleagues to join me in this important initiative and ask that the Nutrition and Health Act of 1989 be printed in the RECORD.

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

S. 1739

*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 "Nutrition and Health Act of 1989".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) as indicated in the 1988 Surgeon General's Report on Nutrition and Health, human nutrition is directly related to human health including the incidence of certain diseases and adverse health conditions;

(2) the citizens of the United States exhibit an increasing interest in reliable information concerning nutrition and the relationship of nutrition to human health, and are making personal nutrition choices based on such information;

(3) citizens often receive conflicting and confusing messages about nutrition and the relationship of nutrition of health;

(4) increased attention to good nutrition and proper personal choices about nutrition will result in the improved health of citizens and reduced health care expenditures in the future by Federal, State, and local governments as well as by individual citizens;

(5) the information base of the Nation concerning nutrition and health is fragmentary, often difficult to identify, and includes significant gaps in knowledge concerning the relationship between nutrition and the occurrence of certain diseases and adverse health conditions and

(6) the general knowledge of and practice of good nutrition by citizens would be enhanced by an increased focus at the Federal level on the identification and dissemination of sound information on the relationship between nutrition and health and the gaps in knowledge that require additional research and attention.

(b) PURPOSE.—

(1) IN GENERAL.—The purpose of this Act is to establish within the Department of Health and Human Services a Federal Council on Nutrition and Health that will assemble the existing information on the relationship between nutrition and human health, monitor the progress of ongoing research, identify the aspects of the relationship between nutrition and health that require additional research, maintain the base of information in an understandable and retrievable fashion, and serve as a clearinghouse for information on the relationship between nutrition and human health.

(2) EXISTING FEDERAL AGENCIES.—This Act shall not remove from an existing Federal agency any existing authority or responsibility concerning nutrition and health.

SEC. 3. DEFINITIONS.

As used in this Act—

(1) COUNCIL.—The term "Council" means the Federal Council on Nutrition and Health, as established in section 4(a).

(2) SECRETARY.—The term "Secretary" means the Secretary of the Department of Health and Human Services.

SEC. 4. ESTABLISHMENT AND STAFFING OF THE FEDERAL COUNCIL ON NUTRITION AND HEALTH.

(a) ESTABLISHMENT.—There is established within the Department of Health and Human Services the Federal Council on Nutrition and Health.

(b) MEMBERSHIP.—

(1) APPOINTMENT.—The Council shall consist of nine voting members, of whom—

(A) three members shall be appointed by the President;

(B) three members shall be appointed by the Speaker of the House of Representatives, in consultation with the Majority Leader and the Minority Leader of the House of Representatives; and

(C) three members shall be appointed by the President pro tempore of the Senate, in consultation with the Majority Leader and the Minority Leader of the Senate.

(2) ELIGIBILITY FOR MEMBERSHIP.—The members of the Council shall be chosen from among individuals who are knowledgeable in the fields of health, human nutrition, food production and distribution, and agriculture. Such members shall be selected solely on the basis of an established record of distinguished service in the areas of expertise of such individuals.

(3) EX OFFICIO MEMBERS.—The Secretary and the Secretary of Agriculture shall be ex officio members of the Council.

(c) TERM OF OFFICE.—

(1) IN GENERAL.—Each member of the Council shall be appointed for a term of 3 years, except that members appointed to the initial Council shall serve, proportinately, for terms of 1, 2, and 3 years, as determined by the Secretary at the time of appointment.

(2) VACANCY.—A member of the Council who is appointed to fill a vacancy in the Council occurring prior to the expiration of the term for which the predecessor of such member was appointed, shall be appointed by the same individual who appointed such predecessor pursuant to subsection (b)(1) for the remainder of such term.

(3) EXPIRATION OF TERM.—A member of the Council may serve after the expiration of the term of office of such member until the successor for such member has taken office.

(4) ELIGIBILITY FOR SUCCESSIVE TERMS.—A member of the Council shall be eligible to serve successive terms of office.

(d) LEADERSHIP OF COUNCIL—

(1) SELECTION.—A Chairperson and a Vice Chairperson of the Council shall be selected by the President from among the members of the Council.

(2) TERM OF OFFICE.—The Chairperson and Vice Chairperson of the Council, as referred to in paragraph (1), shall serve for terms of 3 years.

(e) MEETINGS OF COUNCIL.—

(1) FREQUENCY OF MEETINGS.—The Chairperson of the Council, as referred to in subsection (d), shall convene a meeting of the Council not less than once during each 3-month period.

(2) QUORUM.—At a properly convened meeting of the Council, the presence of five Council members shall constitute a quorum.

(f) COMPENSATION.—A member of the Council shall be paid or reimbursed for travel to and from the place of service of such member and for other expenses associated with the responsibilities as a member of the Council.

(g) STAFF.—The staff of the Council shall be permanent Federal employees of the Department of Health and Human Services of such rank, grade, and function as considered to be appropriate by the Secretary.

SEC. 5. RESPONSIBILITIES OF THE COUNCIL.

(a) IN GENERAL.—The Council shall—

(1) assemble the existing information on the relationship between nutrition and health;

(2) identify and collect the ongoing research within the various Federal, State, and local governmental agencies, the private sector in the United States, and in foreign countries;

(3) identify the aspects of the relationship between nutrition and health that require additional research;

(4) monitor ongoing research into the role of nutrition in health, including—

(A) methods by which the nutritional value of domestically produced food products may be improved;

(B) the relationship between the consumption of specific foods and nutrients and the incidence and treatment of specific diseases and conditions; and

(C) the optimal level of foods and nutrients that are appropriate under various health conditions to maximize specific human capabilities;

(5) monitor the progress of nutrition education efforts among the health profession, other segments of the society, and the general public; and

(6) maintain an understandable and retrievable database of existing scientific information on the relationship of nutrition and health and serve as a clearinghouse for such information.

(b) RULES AND REGULATIONS.—The Council is authorized to adopt such rules and regulations as may be necessary to carry out this Act.

SEC. 6. RESPONSIBILITY OF OTHER FEDERAL AGENCIES TO COOPERATE WITH THE FEDERAL COUNCIL.

Each Federal agency and private entity that is performing nutrition research that is completely or partially funded by federally appropriated funds shall cooperate with the Council by informing the Council of the research of such agency or entity, and by filing a copy of the final report of the product of such research with the Council.

SEC. 7. TREATMENT OF INFORMATION ON FILE.

Submission of information or data on the relationship between nutrition and health to the Council shall not affect statutory or common law trademark status, copyright, or patent rights.

SEC. 8. REPORTS.

(a) IN GENERAL.—Not later than December 31 of each year, the Council shall submit a report to the Secretary on the progress of its work and any areas of suggested research into the relationship between nutrition and health.

(b) DISTRIBUTION.—Following the receipt by the Secretary of the annual report of the Council under subsection (a), the Secretary shall immediately distribute such report, along with recommendations of the Secretary regarding such report, to the President, the Secretary of Agriculture, and the appropriate authorizing and appropriating committees of the Congress as well as to such other agencies and departments as the Secretary considers appropriate.

SEC. 9. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out this Act.●

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By Mr. BINGAMAN (for himself and Mr. FORD):

S. 1740. A bill to establish a research and demonstration program to promote cofiring of natural gas and coal in certain boilers, to provide Federal funding and tax incentives to carry out the program and to clarify the status of cofired electric utility or industrial boilers for purposes of new source performance standards; to the Committee on Finance.

COFIRING PROMOTION ACT

● Mr. BINGAMAN. Mr. President, I rise on behalf of Senator FORD and

myself to introduce the Cofiring Promotion Act of 1989, legislation that will provide incentives for the demonstration and deployment of natural gas cofiring technologies.

Natural gas is our Nation's cleanest fossil fuel. Its combustion emits virtually no particulates, sulfur oxides, or reactive hydrocarbons, and it produces far lower emissions of nitrogen oxides per unit of energy than oil or coal. Natural gas produces only about half as much carbon dioxide per unit of energy as coal. What this adds up to is that natural gas can play an important part in achieving the emissions reductions that will be required when the Congress reauthorizes the Clean Air Act.

Cofiring refers to burning natural gas and coal together in the primary combustion zone of the same boiler. Basic natural gas cofiring involves the injection of natural gas with pulverized coal into the primary combustion zone of a boiler. Since natural gas contains virtually no sulfur or nitrogen, its substitution for a certain percentage of coal will naturally reduce emissions of sulfur dioxide [$SO_2$] and oxides of nitrogen [$NO_x$]. These two air pollutants are the precursors of acid rain. Tests have indicated that cofiring is potentially one of the most cost-effective ways to reduce $SO_2$ and $NO_x$ emissions.

Duquesne Light Co., Consolidated Natural Gas Co., and the Gas Research Institute recently completed a cofiring demonstration at Duquesne's Cheswick powerplant, north of Pittsburgh. The demonstration program documented a 25 percent reduction of $NO_x$ emissions using 6 to 10 percent natural gas cofiring. The program also documented greater than proportional reductions of $SO_2$ emissions under certain operating conditions. Clearly, this technology is worth pursuing.

In addition to $SO_2$ and $NO_x$ emissions reductions, cofiring offers other advantages. First, cofiring offers a substantial number of operating flexibilities and efficiencies for electric utility and industrial coal plants and can help old plants operate at or near their rated capacities. Second, using natural gas in coal boilers can widen the range of coals that can be burned. Third, all of this can be accomplished at a very low capital cost and with virtually no technological risk.

In the context of the clean air debate, basic cofiring can be an important bridge technology. Basic cofiring promises to be a cost-effective means for electric utilities with older coal burning plants to achieve emissions reductions during the period preceding the commercial availability of innovative clean coal technologies. Without cofiring, electric utilities will be left with the choice between phasing out still useful old powerplants or making exceptionally large capital investments in retrofitting such plants with scrubbers.

Furthermore, cofiring might actually help to preserve mining jobs by making it possible for utilities to continue to burn high-sulfur coal. In many instances, scrubbers may be impractical. Cofiring will make it possible for electric utilities to continue to use their existing coal supplier when a powerplant would otherwise be forced to switch to low-sulfur coal, reduce output, or even close.

Advanced natural gas cofiring technologies promise to achieve even greater emissions reducitons at low capital cost. These technologies are known as gas reburn technologies. This term refers to the injection of natural gas into the upper furnace region of a boiler to produce a fuel-rich zone that reduces $NO_x$. Tests indicate that 20 percent natural gas cofiring in a reburn application can reduce $NO_x$ emissions by 60 percent and $SO_2$ emissions by 20 percent. When mated with sorbent injection technology, gas reburn can produce a 50-percent reduction in $SO_2$ emissions. A demonstration project using as reburn with in-duct sorbent injection was selected for Federal cost sharing as part of the first round of the Department of Energy's Clean Coal Technology Program.

While basic cofiring technology is commercially available, further testing and full-scale demonstrations are needed. Some of the questions that remain to be answered include:

What is the optimal level of natural gas injection to achieve the maximum environmental and operational benefits of cofiring?

What influence might the use of different boiler types or different coal types have upon the effectiveness of cofiring,

In short, what is needed is a program to obtain critical operating data to define the optimum conditions for using cofiring to reduce emissions. This data will enable utilities and large industrial boiler operators to proceed with confidence in retrofitting their existing coal-fired boilers to accept cofiring.

The Cofiring Promotion Act of 1989 establishes just such a program. First, this legislation authorizes the Secretary of Energy to administer a 3-year, $18 million program for the research, development, and demonstration of cofiring technologies. Second, this legislation provides certain tax incentives to promote research and demonstration of these technologies. Third, this legislation clarifies that electric utility and industrial boiler operators that retrofit their faciltiies with cofiring technologies will not subject themselves to new source permitting review or the new source performance standards under the Clean Air Act. Similar legislation has been introduced in the House of Representatives by Congressman RALPH REGULA.

In closing, cofiring technology has demonstrated great promise. The legislation that Senator FORD and I have introduced today is a modest measure that will help to ensure that this technology will live up to its promise when the time comes for compliance with the anticipated reauthorization of the Clean Air Act. I urge my colleagues to joint Senator FORD and me in sponsoring the Cofiring Promotion Act of 1989.

Mr. President, I ask unanimous consent that a section-by-section analysis and the text of the bill that I have introduced be printed in the RECORD.

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

S. 1740

*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 "Cofiring Promotion Act of 1989".

SEC. 2. FINDINGS.

The Congress recognizes that—

(a) coal is an enormous domestic resources;

(b) harmful emissions from the combustion of coal will limit the percentage of the resource base which is deemed "useable.";

(c) natural gas is an abundant domestic resource that has superior environmental qualities;

(d) certain technologies combine natural gas with coal in order to reduce sulfur dioxide ($SO_2$) and nitrogen oxides ($NO_x$) emissions, particulates and carbon dioxide ($CO_2$) from the combustion of coal; and in some boilers improves the operating efficiency of the boiler by reducing slagging;

(e) certain technologies offer the potential to extend the usable coal resource base in the United States;

(f) the United States will continue to rely on domestic coal as a primary fuel in electric generation.

Therefore, it is in the national interest to encourage the utilization of those natural gas technologies that reduce ($SO_2$) and ($NO_x$) emissions resulting from the combustion of coal.

SEC. 101. RESEARCH AND DEMONSTRATION PROGRAM.

(a) The Secretary of Energy shall establish and carry out a program of research, development and demonstrations of cofiring natural gas with coal in utility and large industrial boilers in order to determine optimal natural gas injection levels for both environmental and operational benefits;

(b) The Secretary shall enter into cooperative agreements with, and provide financial assistance, under this section, to appropriate parties for application of cofiring technologies to boilers to demonstrate this technology;

(c) There is authorized to be appropriated to the Secretary not more than $6 million for each of the fiscal years 1990, 1991 and 1992 for purposes of this Section.

SEC. 102. INCENTIVES FOR COFIRING.

(a) CREDIT FOR RESEARCH AND DEMONSTRATION.—Section 41(d)(3)(A) of the Internal

Revenue Code of 1986 is amended to read as follows:

(A) IN GENERAL.—Research shall be treated as conducted for the purpose described in this paragraph if it relates to—

"(i) a new or improved function,

"(ii) performance,

"(iii) reliability or quality, or

"(iv) cofiring natural gas with coal in order to improve the coal combustion process and reduce sulfur dioxide and nitrogen oxides emissions from the coal.".

(b) FIVE-YEAR RECOVERY OF COST OF COFIRING EQUIPMENT.—Section 168(i)(11) of the Internal Revenue Code of 1986 is amended to read as follows:

"(11) RESEARCH AND EXPERIMENTATION.—The term 'research and experimentation' includes—

"(A) the same meaning as the term research and experimental has under section 174, or

"(B) equipment that cofires natural gas with coal in order to improve the coal combustion process and reduce sulfur dioxide and nitrogen oxides emissions from the coal.

(c) EXCLUSION FROM ALTERNATIVE MINIMUM TAXABLE INCOME.—Section 56(a)(1)(B) is amended to read as follows:

"(B) EXCEPTION FOR CERTAIN PROPERTY.—This paragraph shall not apply to property described in paragraph (1), (2), (3), or (4) of section 168(f) or property described in (11)(B) of section 168(i).

(d) COFIRING AND NEW SOURCE PERFORMANCE STANDARDS.—Section 302 of the Clean Air Act is amended by adding a new section as follows:

"(r) the terms 'modifications' and 'reconstruction' shall have the meaning provided by regulations promulgated by the Administrator, provided that such terms shall not include any physical change or change in the manner of operation of an electric utility or industrial boiler related to cofiring natural gas with coal."

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SECTION-BY-SECTION ANALYSIS OF THE COFIRING PROMOTION ACT OF 1989

Section 1: Short Title—The short title of this legislation is the Cofiring Promotion Act of 1989.

Section 2: Findings—It is found that it is in the national interest to encourage the utilization of natural gas cofiring technologies that reduce sulfur dioxide ($SO_2$) and nitrogen oxide ($NO_x$) emissions resulting from the combustion of coal.

Section 101: Research and Demonstration Program.

Subsection (a): The Secretary of Energy is authorized to carry out a research, development and demonstration program to determine optimal natual gas cofiring levels for environmental and operational benefits in electric utility and large industrial boilers.

Subsection (b): The Secretary of Energy shall enter into cooperative agreements to demonstrate cofiring technolgies.

Subsection (c): Not more than $6 million is authorized to be appropriated in each of fiscal years 1990, 1991 and 1992 for the purposes of this section.

Section 102: Incentives for Cofiring.

Subsection (a): The definition of "qualified research" for purposes of the credit for increasing research activities under section 41 of the Internal Revenue Code of 1986 is expanded to include research relating to cofiring natural gas with coal for purposes of improving the coal combustion process and reducing $SO_2$ and $NO_x$ emissions from coal.

Subsection (b): Cofiring equipment shall qualify for five-year cost recovery under the Internal Revenue Code of 1986. The definition of "research and experimentation" for purposes of the accelerated cost recovery system under section 168 of the Code is amended to include cofiring equipment.

Subsection (c): Section 56 of the Internal Revenue Code of 1986 which details adjustments in computing alternate minimum taxable income is amended to include cofiring equipment among the property excluded for purposes of computing alternate minimum taxable income.

Subsection (d): The status of electric utility and industrial boilers that use natural gas cofiring is clarified for purposes of new source permitting review and new source performance standards under the Clean Air Act. In particular, the terms "modification" and "reconstruction" shall not include any physical or operational change related to cofiring natural gas with coal in an electric utility or industrial boiler. Since natural gas cofiring provides a cost-effective means to reduce $SO_2$ and $NO_x$ emissions from coal-fired boilers, it should not be subject to the modification/reconstruction provisions of the Clean Air Act which were intended to prevent sources from being rebuilt without complying with new source performance standards.●

● Mr. FORD. Mr. President, I am pleased to join the Senator from New Mexico [Mr. BINGAMAN] in sponsoring legislation which I believe will make a major contribution toward alleviating an important environmental concern while at the same time perserve the jobs of coal miners in my State and elsewhere in the coalfields.

What we are talking about is combining two of our country's greatest fuel resources—coal and natural gas—in establishing a meaningful research and development program to promote cofiring of these two fuels.

Although there is some existing research taking place as part of DOE's Clean Coal Program, a much more focused effort should be made by the Government and the private sector as early as possible. It is time to step up the research and provide the incentives to get this technology in the marketplace.

Mr. President, cofiring is a modest portion of the current clean coal program of DOE. In fact, five projects have been selected for DOE funding, one each in Ohio and Indiana and three in Illinois, to test various methods of cofiring natural gas with coal in different types of utility boilers. This technology combines the clean burning characteristics of natural gas with the attractive economics of existing base load coal powerplants. For certain types of boilers, combined coal-natural gas technologies may be the only practical method of achieving substantial $SO_2$ and $NO_x$ reductions.

What we need to do is expand and emphasize this program. Our legislation will do this.

Without being too technical, the cofiring of natural gas with coal can be divided into three separate categories: basic cofiring, natural gas reburn, and reburn with sorbent injection. Let me briefly describe each technology and its benefits.

First, simple cofiring of natural gas with coal involves the injection of gas into the boiler to provide a fraction of its total heat input. Originally, it was thought that this technique would reduce the amount of $SO_2$ and $NO_x$ emissions in the same proportion that gas was used in the boilder. However, recent experience with the Cheswick power station in Pennsylvania found that even greater than proportional reductions of $SO_2$ occurred. That test, which involved a 570 megawatt tangentially-fired boiler, found that cofiring 1 percent to 3 percent gas could obtain $SO_2$ reductions or approximately 3 percent to 10 percent. Similarly, 6 percent to 12 percent cofiring could reduce $NO_x$ by 10 percent to 15 percent.

Second, reburn technology is aimed at reducing powerplant $NO_x$ emissions. It also involves using gas as a small portion of the boiler fuel, but unlike basic cofiring, reburn technology involves injecting that fuel into a zone beyond the primary combustion zone to create a natural gas rich "reburn" zone. Overfire air is added in a final burnout zone to complete the overall combustion process. In this reburn zone, much of the $NO_x$ present is converted to elemental nitrogen. Pilot tests indicate that a majority of cyclone boilers could successfully apply this technology in order to reduce their $NO_x$ emissions by approximately 60 percent. It is particularly significant that reburn technology is effective in reducing emissions from cyclone boilers, as no commercially demonstrated combustion modification technique exists for these boilers.

Third, gas reburn with sorbent injection refers to combining reburn techniques with the injection of dry calcium-based sorbent in the overfire air area of the boiler to reduce $SO_2$ emissions. This method of sorbent injections avoids the cost and complexity of other systems of sorbent injection, improves sorbent utilization, and reduces the amounts of sorbent required. Using 15 to 20 percent proportion of natural gas in a reburn/sorbent injection configuration can achieve the $NO_x$ reductions cited above and also reduce $SO_2$ emissions by 50 percent.

The economics of using a particular natural gas cofiring technology at any given utility facility depend on various factors, including capacity, technical options, age of the plant, capacity factors, the sulfur content of the coal used, and the availability of gas.

One reason that cofiring is so promising is that the top 100 $SO_2$ emitting powerplants are an average of 5 miles from a natural gas pipeline, and sometimes are that close to two or more pipelines.

Mr. President, I made reference to the positive impact a successful cofiring technology could have on both the natural gas and coal industries if it is brought to the marketplace. We know that undoubtedly pending environmental legislation is going to impact today's utility industry and adversely affect employment in the high sulfur coal industry. That is the thrust of the President's program. We need to do all we can to minimize the economic dislocation a new regulatory regime would impose.

Cofiring could, in many instances, actually help protect certain mining jobs that might otherwise be in jeopardy.

Faced with the need to reduce emissions from existing plants, utilities can choose to install a scrubber, switch to low sulfur coal, or cofire. Undoubtedly, the scrubber option will preserve current coal industry employment patterns by allowing plants to continue using the current coal supplies. But for many plants, scrubber may be impractical—scrubbers economics will be less favorable for older and smaller plants. In other cases, plants may not have the physical space for a scrubber, or an operator may need to achieve $NO_x$ reductions in addition to $SO_2$ reductions. In these instances, the choice is between fuel switching, plant output reductions, and cofiring. Given these alternatives, cofiring preserves jobs by allowing plants to remain in normal operation and use current coal supplies.

A significant number of plants could be in this situation. While it is difficult to determine with precision the thresholds beyond which scrubbing becomes impractical, there are 550 boilers units under 300 MW in size and over 30 years of age. These 550 plants burn 84 million tons of coal annually which, based on industry employment indices, would support the employment of 16,000 mine workers.

Thus the employment impacts of cofiring must be viewed in light of the alternatives facing the utility. In many cases, cofiring may be the least disruptive and most economic option and may preserve jobs that would otherwise be lost.

By generating additional demand for natural gas, cofiring would also help stimulate additional employment opportunites in the gas production sector. An economic impact study done at Southern Methodist University assessed the impact of higher natural gas production in Texas on employment. The study found a potential gain of 22,614 new jobs in Texas from an increase of just 379 Bcf of natural gas production. Based on this relationship, the employment growth resulting from expanded gas demand of 200 Bcf of 750 Bcf would be 12,000 to 45,000 jobs.

Natural gas cofiring is one of the most promising and cost-effective near-term clean fuel technologies, especially or retrofitting existing coal-fired boilers. As I noted, several demonstration projects are currently being funded through DOE's Clean Coal Program, but this option should be given a higher priority within the Department and encouraged in the marketplace.

Again, I am pleased to join with Senator BINGAMAN in supporting a new initiative into this promising area. I urge our colleagues in the Senate to join us in this worthwhile effort.●

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By Mr. McCAIN (for himself, Mr. DANFORTH, and Mr. BOND):

S. 1741. A bill to amend the Federal Aviation Act of 1958 to increase competition among commercial air carriers at the Nation's major airports, and for other purposes; to the Committee on Commerce, Science, and Transportation.

AIRLINE COMPETITION ENHANCEMENT ACT

● Mr. McCAIN. Mr. President, 11 years ago we deregulated the U.S. airline industry. Through the first few years deregulation worked as its promoters predicted: 215 new airlines were formed, prices were slashed, more Americans flew than ever before. Competition effectively replaced regulation to the consumers' benefit. However, over the last couple of years some disturbing trends have developed.

The industry has lost its early vitality. Only 59 of the 215 airlines remain in some form. The People Expresses and Frontiers have disappeared. The top eight airlines now control nearly 90 percent of the market, up from 78 percent at the time of deregulation. Recent studies by the General Accounting Office, the Department of Transportation, even the Air Transport Association show a direct correlation between increasing concentration at certain airports and higher fares. The evidence also indicates that concentrated markets have failed to move in the opposite direction.

I fear that we are entering, if we have not entered, a state of de facto reregulation. This is not the promise of deregulation. This will not result in long-term benefits to the consumer nor to the industry. We must find a way to reverse these trends. Today, together with the ranking member of the Committee on Commerce, Science, and Transportation, I am introducing legislation designed to address what we consider to be the most egregious airline practices that are inhibiting competition.

The Commerce Committee's Aviation Subcommittee has held 3 days of hearings over the last year, at which we examined the findings of three GAO studies, one DOT study and part of another, as well as one industry study. The legislative recommendations we are making have been based on this exhaustive examination. Additionally, Aviation Subcommittee Chairman FORD has assured us that he will give this measure prompt and complete examination.

The first area the legislation addresses is computer reservation systems. There is virtual unanimity that something must be done in this area to restore the competitive balance. We believe the cleanest answer to this problem is to separate CRS's from airlines. Currently, $300 million is transferred from have-nots to haves by way of booking fees. Also, estimates range from 10 to 15 percent of the bookings on an airline owning one of the top CRS's come from the fact of this ownership, not from some competitive factor associated with the airline service.

In conjunction with the above, we proposed to outlaw code sharing. This is when two independent airlines share the same two-letter code on the CRS screen. This stifles competition at the regional level. One flying from across country to a rural town will believe they are flying the same airline when they are not. Because of code sharing they may not realize that competition exists from a hub to a particular spoke destination.

We also propose to remedy the oversight of the Deregulation Act that failed to lift the prohibition on FTC action in the airline field. Every other deregulated industry is subject to FTC oversight. The airlines should be no different.

The next section of the legislation would amend section 411 of the Federal Aviation Act. This is a little known and little used law which theoretically gives DOT the ability to police unfair competitive practices in the airline industry. We would strengthen that section. Besides CRS's, the area most discussed as needing action is access to the actual facilities at airports. This section would give airlines wishing to begin service at a particular airport the ability to crack concentrated hubs.

In conjunction with the above, the legislation calls for a new approach to slot-constrained airports. The GAO, when asked what they considered the number one problem in the industry, responded that it was access to slot-constrained airports. We would call on DOT to construct a new mechanism that would lease such slots in a more competitive fashion.

Finally, we would give the Secretary of Transportation the authority to waive the antihead tax law in limited circumstances. If an airport is concentrated and in need of new facilities, we want to give them flexibility to do so, consistent with our National Transportation Policy. This waiver is limited

to capacity, security, and noise abatement.

I believe the facts are clear. Action is needed. This measure contains our view of what is appropriate. We welcome the views of all, there will be opportunity for expression. However, we must move forward.●

● Mr. DANFORTH. Mr. President, when Congress passed the Airline Deregulation Act, our intention was to substitute competition for regulation. We believed that vigorous competition would ensure consumers quality, low-priced service.

In the early years of deregulation it looked like we had made a good choice. We saw the creation of 215 new airlines. Many of those new airlines were aggressive, low-cost carriers that brought air fares down.

Mr. President, recently something has gone terribly awry with airline deregulation. Only 59 of those 215 new airlines have survived. Virtually all of the low-cost carriers, such as World, Capitol, Air Florida, Frontier, and People Express, have vanished.

My home State of Missouri presents two good examples of the problems with airline deregulation. In St. Louis, TWA has purchased its major competitor, Ozark, and has contructed a "fortress hub." It controls 81 percent of the gates and its share of boarding passengers has reached 82 percent. On the other hand, in Kansas City, Braniff Airlines, a medium-sized carrier, has just filed for reorganization under chapter 11 of the bankrupty laws. Its GEO, William McGee, explained that it could not compete with the mega carriers that have arisen since deregulation because of their marketing advantages, such as computer reservation systems, and their control of airport facilities and slots at capacity-controlled airports. Braniff's problems have had repercussions around the State. Service has been reduced or eliminated by Braniff and its commuter affiliates in Columbia, Joplin, Kirksville, and Springfield.

Missouri's airline passengers are facing problems that are shared by travelers across the country. Consumers are not getting the benefits that vigorous competition was supposed to provide.

Mr. President, these problems have arisen because airlines have been allowed to purchase their competitors. As a result, we now have eight mega carriers that control 90 percent of the U.S. air travel market. Moreover, airlines have changed the way in which they operate from linear patterns to hub-and-spoke systems. The dominant airlines have kept competition down at their hubs by using their control of terminal space, baggage carousels and gates to deter new entry. Finally, the marketing and pricing practices of the dominant airlines have greatly reduced the life expectancy of small- and medium-sized carriers.

Numerous studies requested by the Commerce Committee demonstrate that the concentration of the airline industry and the anticompetitive practices of the mega carriers are driving up air fares. The General Accounting Office [GAO] reported that at St. Louis, TWA was able to raise its prices three times higher than the average national fare increase in the year after it merged with Ozark. The GAO also reported that, at concentrated hub airports, dominant airlines received 27 percent higher average fares than airlines get at nonconcentrated airports. Further, it found that in 13 of 15 cases, the dominant airline at an airport is getting a higher average fare than the nondominant airlines operating out of those airports.

A Department of Transportation [DOT] study confirmed the results of the GAO's work. It found that between 1985 and 1988, fares at seven of nine concentrated airports surveyed rose at two to three times the 11-percent increase in the national average of air fares.

At the same time that dominant airlines have been growing and raising fares, new entrants and smaller competitors have been systematically eliminated. Through purchases or joint marketing arrangements the large carriers have obtained control 48 of the 50 largest regional airlines. The ability of smaller carriers to grow has been inhibited by the major carriers obtaining 20- to 40-year leases on gates at the busiest airports. A new airline must pay exorbitant fees to gain access to these gates. For example, in Detroit, Southwest Airlines pays Northwest Airlines $150 per flight to use a gate. This is 19 times what Northwest pays the airport authority for gate space. The former president of People Express, Harold J. Pareti, believes the mega airlines advantages are so great that starting a national carrier today is an impossible dream.

SOLUTIONS

Mr. President, we know what the problems are. At the Commerce Committee's urging, four reports have been done, three by GAO and one by DOT. Another DOT report is underway. The committee had 3 days of hearings on these reports. All the evidence points to the same conclusion. Concentration, anticompetitive practices and capacity limits are raising air fares. Given this knowledge, our mission is to breathe new life into fading airline competition. Today we are taking the first step by introducing the Airline Competition Enhancement Act of 1989. If enacted, the bill would eliminate barriers to entry and anticompetitive practices that are keeping airlines from providing the public quality air transportation at reasonable prices. Our proposal is divided into two parts. First, it would reduce the market power of dominant airlines by divestiture of computer reservation systems, eliminating code-sharing and providing avenues for challenges to dominant airlines' predatory pricing and stranglehold on airport facilities. Second, it would work to expand capacity by opening up slot-constrained airports and permitting the use of passenger facility charges to expand airports.

1. MARKET POWER CONTROLS.—DIVESTITURE OF COMPUTER RESERVATION SYSTEMS

Our bill would require the mega carriers to sell their computer reservation systems [CRS]. CRS's are used by travel agents to make 85 percent of airline reservations. DOT studies have found that travel agents favor CRS-owning airlines in booking flights. This is not surprising since CRS owners require travel agents to book a minimum number of their flights on the system. Moreover, the CRS-owning airline can out-maneuver its competitors because it updates its own fare and seat availability in the system more quickly than its competitors' information. CRS owners charge non-owner airlines a booking fee of about $2 a flight segment. This gives the CRS-owning airline an annual subsidy of $300 million from their competitors. If a fledgling airline attempts to create its own CRS, it finds that the travel agents have contracts that severely penalize them for switching from one CRS to another.

The mega airlines recognize the advantage a CRS gives them. Earlier this year, American Airlines attempted to sell an interest in its CRS to Delta Air Lines for half a billion dollars.

It is time to level the playing field. Our bill would require the CRS-owning airlines to sell their systems to nonairlines. This would eliminate favoritism resulting from "minimum use" requirements and penalties for switching from one airline's system to another. It would also keep CRS owners from accumulating a war chest from booking fees to fend off competitors.

ELIMINATING CODE-SHARING

Our bill would invigorate small and regional airline competition by eliminating code sharing. Under code sharing, a large airline shares its CRS two letter designation with a commuter airline. When a travel agent books a flight, the CRS shows the large carrier providing service from smaller communities to many destinations, although the display does not show that some travel takes place on commuter airlines.

This practice reduces competition in three ways. First, because travelers are led to believe that the flight takes place on a single airline, such arrangements make it more difficult for a new carrier to challenge an established car-

rier at its hub. Second, it reduces competition among small airlines. A commuter with a code-sharing arrangement gains an advantage over its rivals because it is fed passengers by the dominant airline. Finally, the small and regional airline sector used to be a fertile breeding ground for carriers that would grow to challenge big carriers in long haul markets. Now many of these small carriers opt for a cozy market division with their bigger code-sharing partners, rather than aggressively challenging them on longer routes.

By eliminating code sharing, our bill will give all commuters an equal chance to have their flights booked by a travel agent. Passengers will also know that they are flying a commuter for a leg of their flight.

THE FEDERAL TRADE COMMISSION AND ANTI-COMPETITIVE PRACTICES

Targeted pricing by dominant airlines has driven low-cost, fare-cutting airlines out of business and has kept others from expanding. For example, this summer, medium-sized Midway Airlines tried to challenge mega-carrier Northwest Airlines at its Milwaukee hub. Northwest responded by cutting prices at Midway's mini-hub at Chicago's Midway Airport and by skillfully using its CRS and fare management abilities to match Midway's low Milwaukee fares. Within 3 weeks, Midway called off its fare war.

Our bill would encourage challenges to dominant airlines by extending the Federal Trade Commission [FTC] Act prohibitions against unfair competition and unfair practices to the airline industry. Airlines are no longer regulated so the only way they are governed is through competition. They should play by the same antitrust laws as other industries. Applying the FTC Act to airlines will allow airlines who suspect they are the target of unfair pricing techniques to seek relief from the FTC. It would also enable them to challenge dominant carriers' control of terminal, gate and baggage handling facilities.

STRENGTHENING SECTION 411 OF THE FEDERAL AVIATION ACT (FAA ACT)

Section 411 of the FAA Act is a little used provision that gives the Secretary of Transportation authority to hear complaints by airlines and travel agents about unfair methods of competition or deceptive practices. Our bill would make it easier to bring a claim under this provision. It would create a presumption that a dominant airline at a hub had acted unfairly or deceptively if a complaint were filed against it. The Secretary would hear evidence and could issue a cease and desist order or go to Federal court and get an injunction to stop unfair practices. For example, a carrier could use this authority to challenge a dominant airline if it used a majority-in-interest clause in an anticompetitive way. These clauses give the big airlines power over airport expansion or improvements that would be funded by landing fees. Challenges might also be raised to long-term—20- to 40-year—exclusive leases for airport facilities and to dominate carriers' attempts to extract exorbitant fees for subleasing these facilities.

2. INCREASING AIRPORT CAPACITY—OPENING UP SLOTS

Slots are takeoff and landing rights at four important airports: Chicago O'Hare, Washington National, and Kennedy and LaGuardia in New York. According to GAO, slots affect air traffic around the whole country, because airlines want to reach slot-constrained airports from other points.

In 1985, we saw one of the great Government giveaways of all time when DOT gave airlines, without charge, the slots they were then holding. DOT allowed them to buy and sell these scarce rights, which have commanded prices of up to $1 million each. Even at this price, airlines have found that slots are too precious to be sold. During a 9-month period in 1986, there were 384 slot sales but during the first 9 months of 1988, there were only 61. Slot holders know that without a slot, no competitor can enter a market with one of these four airports as an end-point. Small or medium-sized airlines cannot afford slots and even if they could, those holding them will not sell.

Our bill would eliminate the buy-sell rule and recapture the windfall that was given the dominant airlines in 1985 by taking the slots back and auctioning them off. The proceeds of the auction would go for airport expansion, which will help eliminate capacity problems at overcrowded airports. Also, it would encourage new entry by giving entrants slot preferences and limiting the number of slots any airline can own.

PERMITTING PASSENGER FACILITY CHARGES [PFC'S] TO INCREASE CAPACITY

Mr. President, our bill would permit local airport authorities to assess PFC's. These charges on passengers using an airport were prohibited in 1973 because they were sometimes used for off-airport purposes. Instead, airport projects are bankrolled, in large part, by the Airport and Airways Trust Fund, which is funded by a Federal surcharge on airline tickets. That trust fund will not be sufficient to meet our aviation system's capacity needs. Among the needs that have been identified are: a $1 billion runway for Lambert Field in St. Louis; a $3.5 billion third airport for the Chicago area; a $1 billion Phoenix-Tucson jetport to relieve congestion in southern California; and Denver's new $2 billion airport. These needs are over and above an estimated $30 billion in airport capacity needs that will occur during the next 5 years.

Our proposal would give the Secretary of Transportation the ability to allow airport authorities to impose PFC's to meet these expansion needs. The Secretary would serve as an impartial arbiter to decide whether an airport's proposed charge and improvements were in the interest of aviation consumers and whether it was consistent with our national transportation policy.

Airports need the power to expand because capacity is critical to increasing competition in the airline industry. New entrants need ground facilities to successfully operate at a hub airport.

CONCLUSION

Eleven years ago, we had a vision that through deregulation we could create a competitive air transportation system. Today, many Americans are not reaping deregulation's benefits because competition has been trampled by predatory marketing practices and airport capacity limits.

Mr. President, I urge my colleagues to join me in supporting this proposal to ensure vigorous airline competition that will provide travelers the quality, low-priced service they deserve.●

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By Mr. BINGAMAN (for himself and Mr. LIEBERMAN):

S. 1742. A bill to further the goals of the Paperwork Reduction Act and provide for comprehensive information resources management of Federal departments and agencies, and for other purposes; to the Committee on Governmental Affairs.

FEDERAL INFORMATION RESOURCES MANAGEMENT ACT

● Mr. BINGAMAN. Mr. President, I rise to introduce an important and timely bill, the Federal Information Resources Management Act of 1989. This legislation is designed to reduce the burden of duplicative government paperwork for businesses, educational institutions, and individuals; to improve the information infrastructure and statistical database of the Federal government; to set a national information resources management policy, including the improvement of public access to government information; and to improve the efficiency and effectiveness of the Office of Management and Budget's Office of Information and Regulatory Affairs [OIRA].

These issues were addressed in hearings held before the Subcommittee on Government Information and Regulation. The bill reflects the many recommendations and ideas developed from the hearings, as well as in extensive meetings with such interested parties as: the Office of Management and Budget and agency officials, the General Accounting Office, congressional staff, the business community, statisticians, scholars, librarians, and the public interest community.

I. STRENGTHENS PAPERWORK REDUCTION EFFORTS

First, the bill reauthorizes the Paperwork Reduction Act with emphasis on its original intent and purposes and increases efforts to reduce duplicative Federal information collection and minimize paperwork burden on the public.

The final report of the 1977 study by the Commission on Federal Paperwork reported that "the total cost of Federal Paperwork is huge . . . it may exceed $100 billion a year." More than a decade later, despite the significant effort to reduce paperwork burden, such burden has continued to increase. A recent report by the General Accounting Office [GAO] concludes that there has been little actual burden reduction in recent years. One business group estimates that American businesses now spend approximately 8.2 billion hours at a cost of $330 billion (7.3 percent of our GNP) each year responding to Federal paperwork requests.

It is clear that the Office of Management and Budget and Federal agencies must do more to attack the continuing growth of excessive or duplicative paperwork, and to reduce the burden of such paperwork on individuals, businesses, educational institutions, State and local government, and others. Simultaneously, information collection policy must serve the important purpose of creating an accurate, timely, and valuable Federal database.

The importance of a strong and ongoing government-wide effort to reduce the burden of unnecessary government paperwork cannot be overstated. A renewed and unified effort by the Congress, the executive branch, and Federal agencies is required to attack the mountain of paperwork faced by businesses, university researchers, and other individuals.

To continue the task of minimizing the paperwork burden, this legislation reauthorizes the existing Federal information collection review provisions of law and continues the overall reduction goal of reducing paperwork by 5 percent each year.

The bill also requires OIRA to identify initiatives to reduce paperwork burdens associated with individuals, business, educational institutions, State and local governments especially with respect to procurement and Federal grant programs. A report to Congress is required which specifically addresses the impact of burden reduction programs for those most heavily burdened.

The bill reinforces the requirements that agency information collections are necessary for the proper performance of an agency's functions, are not duplicative of information reasonably accessible to the agency, have practical utility, are written using plain and unambiguous terminology and are understandable to those who are to respond, and explain the need and ultimate use of the information to be collected, and the importance of an accurate and timely response.

II. STRENGTHENS RESOURCES MANAGEMENT

Second, the bill strengthens the information infrastructure and statistical database of the Federal Government, including improving agency capabilities and public access to Government information.

The proper functioning of the Federal Government requires accurate and timely information for decision-making at all levels. Federal information resources benefit Government and the public, and require sound management of information collection, archiving, dissemination, protection of security and privacy, and more. In an era of rapid technological advances more needs to be done by OMB to coordinate Government information policy. Moreover, we need to articulate a national information policy that helps to preserve and improve our information infrastructure.

The bill sets a national information resources management policy, which serves to integrate all information functions within a life-cycle management system in Federal agencies. The bill will strengthen information resources management in Federal agencies, establish stronger leadership and policy guidance from the Office of Management and Budget, and improve the level and participation by the public in the development and implementation of information policy.

Government information must be recognized as a valuable and useful resource to Government and society. As such, it must be managed in a coordinated and systematic manner based on established principles for information resources management. OIRA, in conjunction with other Government entities with centralized information management responsibilities, must take leadership in developing coherent information policy which gives balanced and needed emphasis to all information functions. Federal agencies must establish parallel, but independent, information resources management programs.

To establish the positive position of information, this legislation creates a new purpose which emphasizes public benefit, quality, and use of Government information as important priorities.

To promote the concept of information resources management as an integrating principle, the bill creates a new definition for "managing information resources" emphasizing a comprehensive life-cycle approach to information policy development. The legislation also requires the OIRA Administrator to give balanced and needed emphasis to all major information policy functions and to coordinate information policy with other central information agencies as well as encourages OIRA to devote significantly more of its limited resources to functions required under this law—for example, statistical policy, privacy, information technology—which have been neglected in the past.

The bill increases the responsibility of the OIRA Administrator in the area of statistical policy in order to strengthen the leadership and coordination of our decentralized statistical system. Specifically, there is a new overall leadership role, a new international coordination role, and an emphasis on dissemination of statistics to the public.

The bill also establishes interagency working groups to strengthen information policy coordination as part of OIRA's information policy functions. These working groups are charged with coordinating both the development and the implementation of information policy. A specific statistical policy interagency working group is also required, to be headed by the chief statistician and including at least the heads of the major statistical agencies. This working group is charged with coordinating all of OIRA's statistical functions.

III. REAFFIRMS OIRA RESPONSIBILITY FOR POLICY GUIDANCE

Third, the bill improves the efficiency and effectiveness of the Office of Management and Budget's Office of Information and Regulatory Affairs [OIRA] in carrying out all its responsibility under this law.

OIRA's responsibility for agency information activities is to ensure that they are well run, not to run them. OIRA's relationship to Federal agencies must be structured to provide policy guidance, not day-to-day approval or disapproval of agency information activities. Federal information resources management capabilities must be strengthened, and agencies must take greater responsibility for fulfilling the full range of information functions.

In this regard, the legislation requires OIRA to develop policy, guidance, and stardards to provide direction to agencies and to ensure the development of formalized training programs in information resources mangement concepts for OMB staff and agency officials. The bill clearly emphasizes OIRA's responsibilities to provide guidance, not operational authority, for agency information activities.

The bill also strengthens agency responsibility and accountability in all areas of information resources management. Each agency head is directed to appoint a career chief information resources management official with appropriate credentials, and each agency is required to establish an

agency-wide IRM program, to provide formalized training programs for agency officials, and to integrate IRM programs and agency activities.

Importantly, the bill creates a self-certification of continuing information collection activities by Federal agencies which is designed to shift OMB's resources away from "routine, reoccuring, and regular" information collection approval, and to encourage agencies to assume responsibility for the quality and necessity of information programs. This applies only to ongoing information collections which currently have to be submitted at the end of every 3 years for reapproval—and which OMB argues is a time consuming rubber stamping function. The new provision retains OMB's authority to conduct a reapproval on request.

IV. ESTABLISHES A COMMISSION ON FEDERAL INFORMATION

Mr. President, one of the tasks we seek to accomplish in this bill is to improve the quality of Federal information, especially statistical information. To this end, the bill establishes a Commission on Federal Information to look at the broad question of the health of the Federal information, including statistical, system. The functions of the Commission are to look at the contribution of information to economic and social welfare and to competitiveness, to identify long-term information needs, to identify gaps and other problems in the current system especially with respect to quality, timeliness and relevancy, to set priorities for information in light of changes in the economy and society, and to look at how better to organize the information system for better coordination and to ensure that the system is capable of keeping up with changes in the economy and society. In part, these functions represent an update of the 1970 President's Commission on Federal Statistics.

The structure of the Commission is patterend after the Federal Paperwork Commission. Membership includes two Senators (from different parties), two Representatives (from different parties), the OMB Director, two other Federal officials, two representatives of State and local government, and 7 members of the public. Except for the Members of Congress and the OMB Director, the appointments are by the President. The Commission must report back its findings to Congress by July 1991, before authorization for OIRA expires.

That our Federal statistical system is in need of an overhaul is clear. One example of the problem is our economic statistics. Earlier this year, I asked the Office of Technology Assessment to look into the question of the adequacy of our economic statistics, especially in light of the ongoing changes in the United States and global economies. Their report, "Statistical Needs for a Changing U.S. Economy" demonstrates how staggering defects in the existing statistical system can hinder the understanding of key economic issues. It also highlights the ways in which better management and coordination of existing statistical agencies can lead to improvements in the quality of the data.

The report points out that the problem with data stems from the dynamic nature of our economy. Although U.S. statistics are very good, the domestic economy is changing so rapidly and in so many different directions that keeping track of our statistical needs is becoming more and more difficult.

Recently, an example came to my attention of how outdated statistics can lead to distorted policy analysis. As many of my colleagues are aware, Congress and the administration are currently debating the issue of voluntary restraint agreements [VRA's] on steel imports. In May of this year, the U.S. International Trade Commission [ITC] published a study on the effects of such VRA's on steel users. However, the ITC's analysis was based on the 1977 input-output table of the U.S. economy instead of the 1982 version which indicates that steel input required in many manufacturing processes has declined significantly. Thus, according to a Congressional Research Service report:

> The USITC utilized information for its efforts that may have been valid in the 1970's but not for the mid-1980's. The use of the 1977 input-output table could result in a substantial overstatement of the effects of the VRAs on the U.S. economy.

Another example is the increasing number of significant revisions to many of our basic economic statistics. For example, the number of new jobs created was drastically revised in April, in May, and then again in June. May's figures for retail sales were revised from a preliminary announcement of a decline to a healthy growth. June's data for new orders for durable goods was also significantly revised as was the third quarter's GNP data. While revisions are a normal part of updating statistics, these examples are of such a magnitude that they call into question their basic soundness. We must have accurate data for decision making by both business and government. Important policy decisions of the Federal Reserve Bank and investment and production decisions of industry are determined by this data. Such large revisions undermine our ability to make these decisions correctly.

As these examples point out the United States needs good statistics in order to have good economic policy. To quote the OTA report:

> It is clear, however, that the price paid for public policy mistakes that stem from defects in national statistics can be many times higher than the entire national statistical budget.

The Commission on Federal Information created in this legislation will move us one step closer to resolving these problems and stengthening our statistical system.

V. INCREASES PUBLIC PARTICIPATION AND OIRA ACCOUNTABILITY

Mr. President, the record of the past 8 years shows that there is a need to increase public participation in, and improve the accountability of, OIRA and Federal agency decision making.

This legislation strengthens OIRA accountability by requiring OIRA to maintain a public record of any information collection or regulatory review, which includes a written justification of any OIRA denial, disapproval or modification and by requiring that OIRA provide agencies with written materials sent to OMB and a summary of oral communications involving nongovernmental representatives regarding a rulemaking activity and that OIRA invite agency heads to all scheduled meetings with nongovernmental representatives.

The bill also limits ex-parte communication by OIRA officials on regulatory review activity with nongovernmental representatives to OIRA Administrator and Deputy Director, and limits OIRA regulatory review to 30 days for nonmajor rules and to 90 days for major rules with an allowable 30-day extension if required.

To increase public participation, the bill strengthens consultation and creates advisory committees on information policy and committee on statistical policy, as discussed earlier. The bill also reorients the Federal Information Locator System [FILS] so that it can better serve as a tool for agencies and the public in the information collection process and requires OIRA to develop a plan to create a system to help the public find Federal information dissemination products and services.

VI. STRENGTHENS FEDERAL LEADERSHIP AND OVERSIGHT

Mr. President, no matter how we design this piece of legislation, there is no effective substitute for strong leadership, management, guidance, and oversight to ensure that the goals of this Act are met. Both the Congress and the executive branch must provide greater leadership and guidance, and conduct vigorous oversight.

To strengthen that leadership, this legislation gives responsibility and authority for functions of OIRA directly to the OIRA Administrator, which was made a confirmable position in 1986. The OMB Director still specifically retains overall responsibility for OIRA activity, but this forces the Administrator to assume responsibility for expenditures and fulfillment of OIRA functions under law.

The bill requires professional credentials of the Administrator to be related to the enumerated functions of

OIRA in the law. Especially in light of forthcoming vacancy at OIRA, this changes stresses the need for an Administrator who can fulfill the information policy functions and management needs of OIRA. It also seeks the selection of an OIRA Administrator who is driven by the functions of OIRA as stated in law, and not other activities chosen by the White House.

The bill creates a separate budget line item for OIRA which will establish stronger congressional oversight and accountability of OIRA. This will allow Congress to better monitor the resources spent on the function required under this law. Importantly, during off-reauthorization years, this will result in an annual appearance by OIRA before Congress.

The bill also requires a review by the GAO to measure OIRA effectiveness in carrying out its responsibilities under the Act.

Finally, the bill reauthorizes the legislation for a two year period in order to strengthen congressional oversight. Frankly, Mr. President, I view this period as a time of change in the operation of this Act. We are asking OIRA to try to do things differently than they have in the past. A 2-year reauthorization will give us a chance to come back in a reasonable period of time to see how things are going.

VIII. CONCLUSION

In closing, let me just state that I believe that the Federal Information Resources Management Act of 1989 is the necessary instrument for achieving the important goals laid out in the original Paperwork Reduction Act. I urge my colleagues to look carefully at this legislation.●

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By Mr. DECONCINI (for himself and Mr. SIMPSON):

S. 1743. A bill to clarify the application of the antitrust laws to certain agreements imposing territorial limitations on the distribution of trademarked products for resale; to the Committee on the Judiciary.

INTERBRAND COMPETITION ACT

● Mr. DECONCINI. Mr. President, I ask unanimous consent the following bill be printed in the CONGRESSIONAL RECORD in its entirety.

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

S. 1743

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Interbrand Competition Act of 1989".

SEC. 2. APPLICATION OF ANTITRUST LAWS TO LIMITATION ON DISTRIBUTION OF PRODUCTS FOR RESALE.

(a) LAWFULNESS OF CERTAIN DISTRIBUTION LIMITATIONS.—Except as provided in subsection (b), it shall not be unlawful under the antitrust laws for any manufacturer, importer, trademark owner, or trademark licensee of a trademarked product and for any wholesale distributor of a trademarked product to agree, or to carry out a provision in a contract which provides, that such wholesale distributor shall—

(1) have the sole and exclusive right to distribute and to sell such trademarked product in any defined geographical area within any State, and

(2) be limited to the distribution and sale, directly or indirectly, of such trademarked product only for ultimate resale to consumers within that defined geographical area,

When such trademarked product is in substantial and effective competition with other products within the relevant market or markets.

(b) RULE OF CONSTRUCTION.—Nothing in subsection (a) shall be construed to affect any liability under any of the antitrust laws arising from any price-fixing agreement, horizontal restraint of trade, or group boycott if such agreement, restraint, or boycott would otherwise be unlawful.

SEC. 3. DEFINITIONS.

For purposes of the Act—

(1) the term "antitrust laws" has the meaning given it in subsection (a) of the first section of the Clayton Act (15 U.S.C. 12(a)), except that such term includes section 5 of the Federal Trade Commission Act (15 U.S.C. 45) to the extent that such section 5 relates to unfair methods of competition,

(2) the term "State" has the meaning given it in section 4G of the Clayton Act (15 U.S.C. 15g).

SEC. 4. APPLICATION OF ACT.

This Act shall not invalidate or affect any provision of the laws of any State.●

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By Mr. BAUCUS:

S. 1746. A bill to initiate actions under section 310 of the Trade Act of 1974 with respect to agricultural trade barriers, and to extend and initiate the triggered marketing loan program or an expanded export enhancement program, of an international trade agreement under the General Agreement on Tariff and Trade is not submitted to Congress by February 15, 1991, and for other purposes; to the Committee on Finance.

AGRICULTURAL TRADE ACT

● Mr. BAUCUS. Mr. President, I rise today to introduce the Agricultural Trade Act of 1990 on behalf of myself and Senator BOREN.

Agriculture has been the United States' most consistent export performer. The United States has consistently run a substantial annual trade surplus in agricultural products. In 1988, the United States exported 35.3 billion dollars' worth of agricultural products. One in every three acres of America's cropland raises crops for export. America exports about 75 percent of its wheat and 40 percent of its soybean crop as well as substantial amounts of beef, corn, rice, cotton, and many other agricultural products. Continued strong agricultural exports are essential if America is to eliminate its mammoth trade deficit.

But the United States could be exporting far more if U.S. agricultural exports were not blocked by foreign trade barriers and forced to face subsidized competition. The National Trade Estimate—the annual U.S. Government listing of foreign trade barriers—spent many pages listing foreign trade barriers that block U.S. agricultural exports. The European Community maintains an extensive series of barriers, including variable levies, production subsidies, and export subsidies. If all the barriers were removed, the U.S. Trade Representative's Office has estimated that the U.S. trade balance would improve by $7 billion. On top of these barriers, the EC recently imposed a ban on U.S. meat exports under the guise of a health and safety restriction. Japan has begun to liberalize its agriculture markets, but still maintains extensive restrictions on agricultural products ranging from rice to feed grains. Korea still maintains a virtual ban on beef imports. Taiwan restricts import of many agricultural products with import licensees. Unfortunately, this list could literally go on and on.

This is not to say that the United States is without sin, but compared to other major developed nations the United States is a free trader. A recent OECD study concluded that taxpayers and consumers in the EC spend $75 billion annually subsidizing agriculture, Japan spends $50 billion, while the United States spends only about $20 billion. An earlier OECD study concluded that United States protection in the agricultural sector was lower across the board than protection in the EC and Japan. Furthermore, many of the U.S. trade practices that our trading partners complain about—such as the Export Enhancement Program [EEP]—were implemented only to counter our trading partners unfair trade practices.

Given this state of affairs, the United States decision to make liberalization of agricultural markets the top priority in the Uruguay Round of GATT talks is a sensible one. Unfortunately, some of our trading partners have not supported our efforts. The EC has drug its feet in the negotiations and Japan has resisted import liberalization.

To support the efforts of our negotiators in Geneva, the Congress should make it clear that the United States will press for agricultural liberalization unilaterally if the GATT Round breaks down. Therefore, I am today introducing legislation—the Agricultural Trade Act of 1990—that will take effect if the GATT negotiations do not yield an agreement that meets United States objectives by the scheduled conclusion of the Uruguay Round.

SUMMARY

If legislation to implement a GATT Agreement that meets U.S. objectives on agricultural trade as specified in

the 1988 Trade Act is not submitted to Congress by February 15, 1991, then:

(1) The U.S. Trade Representative is directed to identify the major foreign barriers to U.S. agricultural exports and initiate section 301 investigations under the Omnibus Trade Act of 1988 to eliminate them;

(2) The Secretary of Agriculture is directed to implement a marketing loan or across the board export enhancement program on all major agricultural commodities. (This provision is essentially a straight extension of the Triggered Marketing Loan provision of the 1988 Trade Act which expires on January 1, 1990 if the President certifies that adequate progress is being made in the negotiations. The provision is not intended to waive the requirement that the administration make a certification that the negotiations are proceeding or implement a marketing loan or EEP by January, 1990. Rather, it creates an additional decision point on February 15, 1991.)

This legislation sends a message to all nations that the United States is serious about opening world agricultural markets. It also charts a course that the United States will pursue to protect its interests if the Uruguay Round breaks down. I plan to work to make this legislation a part of the 1990 farm bill.

Mr. President, I ask unanimous consent that a letter from various agricultural groups on this topic, and the text of the bill be printed in the RECORD.

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

S. 1746

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

SECTION 1. ACTION TO BE TAKEN IF AGRICULTURAL AGREEMENT NOT IMPLEMENTED.

If a draft of a bill implementing a multilateral agreement entered into under section 1102 of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 2902) as part of the Uruguay round of negotiations under the General Agreement on Tariffs and Trade that meets the objectives of the United States regarding agricultural trade which are described in section 1101(b)(7) of such Act (including health and safety issues, export subsidies, and import barriers) is not submitted by the President to the Congress before Febraury 15, 1991—

(1) the United States Trade Representative shall submit an additional report under section 310(a)(1)(D) of the Trade Act of 1974 (19 U.S.C. 2420(a)(1)(D)) by no later than May 31, 1991, that—

(A) limits the identification of priority practices under section 310(a)(1)(A) of the Trade Act of 1974 to major trade barriers and trade distorting practices, the elimination of which are likely to have the most significant potential to increase United States exports of agricultural products.

(B) limits the identification of priority foreign countries to those foreign countries that satisfy the criteria described in section 310(a)(2) of the Trade Act of 1974 with repect to exports of United States agricultural products and

(C) limits the estimate described in section 310(a)(1)(C) of the Trade Act of 1974 to consideration only of increases in exports of United States agricultural products, and

(C) the President shall instruct the Secretary of Agriculture to implement a marketing loan program in accordance with section 4301(b) of the Omnibus Trade and Competitiveness Act of 1988 (Public Law 100-418; 7 U.S.C. 1446 note), or if the President waives or discontinues such program, an export enhancement program in accordance with section 4301(c) of such Act.

SEC. 2. TRIGGERED MARKETING LOANS AND EXPORT ENHANCEMENT.

Section 4301 of the Omnibus Trade and Competitiveness Act of 1988 (Public Law 100-418; 7 U.S.C. 1446 note) is amended—

(1) in subsection (a)—

(A) by striking "(a) CERTIFICATION.—" and all that follows through "such date—" and inserting the following:

"(a) IN GENERAL.—Notwithstanding any other provision of law—

"(1) if, before January 1, 1990, a law has not been enacted in accordance with section 151 of the Trade Act of 1974 (19 U.S.C. 2191) that implements an agreement negotiated under the Uruguay round of multilateral trade negotiations conducted under the General Agreement on Tariffs and Trade (hereinafter in this section referred to as 'GATT negotiations') concerning agricultural trade, the President; and

"(2) if before February 15, 1991, a draft of a bill implementing a multilateral agreement entered into under section 1102 of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 2902) as part of the Uruguay round of negotiations under the General Agreement on Tariffs and Trade (hereinafter in this section referred to as 'GATT negotiations') that meets the objectives of the United States regarding agricultural trade that are described in section 1101(b)(7) of such Act (including health and safety issues, export subsidies, and import barriers) is not submitted by the President to Congress, the President;

not later than 45 days after such date—";

(B) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B); and

(C) by striking subparagraph (C) (as redesignated by subparagraph (B)) and inserting the following new subparagraph:

"(B) shall instruct the Secretary of Agriculture to implement a marketing loan program in accordance with subsection (b), or if the President waives or discontinues such program, an export enhancement program in accordance with subsection (c).";

(2) in subsection (b), by striking paragraph (1) and inserting the following new paragraph:

"(1) IMPLEMENTATION.—Except as provided in paragraph (2), if a draft of a bill is not submitted by the President to Congress in accordance with subsection (a), the President shall, not later than 60 days before the beginning of the marketing year for the 1991 crop of wheat, instruct the Secretary of Agriculture to permit producers to repay loans made under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) for each of the 1991 crops of wheat, feed grains, and soybeans at a level that is the lesser of—

"(A) the loan level determined for each such crop; or

"(B) the prevailing world market price for each such crop, as determined by the Secretary."; and

(3) in subsection (c)(1), by striking "1990 through 1992 fiscal years" and inserting "1991 through 1993 fiscal years".

NATIONAL ASSOCIATION OF WHEAT GROWERS,
*Washington, DC, September 29, 1989.*

Hon. MAX BAUCUS,
*U.S. Senate, Washington, DC.*

DEAR SENATOR BAUCUS: If the Uruguay Round of the General Agreement on Tariffs and Trade is to be successful, the European Community, the Japanese and others must bargain in good faith on the liberalization of agricultural trade. Negotiators must promote broad and general trade reform. There must be an absolute, "level playing field" for agricultural trade.

All nations involved in the GATT process, and those standing on the sidelines as observers, need to understand the U.S. Congress remains strongly committed to providing U.S. agriculture access to all markets. The Agricultural Trade Act of 1990 demonstrates this commitment.

We, the undersigned U.S. commodity groups, support the efforts of the U.S. GATT negotiators. Our trading partners were put on notice early that the United States viewed agricultural trade liberalization as a top priority. As the Uruguay Round reaches its final critical months, there should be no doubt about the determination of the Congress, the Administration and American agriculture to see that liberalization in international agricultural trade is achieved.

Sincerely,
American Soybean Association.
Rice Millers' Association.
National Association of Wheat Growers.
National Corn Growers Association.
North American Export Grain Association.●

● Mr. BOREN. Mr. President, I join the distinguished Senator from Montana [Mr. BAUCUS] in introducing this important legislation—the Agricultural Trade Act of 1990. Senator BAUCUS is recognized as a Senate leader on trade issues and I truly appreciate his leadership.

Agriculture is a vital part of the United States' position in the international economy. In an era of record overall trade deficits, U.S. agricultural trade has continuously resulted in a trade surplus. Last year, American agriculture exported over 35 billion dollars' worth of food and fiber products, an increase of more than $8 billion over 1987 levels.

Foreign markets are especially important to the agriculture industry in my home State of Oklahoma. Over 70 percent of Oklahoma's hard red winter wheat crop is exported. These sales generate well over $200 million for the economy of my State.

However, American agriculture could potentially sell much more in overseas markets. Foreign trade barriers and heavy export subsidies have impeded the growth of U.S. overseas sales. I have always maintained that the American farmer can compete with any foreign farmer in the world. However, U.S. farmers are continuously asked to compete with foreign governments—especially European and Asian governments whose taxpayers pay many times more in relative sup-

port for domestic farm programs than does the U.S. taxpayer.

Mr. President, this bill seeks to encourage agricultural trade reform, a top priority for the United States during the current round of GATT talks. If our competitors do not commit to real reforms during the GATT process, this bill will trigger two actions that will strengthen our agricultural trade position. First, this bill will require the U.S. Trade Representative to identify the major foreign barriers to U.S. agricultural products and initiate section 301 investigations to eliminate them. Second, the Secretary of Agriculture would be required to expand the use of the Export Enhancement Program or to implement marketing loans for all major commodities.

In short, this bill sends a two-part message to our competitors. First, we will not continue to tolerate foreign trade barriers, even if they are disguised as health and safety concerns. Second, we will beat them at their own game of heavy export subsidies if they are not willing to refrain from such practices.

I hope our colleagues will join us in sending this message by supporting this legislation.●

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By Mr. THURMOND (for himself, Mr. DECONCINI, and Mr. DURENBERGER):

S.J. Res. 214. Joint resolution to express the sense of the Congress regarding the removal of offensive sexual material from television broadcasting; to the Committee on the Commerce, Science, and Transportation.

REMOVAL OF OFFENSIVE SEXUAL MATERIAL FROM TELEVISION BROADCASTING

Mr. THURMOND. Mr. President, I rise today to introduce along with my distinguished colleague from Arizona, Senator DECONCINI, a joint resolution to express the sense of the Congress regarding the removal of offensive sexual material from television broadcasting.

It is readily apparent that through thinly veiled innuendo or with unbridled candor, sexually explicit material is growing by leaps and bounds on network television. I have received calls and letters from many citizens who feel the networks have pushed much of its programming beyond that which a reasonable viewing audience would find respectable as family entertainment.

Why have the standards changed so rapidly? Why have the boundaries shifted drastically with regard to what the networks find as suitable broadcast material? I believe there are several reasons for increased broadcasting of sexually explicit material.

DISMANTLING OF NETWORK CENSORS

It is widely acknowledged that the three major networks have reduced or eliminated their standards and practices departments. These departments within the networks have traditionally reviewed programming for objectionable material prior to broadcasting. Last November, Newsweek reported that the standards and practices at CBS and NBC no longer exists as a separate department within these networks. Also, ABC has made deep cuts in the standards and practices department.

Heretofore, the standards and practices departments served to defend audience sensibilities. The composition of the broadcast audience was given due consideration with regard to programming content. Over the years, objectionable material has increased dramatically and has crept into our homes through television. Unfortunately, much of this type of programming is viewed as commonplace.

Too many TV programs portray a casual image of sexual activity which would earlier not have been considered suitable for broadcast.

However, recently there have been individuals and vigilant citizens' groups who are demanding more responsible broadcasting. They are writing producers and sponsors as well as organizing product boycotts to make their views known.

ADVERTISING

One minute to advertising on a prime time television program costs about $375,000 for the sponsor. Companies that can afford to advertise on television want to reach the largest possible number of potential customers. Also, the networks are eager to produce programs that attract a large viewing audience to entice a potential sponsor. For whatever reason, risque programming tends to produce higher ratings and, of course, this is a prime concern for sponsors with a limited number of advertising dollars.

Yet, what we may be seeing now is that television producers are offending and alienating more viewers than they attract. Again, this revulsion to offensive programming could be attributed to parents, individuals, and citizens' groups who have reached their tolerance level for objectionable TV shows.

COMPETITION

It has not been too long ago that the major networks were in competition solely among themselves. But with the advent of cable television, pay television, and VCR's, the landscape of broadcast television has been forever changed. Competition for audience share is ferocious among the players in broadcast medium. The three major networks are now in the unfortunate position of competing with cable television, music videos', independent stations, and movie rentals which offer a wide variety of programming.

This type of environment is much of the reason networks choose to air more explicit programs on network television. Lorne Michaels, the well-known executive producer of "Saturday Night Live"—one of the racier late night programs—was quoted earlier this year as saying, "My competition isn't the 'Late Show' anymore, its cable and VCR's."

Mr. President, I believe that quote gives a good indication that the networks are under a great deal of pressure to appeal by aggressive means to a large viewing audience. All too often, their response is to air programs with sexually explicit material.

The above reasons are what I believe to be the primary causes for much of the objectionable material which is being broadcast today. However, I believe there is a quiet majority across our country who have witnessed and been offended at the casual and cavalier manner in which sexual activity is portrayed on network television. What message is this image sending to our young children? Are American teenagers to believe that network television sets the standard for determining proper behavior and if they do not conform then they are an oddity? I sincerely hope that is not the case. Yet, we continue to see an unfortunate downward spiral in television programming.

I encourage all of my colleagues to join us in swiftly passing this joint resolution which would express the sense of the Congress that sexually offensive material should be removed from television. We have an opportunity to send a clear message to the networks that public officials representing families all across America want to see more responsible programming. Television is a prevalent fixture in almost every home in America and this body should be on record that boundaries must be drawn as to what is acceptable for network television.

Mr. President, I ask unanimous consent that the joint resolution be printed in the RECORD.

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

S.J. RES. 214

Whereas the physical attributes of the broadcast medium are such that it is reasonable to assume that minors are likely to be in the broadcast audience during most of the broadcast day; and

Whereas, based on contemporary community standards, there is concern over a growing number of television broadcast programs which at times constitute indecency; and

Whereas there are instances in network broadcast television programming which involve the depiction of sexual activity directly or by inuendo which is patently offensive under contemporary community standards; and

Whereas broadcast television programs that depict sexual matters in ways which are obscene, indecent, or profane erode our sense of traditional American values; and

Whereas the three major networks have reduced or eliminated their "Standards and

Practices" departments which have traditionally reviewed programming for objectionable material: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That it is the sense of the Congress that the television networks and producers should increase their activity to monitor and remove offensive sexual material from their television broadcast programming.

Mr. DECONCINI. Mr. President, I rise today to join my colleague and friend from South Carolina in a resolution to encourage television networks and producers to remove offensive sexual material from television programming.

More and more, networks are forced to compete with new entertainment mediums such as subscription cable channels and video cassette recorders for viewer attention. Faced with dwindling audiences, television networks are responding with bolder language and explicit sexual materials. These materials are not reserved for adults, who may have developed a sense of self-regulation, but are viewed at prime time when impressionable children are most likely to be in front of the set.

When the public complains of this situation, the networks answer that they do not possess the financial resources to retain an in-house monitor—known in the industry as a Standards and Practices department. Networks have significantly cut back in this area. Without a standards department, the networks must rely on a show's producers to screen out questionable material. Clearly, self-policing does not work. In the past television season, a viewer could witness sexual bondage, rape, and sadomasochistic acts.

Television sets are in virtually every American home. The television industry has a unique role in shaping the shared values of our society and culture. Our children log thousands of hours of television viewing time each year. For many children, TV is the greatest singular influence, replacing traditional role models of extended family, school, and church. We must be more cautious of the message we are sending to children of how men and women relate to each other in their personal and sexual lives. Television producers and executives have an ethical responsibility to present decent television fare. We here today share this responsibility.

American viewers are not passive observers. I have received many calls and letters from citizens who are justifiably outraged by these trends in television programming. I urge my colleagues to join us in passing this resolution.

## ADDITIONAL COSPONSORS

S. 346

At the request of Mr. WIRTH, the names of the Senator from Florida [Mr. GRAHAM] and the Senator from Maine [Mr. COHEN] were added as cosponsors of S. 346, a bill to amend the Alaska National Interest Lands Conservation Act, and for other purposes.

S. 565

At the request of Mr. CRANSTON, the name of the Senator from Kentucky [Mr. MCCONNELL] was added as a cosponsor of S. 565, a bill to authorize a new corporation to support State and local strategies for achieving more affordable housing; to increase homeownership; and for other purposes.

S. 566

At the request of Mr. CRANSTON, the name of the Senator from Kentucky [Mr. MCCONNELL] was added as a cosponsor of S. 566, a bill to authorize a new corporation to support State and local strategies for achieving more affordable housing; to increase homeownership; and for other purposes.

S. 752

At the request of Mr. HARKIN, the name of the Senator from Kentucky [Mr. ADAMS] was added as a cosponsor of S. 752, a bill to preserve the cooperative, peaceful uses of outer space for the benefit of all mankind by prohibiting the basing or testing of weapons in outer space and the testing of antisatellite weapons, and for other purposes.

S. 1006

At the request of Mr. LEAHY, the names of the Senator from Arizona [Mr. DECONCINI], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Indiana [Mr. COATS] were added as cosponsors of S. 1006, a bill to encourage innovation and productivity, stimulate trade and promote the competitiveness and technological leadership of the United States.

S. 1140

At the request of Mr. MITCHELL, the names of the Senator from Maryland [Ms. MIKULSKI], the Senator from Arkansas [Mr. BUMPERS], the Senator from Maryland [Mr. SARBANES], and the Senator from Washington [Mr. ADAMS] were added as cosponsors of S. 1140, a bill to provide that Federal facilities meet Federal and State environmental laws and requirements and to clarify that such facilities must comply with such environmental laws and requirements.

S. 1277

At the request of Mr. FORD, the name of the Senator from Texas [Mr. BENTSEN] was added as a cosponsor of S. 1277, a bill to amend the Federal Aviation Act of 1958 to prohibit the acquisition of a controlling interest in an air carrier unless the Secretary of Transportation has made certain determinations concerning the effect of such acquisition on aviation safety.

S. 1358

At the request of Mr. RIEGLE, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 1358, a bill to amend the Social Security Act to take into account monthly earnings in determining the amount of disability benefits payable to a recipient of disabled adult child's benefits and certain other beneficiaries and to provide for continued entitlement to disability and Medicare benefits for such individuals, and for other purposes.

S. 1560

At the request of Mr. BURNS, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 1560, a bill to suspend the enforcement of certain regulations relating to underground storage tanks, and for other purposes.

S. 1628

At the request of Mr. BENTSEN, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 1628, a bill to amend the Internal Revenue Code of 1986 to authorize a deduction for the expenses of adopting a special needs child and to amend title 5, United States Code, to establish a program providing assistance to Federal employees adopting a special needs child.

S. 1630

At the request of Mr. BAUCUS, the names of the Senator from Rhode Island [Mr. PELL] and the Senator from Colorado [Mr. WIRTH] were added as cosponsors of S. 1630, a bill to amend the Clean Air Act to provide for attainment and maintenance of health protective national ambient air quality standards, and for other purposes.

S. 1701

At the request of Mr. PACKWOOD, the names of the Senator from Hawaii [Mr. MATSUNAGA], the Senator from California [Mr. WILSON], and the Senator from Indiana [Mr. LUGAR] were added as cosponsors of S. 1701, a bill to implement the steel trade liberalization program.

S. 1725

At the request of Mr. DOMENICI, the name of the Senator from New Mexico [Mr. BINGAMAN] was withdrawn as a cosponsor of S. 1725, a bill to establish a commission in the Department of the Interior to provide compensation to individuals who lost their land or mining claims to the U.S. Government for the establishment of the White Sands Missile Range.

SENATE JOINT RESOLUTION 176

At the request of Mr. D'AMATO, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of Senate Joint Resolution 176, a joint resolution to designate September 29, 1989, as "National Siblings of Disabled Persons Day."

SENATE JOINT RESOLUTION 177

At the request of Mr. BOND, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of Senate Joint Resolution 177, a joint resolution designating October 29, 1989, as "Fire Safety At Home-Change Your Clock, Change Your Battery Day."

SENATE JOINT RESOLUTION 186

At the request of Mr. MCCLURE, the names of the Senator from Indiana [Mr. LUGAR] and the Senator from Colorado [Mr. ARMSTRONG] were added as cosponsors of Senate Joint Resolution 186, a joint resolution designating the week of March 1 through March 7, 1990, as "National Quarter Horse Week."

SENATE JOINT RESOLUTION 190

At the request of Mr. HEINZ, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of Senate Joint Resolution 190, a joint resolution designating April 9, 1990, as "National Former Prisoners of War Recognition Day."

SENATE JOINT RESOLUTION 206

At the request of Mr. GORE, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of Senate Joint Resolution 206, a joint resolution calling for the United States to encourage immediate negotiations toward a new agreement among Antarctic Treaty Consultative parties for the full protection of Antarctica as a global ecological commons.

## SENATE RESOLUTION 192—RELATIVE TO TESTIMONY BY SENATE EMPLOYEES

Mr. MITCHELL (for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 192

Whereas, in the case of *United States v. Jorge Artalego*, Crim. No. M-7121-89, pending in the Superior Court of the District of Columbia, the United States Attorney has obtained a subpoena for the testimony of Frances Murrah, and counsel for the defendant has obtained subpoenas for the testimony of Melissa Ferring and Erin Mewhirter, employees of the Senate on the personal office staff of Senator Lloyd Bentsen;

Whereas, by the privileges of the Senate of the United States and rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that the testimony of employees of the Senate may be needed in any court for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges and rights of the Senate;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(a) and 288c(a)(2)(1982), the Senate may direct its counsel to represent employees of the Senate with respect to any subpoena or order directed to them in their official capacity: Now, therefore, be it

*Resolved*, That Frances Murrah, Melissa Ferring, and Erin Mewhirter are authorized to testify in the case of *United States v. Jorge Artalego*, except concerning matters for which a privilege should be asserted.

SEC. 2. That the Senate Legal Counsel is directed to represent Frances Murrah, Melissa Ferring, and Erin Mewhirter, and any other staff assistant of Senator Bentsen who may be subpoenaed to testify in the case of *United States v. Jorge Artalego*.

## AMENDMENTS SUBMITTED

## REPEAL OF MEDICARE CATASTROPHIC COVERAGE PROVISIONS

### KENNEDY (AND OTHERS) AMENDMENT NO. 985

Mr. KENNEDY (for himself, Mr. HEINZ, and Mr. KERRY) proposed an amendment to the bill (S. 1726) to repeal Medicare catastrophic coverage provisions effective in years after 1989 and the supplemental Medicare premium, and for other purposes, as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Medicare Catastrophic Revision Act of 1989".

TITLE I—PROVISIONS RELATING TO PART A OF MEDICARE PROGRAM AND SUPPLEMENTAL MEDICARE PREMIUM

SEC. 101. REPEAL OF SUPPLEMENTAL MEDICARE PREMIUM AND FEDERAL HOSPITAL INSURANCE CATASTROPHIC COVERAGE RESERVE FUND.

(a) IN GENERAL.—Sections 111 and 112 of the Medicare Catastrophic Coverage Act (hereafter in this Act referred to as "MCCA") are repealed and the provisions of law amended by such sections are restored or revived as if such sections had not been enacted.

(b) DELAY IN STUDY DEADLINE.—Section 113(c) of MCCA is amended by striking "November 30, 1988" and inserting "May 31, 1990".

(c) DISPOSAL OF FUNDS IN FEDERAL HOSPITAL INSURANCE CATASTROPHIC COVERAGE RESERVE FUND.—Any balance in the Federal Hospital Insurance Catastrophic Coverage Reserve Fund (created under section 1817A(a) of the Social Security Act, as inserted by section 112(a) of MCCA) as of January 1, 1990, shall be transferred into the Federal Hospital Insurance Trust Fund and any amounts payable due to overpayments into such Trust Fund shall be payable from the Federal Hospital Insurance Trust Fund.

(d) CONFORMING AMENDMENT.—Section 201(i)(1) of the Social Security Act (42 U.S.C. 401(i)(1)) is amended by striking "Federal Hospital Insurance Catastrophic Coverage Reserve Fund,".

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in this subsection, the provisions of this section shall take effect January 1, 1990.

(2) REPEAL OF SUPPLEMENTAL MEDICARE PREMIUM.—The repeal of section 111 of MCCA shall apply to taxable years beginning after December 31, 1988.

SEC. 102. REVISION OF EXPANSION OF MEDICARE PART A BENEFITS.

(a) IN GENERAL.—

(1) GENERAL RULE.—Except as provided in paragraphs (2), (3), and (4), sections 101, 102, and 104(d) (other than paragraphs (2)(C) and (7)) of the Medicare Catastrophic Coverage Act of 1988 (Public Law 100-360) (in this Act referred to as "MCCA") are repealed, and the provisions of law amended or repealed by such sections are restored or revived as if such section had not been enacted.

(2) EXCEPTION FOR INPATIENT HOSPITAL SERVICES.—

(A) The repeal of section 101(1) shall not apply insofar as such section amended paragraph (1) of section 1812(a) of the Social Security Act (relating to inpatient hospital services).

(B) The repeal of section 102(1) of MCCA shall not apply insofar as such section amended paragraph (1) of section 1813(a) of the Social Security Act (relating to the inpatient hospital deductible).

(3) EXCEPTION OF BLOOD DEDUCTION.—The repeal of section 102(1) of MCCA shall not apply insofar as such section amended paragraph (2) of section 1813(a) of the Social Security Act (relating to a deduction for blood).

(4) EXCEPTION FOR HOSPICE BENEFIT CHANGES.—The repeal of section 101 of MCCA shall not apply insofar as such section—

(A) amended paragraph (4) of subsection (a) of section 1812 of the Social Security Act (relating to hospice care benefits), and

(B) amended subsection (d) of such section (relating to a subsequent extension period of an election).

(b) TRANSITIONS FOR EXTENDED CARE SERVICES.—

(1) In the case of an individual who on December 31, 1989, is receiving extended care services for which payment may be made under part A of title XVIII of the Social Security Act, this Act shall not apply to the provision of extended care services under such part during a continuous period of stay in 1990, but—

(A) the number of days of coverage under this subsection shall not exceed 150 less the number of days for which benefits for extended care services were payable under such for the individual in 1989, and

(B) coinsurance shall be applicable under section 1813(a)(3) of such Act only for those days (if any) in 1990 before the 9th day in which the individual was furnished extended care services in 1989 and 1990.

(2) In applying sections 1812 and 1813 of the Social Security Act, as restored by subsection (a)(1), with respect to extended care services provided on or after January 1, 1990, except as may be provided under paragraph (1)—

(A) no day before January 1, 1990, shall be counted in determining the beginning (or period) of a spell of illness; and

(B) the limitation of coverage of extended care services to post-hospital extended care services shall not apply to an individual receiving such services from a skilled nursing facility during a continuous period beginning before (and including) January 1, 1990, until the end of the period of 30 consecutive days in which the individual is not provided inpatient hospital services or extended care services.

(c) EFFECTIVE DATE.—The provisions of this section shall take effect January 1, 1990, except that the amendments made by

subsection (c) shall be effective as if included in the enactment of MCCA.

TITLE II—PROVISIONS RELATING TO PART B OF THE MEDICARE PROGRAM

SEC. 201. REPEAL OF LIMITATION ON MEDICARE PART B COST-SHARING; 1-YEAR DELAY IN IMPLEMENTATION OF OUTPATIENT DRUG BENEFIT.

(a) IN GENERAL.—

(1) REPEAL OF LIMITATION ON COST-SHARING.—Section 201 of MCCA is repealed, and the provisions of law amended or repealed by such section are restored or revived as if such section had not been enacted.

(2) 1-YEAR DELAY IN OUTPATIENT DRUG BENEFIT.—Section 1861(t)(3)(B) of the Social Security Act (42 U.S.C. 1395x(t)(3)(B)) is amended by striking "in 1990" and inserting "in 1990 or 1991".

(b) INCREASE IN THE CATASTROPHIC DRUG DEDUCTIBLE AMOUNT FOR 1992.—

(1) IN GENERAL.—Section 1834(c)(1)(C)(i)(III) of the Social Security Act (42 U.S.C. 1395m(c)(1)(C)(i)(III)) is amended by striking "1992 is $652" and inserting "1992 is $950".

(2) GAO REPORT.—Section 1834(c)(1)(C)(iii) of such Act (42 U.S.C. 1395m(c)(1)(C)(iii)) is amended by inserting after the first sentence the following: "The Comptroller General shall report to Congress, not later than 60 days after the date of publication of such proposed regulation, on the accuracy of the Secretary's proposed amount of the catastrophic drug deductible for that following year.".

(c) MODIFICATION OF COINSURANCE PERCENTAGE FOR COVERED OUTPATIENT DRUGS FOR 1993.—Section 1834(c)(2)(C)(ii) of the Social Security Act (42 U.S.C. 1395m(c)(2)(C)(ii)) is amended—

(1) by striking "and" at the end of subclause (II), and

(2) by striking subclause (III) and inserting the following:

"(III) in 1993 is 30 percent, and

"(IV) in 1994 or a succeeding year is 20 percent.".

(d) CONFORMING AMENDMENTS.—

(1) Section 1834(e)(1) of such Act (42 U.S.C. 1395m(e)(1)) is amended by striking "(except as provided in section 1833(c))".

(2) Section 1861(11)(4) of such Act (42 U.S.C. 1395×(11)(4)) is amended—

(A) in the first sentence, by striking "either" and all that follows through the end of such sentence and inserting "has become entitled to have payments made for covered outpatient drugs under section 1834(c).",

(B) in the second sentence, by striking "subparagraph (A) or (B)" and inserting "the previous sentence",

(C) in the third sentence, by striking "a buyout plan (as defined in section 1833(c)(5)(D)) or", and

(D) in the third sentence, by striking "subparagraphs (A) and (B), respectively," and inserting "the first sentence of this paragraph".

(e) EFFECTIVE DATE.—The provisions of this section shall take effect January 1, 1990.

SEC. 202. REVISION OF MEDICARE PART B MONTHLY PREMIUM AND FINANCING.

(a) CONSOLIDATION OF CATASTROPHIC MONTHLY PREMIUM.—

"(1) IN GENERAL.—Section 1839(g)(1) of the Social Security Act (42 U.S.C. 1395r(g)(1)) is amended—

(A) in subparagraph (A)—

(i) by striking "paragraphs (4) and (5)" and inserting "paragraph (3)",

(ii) by striking "the sum of the catastrophic coverage monthly premium and the prescription drug monthly premium" and inserting "the catastrophic coverage monthly premium",

(iii) by striking "paragraphs (2) and (3)" and inserting "paragraph (2)",

(iv) in the column in the table relating to the catastrophic coverage monthly premium, by striking "$5.46", "$6.75", and "$7.18" and inserting "$7.40", "$9.20", and "$10.20", respectively, and

(v) by striking the column in the table relating to the prescription drug monthly premium; and

(B) by striking subparagraphs (B) and (D) and redesignating subparagraph (C) as subparagraph (B);

(2) UPDATE IN MONTHLY PREMIUM.—Section 1839(g)(2) of such Act is amended—

(A) subparagraph (A), by striking "or (1)(C)",

(B) in subparagraph (B)(i), by inserting "for years beginning with 1998," after "(i)",

(C) in subparagraph (C)(i)(I), by striking "catastrophic outlays" and inserting "prescription drug outlays",

(D) in subparagraph (D)(i), by striking "or (1)(C)",

(E) in subparagraph (D)(ii), by striking "37 percent" and inserting "100 percent",

(F) in subparagraph (D)(iii)(I), by striking" "20 percent" and inserting "the percent specified in clause (iv)",

(G) in subparagraph (D)(iii)(II), by striking "or section 59B(e) of the Internal Revenue Code of 1986", and

(H) by adding at the end of subparagraph (D) the following new clause:

"(iv) For purposes of clause (iii)(I), the percent specified in this clause for 1994 is 75 percent, for 1995 is 50 percent, for 1996 and for 1997 is 25 percent, and for 1998 and each succeeding year is 20 percent.".

(3) ELIMINATION OF SEPARATE PRESCRIPTION DRUG MONTHLY PREMIUM.—Section 1839(g) of such Act is further amended by striking paragraph (3).

(4) TREATMENT OF RESIDENTS OF PUERTO RICO AND TERRITORIES.—Section 1839(g)(4) of such Act is amended—

(A) in subparagraph (A), by striking "(4)" and inserting "(3)",

(B) in subparagraph (A), by striking "the sum of" and all that follows through the end and inserting "the catastrophic coverage monthly premium determined under subparagraph (B).",

(C) in subparagraph (B)(ii), by striking "$3.56" and "$5.78" and inserting "$1.37" and "$2.22",

(D) in subparagraph (B)(ii), by striking "and" at the end,

(E) in subparagraph (B)(iii), by striking "catastrophic outlays" each place it appears and inserting "prescription drug outlays",

(F) by redesignating clause (iii) of subparagraph (B) as clause (iv), and

(G) by inserting after clause (ii) of subparagraph (B) the following new clause:

"(iii) in 1991 is $1.92 for a resident of Puerto Rico and $3.10 for a resident of another U.S. commonwealth or territory; and", and

(H) by striking subparagraph (C).

(5) CONFORMING AMENDMENTS.—Section 1839 of such Act is further amended—

(A) in the second sentence of subsections (a)(1) and (a)(4), by striking "the amendments made by the Medicare Catastrophic Coverage Act of 1988" and inserting "covered outpatient drugs",

(B) in the last sentence of subsections (a)(1) and (a)(4), by striking ", but shall not" and all that follows up to the period,

(C) in subsection (b), by striking "(g)(6)" and inserting "(g)(4)",

(D) by striking paragraph (5) of subsection (g),

(E) in subsection (g)(6), by striking "(6)(A)" and inserting "(4)" and by striking subparagraph (B),

(F) in subsection (g)(7), by striking "(7)(A)" and inserting "(5)(A)" and, in subparagraph (B), by striking "paragraph (4)" and inserting "paragraph (3)", and

(G) in subsection (g)(8)—

(i) by striking subparagraphs (A), (D), and (F),

(ii) in subparagraph (B)(ii), by striking "part A" and inserting "part B", and

(iii) by redesignating subparagraphs (B), (C), and (E) as subparagraphs (A), (B), and (C), respectively.

(b) FEDERAL CATASTROPHIC DRUG INSURANCE TRUST FUND.—Section 1841A of such Act (42 U.S.C. 1395t-1) is amended—

(1) in subsection (a), by striking "(a)(1)" and inserting "(a)", by striking "or under paragraph (2)", and by striking paragraph (2),

(2) in subsection (d)(1)(B), by striking "prescription drug" and inserting "catastrophic coverage", and

(3) in subsection (d)(2), by striking "and under section 59B of the Internal Revenue Code of 1986".

(c) MODIFICATION OF MEDICARE CATASTROPHIC COVERAGE ACCOUNT.—Section 1841B of such Act (42 U.S.C. 1395t-2) is amended—

(1) in subsection (a)—

(A) in the first sentence, by striking "and section 59B of the Internal Revenue Code of 1986,", and

(B) in the second sentence, by striking "and for purposes of section 59B of the Internal Revenue Code of 1986";

(2) in subsection (b)(1)—

(A) by amending subparagraph (A) to read as follows:

"(A) credited for receipts of the Federal Supplementary Medical Insurance Trust Fund attributable to (i) premiums under section 1839(g), or (ii) the additional premium amounts under section 1839 that are attributable to section 1839(e) applying during 1991, 1992, and 1993, and subsequent years", and

(B) by striking subparagraph (3) and redesignating subparagraph (C) as subparagraph (B);

(3) in subsection (b)(4), by striking ", those receipts which are also receipts of the Federal Hospital Insurance Catastrophic Coverage Reserve Fund,"; and

(4) in subsection (c)(2), by striking "and under section 59B of the Internal Revenue Code of 1986".

(d) SETTING BASIC PREMIUM AT 25 PERCENT FOR 1991, 1992, 1993, AND 1994 AND SUBSEQUENT YEARS.—Section 1939(e) of the Social Security Act (42 U.S.C. 1395r(e)) is amended by striking "1990" each place it appears and inserting "and subsequent years".

(e) MISCELLANEOUS CONFORMING AMENDMENTS.—

(1) The seventh sentence of section 1817(b) of such Act, inserted by section 212(c)(3) of the Medicare Catastrophic Coverage Act of 1988, is amended by striking "and those outlays" and all that follows and inserting a period.

(2) Section 1840(i) of such Act (42 U.S.C. 1395s(i)) is amended by striking "a prescription drug monthly premium established under".

(3) Section 1841(a) of such Act (42 U.S.C. 1395t(a)) is amended by striking the sen-

tences added by section 212(b)(2) of the Medicare Catastrophic Coverage Act of 1988.

(4) Section 1844(a) of such Act (42 U.S.C. 1395w(a)) is amended by striking "or section 59B of the Internal Revenue Code of 1986" and inserting "or additional premium amounts under section 1839 for months after December 1990 attributable to section 1839(e) applying during 1991, 1992, 1993, and 1994 and subsequent years".

(f) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1990.

SEC. 302. REVISION OF MEDIGAP REGULATIONS; OTHER AMENDMENTS RELATING TO MEDICARE CATASTROPHIC COVERAGE ACT.

(a) REVISION OF MEDIGAP REGULATIONS.—

(1) Section 1882 of the Social Security Act (42 U.S.C. 1395ss), as amended by section 221(d) of the Medicare Catastrophic Coverage Act of 1988, is amended—

(A) in the third sentence of subsection (a) and in subsection (b)(1), by striking "subsection (k)(3)" and inserting "subsections (k)(3), (k)(4), (m), and (n)";

(B) in subsection (k)—

(i) in paragraph (1)(A), by inserting "except as provided in subsection (m)," before "subsection (g)(2)(A)", and

(ii) in paragraph (3), by striking "subsection (l)" and inserting "subsections (l), (m), and (n)"; and

(C) by adding at the end the following new subsections:

"(m)(1)(A) If, within the 90-day period beginning on the date of the enactment of this subsection, the National Association of Insurance Commissioners (in this subsection and subsection (n) referred to as the 'Association') amends the amended NAIC Model Regulation (referred to in subsection (k)(1)(A) and adopted on September 20, 1988) to reflect the changes in law made by the Medicare Catastrophic Revision Act of 1989, subsection (g)(2)(A) shall be applied in a State, effective on and after the date specified in subparagraph (B), as if the reference to the Model Regulation adopted on June 6, 1979, were a reference to the amended NAIC Model Regulation (referred to in subsection (k)(1)(A)) as amended by the Association in accordance with this paragraph (in this subsection and subsection (n) referred to as the 'revised NAIC Model Regulation').

"(B) The date specified in this subparagraph for a State is the earlier of the date the State adopts standards equal to or more stringent than the revised NAIC Model Regulation or 1 year after the date the Association first adopts such revised Regulation.

"(2)(A) If the Association does not amend the amended NAIC Model Regulations, within the 90-day period specified in paragraph (1)(A), the Secretary shall promulgate, not later than 60 days after the end of such period, revised Federal model standards (in this subsection and subsection (n) referred to as 'revised Federal model standards') for medical supplemental policies to reflect the changes in law made by the Medicare Catastrophic Revision Act of 1989, subsection (g)(2)(A) shall be applied in a State, effective on and after the date specified in subparagraph (B), as if the reference to the Model Regulation adopted on June 6, 1979, were a reference to the revised Federal model standards.

"(B) The date specified in this subparagraph for a State is the earlier of the date the State adopts standards equal to or more stringent than the revised Federal model standards or 1 year after the date the Secretary first promulgated such standards.

"(3) Notwithstanding any other provision of this section (except as provided in subsection (n))—

"(A) no medicare supplemental policy may be certified by the Secretary pursuant to subsection (a),

"(B) no certification made pursuant to subsection (a) shall remain in effect, and

"(C) no State regulatory program shall be found to meet (or to continue to meet) the requirements of subsection (b)(1)(A),

unless such policy meets (or such program provides for the application of standards equal to or more stringent than) the standards set forth in the revised NAIC Model Regulation or the revised Federal model standards (as the case may be) by the date specified in paragraph (1)(B) or (2)(B) (as the case may be).

"(n)(1) Until the date specified in paragraph (4), in the case of a qualifying medicare supplemental policy described in paragraph (3) issued in a State—

"(A) before July 1, 1990, the policy is deemed to remain in compliance with the standards described in subsection (b)(1)(A) if the insurer issuing the policy complies with the transition provision described in paragraph (2), or

"(B) on or after July 1, 1990, the policy is deemed to be in compliance with the standards described in subsection (b)(1)(A) if the insurer issuing the policy complies with the revised NAIC Model Regulation or the revised Federal model standards (as the case may be) before the date of the sale of the policy.

"(2) The transition provision described in this paragraph is—

"(A) such transition provision as the Association provides, by not later than December 15, 1989, so as to provide for an appropriate transition to reflect the changes in benefits under this title made by the Medicare Catastrophic Revision Act of 1989, or

"(B) if the Association does not provide for a transition provision by the date described in subparagraph (A), such transition provision as the Secretary shall provide, by January 1, 1990, so as to provide for an appropriate transition described in subparagraph (A).

"(3) In paragraph (1), the term 'qualifying medicare supplemental policy' means a medicare supplemental policy which has been issued in compliance with this section as in effect on the date before the date of the enactment of this subsection.

"(4)(A) The date specified in this paragraph for a policy issued in a State is—

"(i) the first date a State adopts, after the date of the enactment of this subsection, standards equal to or more stringent than the revised NAIC Model Regulation (or revised Federal model standards), as the case may be, or

"(ii) the date specified in subparagraph (B), whichever is earlier.

"(B) In the case of a State which the Secretary identifies, in consultation with the Association, as—

"(i) requiring State legislation (other than legislation appropriating funds) in order for medicare supplemental policies to meet standards described in subparagraph (A)(i), but

"(ii) having a legislature which is not scheduled to meet in 1990 in a legislative session in which such legislation may be considered,

the date specified in this subparagraph is the first day of the first calendar quarter beginning after the close of the first legislative session of the State legislature that begins on or after January 1, 1990. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

"(5) In the case of a medicare supplemental policy in effect on January 1, 1990, the policy shall not be deemed to meet the standards in subsection (c) unless each individual who is entitled to benefits under this title and is a policy holder under such policy on such date is sent a notice in any appropriate form by not later than January 31, 1990, that explains—

"(A) the changes in benefits under this title effected by the Medicare Catastrophic Revision Act of 1989, and

"(B) how these changes affect the benefits contained in such policy and the premium for the policy.

"(6) In the case of an insurer which had in effect, as of December 31, 1988, a medicare supplemental policy with respect to an individual, for which the individual terminated coverage as of January 1, 1989 (or the earliest renewal date thereafter), no medicare supplemental policy of the insurer shall be deemed to meet the standards in subsection (c) unless the insurer—

"(A) provides written notice, by January 15, 1990, to the individual (at the most recent available address) of the offer described in subparagraph (B), and

"(B) offers to the individual, during the period beginning on January 1, 1990, and ending on March 1, 1990, continuation of coverage under such a medicare supplemental policy (with coverage effective as of January 1, 1990), under the terms respecting treatment of pre-existing conditions and group rating of premium which are at least as favorable to the individual as such terms as existed with respect to the policy as of December 31, 1988.".

(2) It is the sense of Congress that States should respond, at the earliest practicable date after the date of the enactment of this Act, to requests by insurers for review and approval of riders and premium adjustments for medicare supplemental policies in order to comply with the amendments made by paragraph (1).

(b) ADJUSTMENT OF CONTRACTS WITH PREPAID HEALTH PLANS.—Section 222 of MCCA is amended by inserting "and before January 1, 1990," after "December 31, 1988," each place it appears.

(c) NOTICE OF CHANGES.—The Secretary of Health and Human Services shall provide, in the notice of medicare benefits provided under section 1804 of the Social Security Act for 1990, for a description of the changes in benefits under title XVIII of such Act made by the amendments made by this Act.

(d) TECHNICAL CORRECTIONS RELATING TO MEDICARE CATASTROPHIC COVERAGE ACT OF 1988.—

(1) CORRECTIONS RELATING TO CATASTROPHIC DRUG BENEFIT.—

(A) DEFINITION OF COVERED OUTPATIENT DRUGS.—Section 1861(t)(3)(A) of the Social Security Act, as added by section 202(a)(2)(C) of the Medicare Catastrophic Coverage Act of 1988 (in this subsection referred to as "MCCA"), is amended—

(i) by redesignating clauses (iv) through (xiii) as clauses (vi), (vii), (viii), (ix), (x), (xii), (xiii), (xiv), (xvi), and (xviii), respectively;

(ii) by inserting after clause (iii) the following:

"(iv) Diagnostic services under subsections (s)(2)(C) and (s)(3).

"(v) X-ray, radium, and radioactive isotope therapy under subsection (s)(4).";

(iii) by inserting after clause (x), as so redesignated, the following:

"(xi) Parenteral nutrition nutrients under subsection (s)(8).";

(iv) by inserting after clause (xvi), as so redesignated, the following:

"(xv) Partial hospitalization services (as defined in subsection (ff)).": and

(v) by inserting after clause (xvi), as so redesignated, the following:

"(xvii) Qualified psychologist services (as defined in subsection (ii)).".

(B) COVERED HOME IV DRUGS.—Section 1861(t)(4)(A) of such Act (42 U.S.C. 1395x(t)(4)(A)) is amended by striking "dispensed" and inserting "furnished by a qualified home intravenous drug therapy provider".

(C) REFERENCES TO CATASTROPHIC DRUG DEDUCTIBLE AMOUNT.—Section 1834(c) of the Social Security Act, as added by section 202(b)(4) of MCCA, is amended—

(i) in paragraph (1)(C), by striking "Subject to subparagraph (D), the" and inserting "The"

(ii) in paragraph (2)(A), by striking "under paragraph (1)(A) and except as provided in subparagraph (C)" and inserting "under paragraph (1)"; and

(iii) in paragraph (8)(E), by striking "paragraph (1)(A)" each place it appears and inserting "paragraph (1)";

(D) PAYMENT FOR ELECTRONIC EQUIPMENT FOR PHARMACIES.—Section 1842(o)(2) of the Social Security Act, as added by section 202(c)(1)(C) of MCCA, is amended—

(i) in subparagraph (B)—

(I) by inserting ", software," after "electronic equipment", and

(II) by inserting ", or reimbursement for such equipment or software modifications," after "telephone service)";

(ii) by adding at the end the following:

"Any reimbursement under subparagraph (B) shall be contingent upon a pharmacy's system meeting the requirements specified in the contracts between the Secretary and carriers and shall not exceed the reasonable cost of the modifications or, if less, the cost of a point-of-sale terminal (as defined in such contracts).".

(E) INTERIM FUNDING OF CATASTROPHIC DRUG EXPENSES.—(i) Section 202(m)(5) of MCCA is amended by striking "January 1, 1990" and inserting "April 1, 1990".

(ii) Section 1841A(c) of the Social Security Act, as inserted by section 212(a) of MCCA, is amended by striking "and administrative costs" and inserting "(and on or after April 1, 1990, for administrative costs)".

(F) EXPANSION OF IDENTIFIERS TO NONPHYSICIAN PRACTITIONERS.—The Secretary of Health and Human Services shall expand the identifier system established under section 9202(g) of the Consolidated Omnibus Budget Reconciliation Act of 1985 to provide unique identifiers to each nonphysician practitioner (physician assistants, nurse practitioners, and certified registered nurse anesthetists) who is authorized to prescribe or dispense covered outpatient drugs for which payment may be made under title XVIII of the Social Security Act.

(2) SCREENING MAMMOGRAPHY.—

(A) APPLICATION OF PARTICIPATING PHYSICIAN DIFFERENTIAL.—Section 1834(e)(4) of the Social Security Act, as added by section 204(b)(2) of MCCA, is amended by adding at the end the following new subparagraph:

"(D) APPLICATION OF PARTICIPATING PHYSICIAN DIFFERENTIAL.—In applying the limit under subparagraph (A) with respect to a nonparticipating physician, the limit applied shall be the applicable percent (as defined in the second sentence of section 1842(b)(4)(A)(iv)) of the limit otherwise established in that subparagraph.".

"(B) FREQUENCY OF SCREENING.—Section 1834(e)(2)(A) of the Social Security Act, as added by section 204(b)(2) of MCCA, is amended—

(1) in clause (iii)(I), by striking "the 11 months of a previous screening mammography" and inserting "11 months following the month in which a previous screening mammography was performed",

(ii) in clause (iii)(II), by striking "the 23 months of a previous screening mammography" and inserting "23 months following the month in which a previous screening mammography was performed",

(iii) in clause (iv), by striking "11 months of a previous screening mammography" and inserting "23 months following the month in which a previous screening mammography was performed",

(iii) in clause (iv), by striking "11 months of a previous screening mammography" and inserting "11 months following the month in which a previous screening mammography was performed", and

(iv) in clause (v), by striking "23 months of a previous screening mammography" and inserting "23 months following the month in which a previous screening mammography was performed".

"(3) ROUNDING OF PART B PREMIUM.—Section 1839 of the Social Security Act, as amended by section 211(c)(1)(E) of MCCA, is amended—

(A) in the first sentence of subsection (b) (as amended by section 202(a)(5)(C) of this Act), by striking "subsections (f) and (g)(4)" and inserting "subsection (f)",

(B) in subsection (b), by inserting after the first sentence the following new sentence: "If the resulting monthly premium is not a multiple of 10 cents, such premium shall be rounded to the nearest multiple of 10 cents.", and

(C) in subsection (c), by striking "the foregoing provisions of this section" and inserting "subsection (a)(3) or (e)".

"(4) MISCELLANEOUS.—

(A) Clause (iii) of section 1814(a)(7)(A) of the Social Security Act, as added by section 104(d)(2)(C)(iii) of MCCA, is amended by moving its alignment 2 ems to the left so its alignment is the same as that of clause (ii) of such section.

(B) Section 1842(p)(3)(B) of the Social Security Act, as added by section 202(g) of MCCA, is amended by striking "section 1842(j)(2)(A)" and inserting "subsection (j)(2)(A)".

(C) Section 221(g)(3) of MCCA is amended by striking "subsection (f)" and inserting "subsection (e)".

(D) Section 1842(h)(5)(B)(iv) of the Social Security Act, as added by section 223(b)(4) of MCCA, is amended by striking "paragraph (2)(A)" and inserting "paragraph (2)".

"(e) MISCELLANEOUS TECHNICAL CORRECTION.—Section 221(g)(3) of MCCA is amended by striking "subsection (f)" and inserting "subsection (e)".

"(f) EFFECTIVE DATE.—The provisions of this section shall take effect January 1, 1990, except that the amendment made by subsection (d) shall be effective as if included in the enactment of MCCA.

## GRAHAM AMENDMENT NO. 986

Mr. GRAHAM proposed an amendment to the bill S. 1726, supra; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. MODIFIED BENEFIT PACKAGE FOR INDIVIDUALS HAVING PRIVATE INSURANCE.

(a) IN GENERAL.—Subtitle C of title XVIII is amended by adding at the end thereof the following new section:

"MODIFIED BENEFIT PACKAGE FOR INDIVIDUALS HAVING PRIVATE INSURANCE

"SEC. 1893. (a) Upon request made by an individual, in such manner and including such information as the Secretary may require, the Secretary shall determine whether such individual is entitled to hospital insurance benefits and supplementary medical insurance benefits under any benefit plan other than this title, which are equal to or greater than the benefits added by the Medicare Catastrophic Coverage Act of 1988, as amended. If the Secretary makes an affirmative determination with respect to such individual, such individual shall not be entitled under this title to such benefits, and shall not be required to pay the premium under section 59B of the Internal Revenue Code of 1986 and the premium under section 1839(g) of this title, for so long as such individual continues to be entitled to such benefits under such other plan.

"(b) An individual may request the Secretary to determine whether such individual has ceased to be entitled to such benefits under such plan, or the Secretary may make such a determination on the Secretary's own motion. If such a determination is made, such individual shall thereafter be entitled to such benefits, and shall be required to pay the premium determined under section 59B of the Internal Revenue Code of 1986 and the premium under section 1839(g) of this title.".

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to items and services furnished in, and premiums payable for, months beginning on or after November 1, 1989.

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## DURENBERGER (AND OTHERS) AMENDMENT NO. 987

Mr. DURENBERGER (for himself, Mr. MITCHELL, Mr. DOLE, Mr. BENTSEN, Mr. ROCKEFELLER, Mr. BRADLEY, Mr. MOYNIHAN, Mr. DASCHLE, and Mr. MATSUNAGA) proposed an amendment to the bill S. 1726, supra; as follows:

Strike all after the enacting clause, and insert in lieu thereof the following:

SEC. . MODIFICATIONS TO MEDICARE CATASTROPHIC COVERAGE.

(a) MODIFICATIONS TO FUNDING FOR MEDICARE CATASTROPHIC COVERAGE.—

(1) MEDICARE PART B PREMIUM.—Section 1839(g)(1)(A) of the Social Security Act is amended by striking the table therein and inserting the following new table:

| "In the case of: | The catastrophic coverage monthly premium is: |
|---|---|
| 1989 | $4.00 |
| 1990 | 4.90 |
| 1991 | 5.46 |
| 1992 | 6.75 |
| 1993 | 7.18." |

(2) SUPPLEMENTAL MEDICARE PREMIUM.—

(A) REDUCTION IN ANNUAL LIMITATION.—Subparagraph (A) of section 59B(c)(2) of the Internal Revenue Code of 1986 is amended to read as follows:

"(A) YEARS BEFORE 1994.—In the case of any taxable year beginning before 1994, the annual premium determined under this subsection with respect to any individual shall not exceed—

"(i) $200, in 1990 and 1991, and

"(ii) $250, in 1992 and 1993."

(B) REDUCTION IN PREMIUM RATE.—Subsection (d) of section 59B of such Code is amended to read as follows:

(d) DETERMINATION OF SUPPLEMENTAL PREMIUM RATE FOR YEARS BEFORE 1994.—In the case of any taxable year beginning before 1994, the supplemental premium rate determined under this subsection shall equal $15."

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect as if included in the Medicare Catastrophic Coverage Act of 1988.

(b) MODIFICATION OF MEDICARE PART B COST-SHARING LIMITATION.—Subparagraph (A) of section 1833(c)(3) is amended—

(1) by striking "1990" and inserting "1991",

(2) by striking "$1,370" and inserting "$1,600", and

(3) by striking "7 percent" and inserting "5.5 percent".

(c) MODIFICATION OF EXTENDED CARE SERVICES.—

(1) DURATION OF EXTENDED CARE SERVICES REDUCED TO 100 DAYS PER YEAR.—Section 1812 of the Social Security Act (42 U.S.C. 1395d) is amended by striking "150 days" in subsections (a)(2) and (b)(1) and inserting "100 days".

(2) POST-HOSPITALIZATION REQUIREMENT REINSTATED.—

(A) IN GENERAL.—Section 1812 (42 U.S.C. 1395d) is amended—

(i) in subsection (a)(2), as amended by paragraph (1), by striking "extended care services for up to 100 days during any calendar year" and inserting in lieu thereof "(A) post-hospital extended care services for up to 100 days, and (B), to the extent provided in subsection (f), extended care services that are not post-hospital extended care services";

(ii) in subsection (b)(1), by inserting "post-hospital" before "extended care";

(iii) in subsection (e), by inserting "post-hospital" before "extended care"; and

(iv) by adding at the end thereof the following new subsections:

"(f)(1) The Secretary shall provide for coverage under clause (B) of subsection (a)(2) of this section, of extended care services which are not post-hospital extended care services at such time and for so long as the Secretary determines, under such terms and conditions (described in paragraph (2)) as the Secretary finds appropriate, that the inclusion of such services will not result in any increase in the total of payments made under this subchapter and will not alter the acute care nature of the benefit described in subsection (a)(2) of this subsection.

"(2) The Secretary may provide—

"(A) for such limitations on the scope and extent of such services described in subsection (a)(2)(B) of this section, and on the categories of individuals who may be eligible to receive such services, and

"(B) notwithstanding sections 1814, 1861(v), and 1886 of this title for such restrictions and alternatives on the amount and methods of payment described in such subsection.

as may be necessary to carry out paragraph (1).

"(g) For a definition of 'post-hospital extended care services' and definitions of other terms used in this pact, see section 1861 of this title.".

(B) MISCELLANEOUS AND CONFORMING AMENDMENTS.—

(i) Section 1811 (42 U.S.C. 1395c) is amended by inserting "post-hospital" before "extended care".

(ii) Paragraphs (2)(B) and (6) of section 1814(a) (42 U.S.C. 1395f(a)) are each amended by inserting "post-hospital" before "extended care" each place it appears.

(iii) Section 1861(e) (42 U.S.C. 1395x(e)) is amended—

(I) in the matter before paragraph (1), by inserting "and, subsection (i) of this subsection," after "and paragraph (7) of this subsection";

(II) in the second sentence, by inserting ", and subsection (i) of this section" after "and section 1814(f)(2)";

(III) in the fourth sentence, by inserting "except for purposes of subsection (a)(2)" after ", such term shall not"; and

(IV) by inserting after the first sentence the following new sentence: "For purposes of subsection (a)(2) of this section, such term includes any institution which meets the requirements of paragraph (1) of this section.".

(iv) Section 1861 (42 U.S.C. 1395x) is amended by inserting after subsection (h) the following new subsection:

"(i) The term 'post-hospital extended care services' means extended care services furnished an individual after transfer from a hospital in which such individual was an inpatient for not less than 3 consecutive days before his discharge from the hospital in connection with such transfer. For purposes of the preceding sentences, items and services shall be deemed to have been furnished to an individual after transfer from a hospital, and such individual shall be deemed to have been an inpatient in the hospital immediately before transfer therefrom, if such individual is admitted to the skilled nursing facility—

"(A) within 30 days after discharge from such hospital, or

"(B) within such time as it would be medically appropriate to begin an active course of treatment, in the case of an individual whose condition is such that skilled nursing care would not be medically appropriate within 30 days after discharge from a hospital; and an individual shall be deemed not to have been discharged from a skilled nursing facility if, within 30 days after discharge therefrom, such individual is admitted to such facility or any other skilled nursing facility.".

(v) Subsections (v)(1)(G)(i), (v)(2)(A), and (v)(3) of section 1861 (42 U.S.C. 1395x) are each amended by inserting "post-hospital" before "extended care" each place it appears.

(vi) Section 1861(y) (42 U.S.C. 1395x(y)) is amended—

(I) by inserting "Post-Hospital" before "Extended Care" in the heading and by inserting "post-hospital" before "extended care" each place it appears, and

(II) in paragraph (1), by inserting "(except for purposes of subsection (a)(2))" after "Boston, Massachusetts, but only".

(vii) Section 1866(d) (42 U.S.C. 1395cc(d)) is amended by inserting "post-hospital" before "extended care".

(viii) Subsections (d) (1) and (f) of section 1883 (42 U.S.C. 1395tt) are amended by inserting "post-hospital" before "extended care" each place it appears.

(2) DURATION OF COINSURANCE INCREASE.—Section 1813(a)(3) (42 U.S.C. 1395e(a)(3)) is amended to read as follows:

"(3) The amount payable for post-hospital extended care services furnished to an individual in any calendar year shall be reduced by a coinsurance amount equal to one-eighth of the inpatient hospital deductible for each day (before the 101st day) on which he is furnished such services after such services have been furnished to him for 20 days during such year."

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to admissions occurring after December 31, 1989.

(d) LIMITATION OF DRUG BENEFITS TO IMMUNOSUPPRESSANTS AND HOME IV DRUGS.—

(1) IN GENERAL.—Subparagraph (B) of section 1861(t)(3) of the Social Security Act (42 U.S.C. 1395x(t)(3)) is amended by striking "in 1990" and inserting "in years after 1989".

(2) APPLICATION OF LAW.—The Secretary of Health and Human Services shall apply the amendments made by section 202 of the Medicare Catastrophic Coverage Act of 1988 in order to properly implement the amendments made by this subsection.

(3) EFFECTIVE DATE.—The amendment made by this subsection shall take effect as if included in the Medicare Catastrophic Coverage Act of 1988.

(e) GENERAL REPEALS.—

(1) IN GENERAL.—The following provisions of the Medicare Catastrophic Coverage Act of 1988, as amended by the Technical and Miscellaneous Revenue Act of 1988, are hereby repealed, and the Social Security Act shall be applied and administered as if such provisions (and the amendments made by such provisions) had not been enacted:

(A) Section 212 (other than subsection (b)(2)).

(B) Section 213.

(2) CONFORMING AMENDMENTS RELATING TO TRUST FUNDS.—

(A) FEDERAL HOSPITAL INSURANCE CATASTROPHIC COVERAGE RESERVE FUND.—Section 1817A of the Social Security Act (42 U.S.C. 1395i-1a) is amended by adding at the end thereof the following new subsection:

"(d) On January 1, 1990, the Secretary shall transfer any amount remaining in the Trust Fund (including interest) to the Federal Hospital Insurance Trust Fund.".

(B) SMI TRUST FUND.—Section 1841(a) of the Social Security Act (42 U.S.C. 1395t(a)) is amended by striking "which are attributable to the catastrophic coverage rate and which are not otherwise appropriated under section 1817A(a)(2) to the Federal Hospital Insurance Catastrophic Coverage Reserve Fund".

(3) EFFECTIVE DATES.—

(A) REPEALS.—The repeals made by this subsection shall take effect as if included in the Medicare Catastrophic Coverage Act of 1988.

(B) TRUST FUNDS AMENDMENTS.—The amendments made by paragraph (2) shall take effect on the date of the enactment of this Act.

(f) QUALIFIED PERIOD IN COMMUNITY FOR SNFF.—

(1) IN GENERAL.—Section 1813 of the Social Security Act, as amended by this section, is further amended by striking "in any calendar year" and "during the year" in subsection (a)(3)(A) and inserting "after a qualified period in the community".

(2) CONFORMING AMENDMENTS.—

(A) Section 1832(b) of such Act is amended by inserting "'qualified period in the community'," after "For definitions of".

(B) Section 1861 of such Act is amended by inserting before subsection (b) the following new section:

"(a) The term 'qualified period in the community' with respect to any individual means, with respect to any calendar year, one period of consecutive days—

"(1) ending with the first day on which such individual is furnished inpatient hospital services, and which occurs in a month for which he is entitled to benefits under part A, and

"(2) beginning with a day sixty days before the day described in paragraph (1).".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect as if included in the Medicare Catastrophic Coverage Act of 1988.

(g) SPECIAL RULES FOR SNFF AMENDMENTS.—Notwithstanding any other provision of this section, any person who, on the date of enactment of the amendments made with respect to extended care services, is receiving benefits under the provisions of the Medicare Catastrophic Coverage Act of 1988 as in effect on the day before such date of enactment, shall continue to receive such services as if such amendments had not been enacted for the 150-day period.

(h) VOLUNTARY ELECTION OF PART B BENEFITS INCLUDING CATASTROPHIC COVERAGE.—

(1) IN GENERAL.—Paragraph (1) of section 59B(b) of the Internal Revenue Code of 1986 is amended to read as follows:

"(1) such individual is enrolled under part B of title XVIII of the Social Security Act for more than 6 full months beginning in the taxable year, and".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect as if included in the Medicare Catastrophic Coverage Act of 1988.

(i) PRESCRIPTION DRUG PAYMENT REVIEW COMMISSION.—Notwithstanding any other provision of this Act, Section 1847 of the Social Security Act remains in effect, and subsections (b), (c), (d), and (e) are amended to read as follows:

"(b)(1) The Commission shall submit to Congress a preliminary report no later than March 1, 1991, an a final report no later than March 1, 1992, concerning methods by which the Secretary should determine coverage and payment for outpatient prescription drugs under this Title and Title XIX.

"(2) The preliminary report shall contain background information, policy analysis of options, and recommendations regarding coverage of outpatient prescription drugs. The final report shall substantially extend the Commission's preliminary analysis and take into account comments on the preliminary report. Both preliminary and final reports shall include information and recommendations regarding such issues as—

"(A) scope of benefits under this Title and Title XIX, including the potential for and the advisability of establishing minimum standards for prescription drug benefits under Title XIX;

"(B) source or sources of financing, including the potential for and advisability of linking prescription drug benefits under this Title and Title XIX;

"(C) methods of payment for drug products;

"(D) method of administration, including information requirements necessary for proper administration, such as uniform drug nomenclature;

"(E) forms of utilization review and quality assurance, including an assessment of the potential for significant cost savings in total expenditures under this Title and Title XIX resulting from a program of prospective and retrospective drug utilization review;

"(F) Changes in manufacturers' prices, and in charges of pharmacists, for outpatient prescription drugs [current law];

"(G) changes in both the level and nature of utilization of outpatient drugs by beneficiaries of this Title and Title XIX, taking into account the impact of these changes on aggregate expenditures for outpatient prescription drugs.

"(3) The Commission shall make recommendations as to what contingency margin, if any, would be appropriate to absorb unexpected increases in outpatient prescription drug program outlays under this Title."

"(c) Section 1845(c)(1) shall apply to the Commission in the same manner as it applies to the Physician Payment Review Commission.

"(d) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section. Such sums shall be payable from the Federal Supplemental Medical Insurance Trust Fund.

"(e) The Commission shall cease to exist, effective December 31, 1992, after providing Congress with advice and testimony, as needed, pertaining to its final report."

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## RIEGLE (AND OTHERS) AMENDMENT NO. 988

Mr. RIEGLE (for himself, Mr. CHAFEE, Mr. EXON, and Mr. BENTSEN) proposed an amendment to the bill S. 1726, supra, as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Medicare Catastrophic Alternative Coverage Act of 1989".

### TITLE I—REPEAL OF SUPPLEMENTAL MEDICARE PREMIUM

SEC. 101. REPEAL OF SUPPLEMENTAL MEDICARE PREMIUM.

(a) REPEAL.—

(1) IN GENERAL.—Section 111 of the Medicare Catastrophic Coverage Act of 1988 (Public Law 100-360) (in this part referred to as "MCCA") is repealed and the provisions of law amended by such section are restored or revived as if such section had not been enacted.

(2) EFFECTIVE DATE.—The repeal of section 111 of MCCA made by paragraph (1) shall apply to taxable years beginning after December 31, 1988.

(b) ELIMINATION OF FEDERAL HOSPITAL INSURANCE CATASTROPHIC COVERAGE RESERVE FUND.—

(1) Section 1817A of the Social Security Act (42 U.S.C. 1395i-1a) is repealed.

(2) Section 112(b) of MCCA is repealed.

(3) Any balance in the Federal Hospital Insurance Catastrophic Coverage Reserve Fund (created under section 1817A(a) of the Social Security Act, as inserted by section 112(a) of MCCA) as of January 1, 1990, shall be transferred into the Federal Hospital Insurance Trust Fund and any amounts payable due to overpayments into such Trust Fund shall be payable from the Federal Hospital Insurance Trust Fund.

(4) Section 201(i)(1) of the Social Security Act (42 U.S.C. 401(i)(1)) is amended by striking "Federal Hospital Insurance Catastrophic Coverage Reserve Fund,".

### TITLE II—RETENTION OF MINIMUM CATASTROPHIC BENEFITS FUNDED THROUGH FLAT RATE PREMIUM

SEC. 201. DELAY AND ADJUSTMENT IN PART B COPAYMENT CAP.

Section 1833(c) of the Social Security Act (42 U.S.C. 13951(c)) is amended—

(1) in paragraph (1), by striking "1990" and inserting "1991",

(2) in paragraph (3)(A), by striking "The part B" each place it appears and inserting "Subject to paragraph (6), the part B",

(3) in paragraph (3)(A), by striking "1990 is $1,370" and inserting "1991 is $1,780",

(4) in paragraph (3)(A), by striking "7 percent" and inserting "5.5 percent", and

(5) by adding at the end the following new paragraph:

"(6) The Secretary shall provide for an increase in the part B catastrophic limit otherwise applicable in each year in such an amount as will reduce expenditures under this part by the same amount as the additional premiums that would have been collected under this part in the year if provisions of section 1839(e) were applicable to months in 1991, 1992, and 1993.".

SEC. 202. ADJUSTMENTS IN PART B PREMIUM.

(a) ADJUSTMENT TO MEDICARE CATASTROPHIC MONTHLY FLAT PREMIUM.—

(1) IN GENERAL.—Section 1839(g)(1) of the Social Security Act (42 U.S.C. 1395r(g)(1)) is amended—

(A) in subparagraph (A)—

(i) by striking "paragraphs (4) and (5)" and inserting "paragraphs (3) and (4)",

(ii) by striking "the sum of the catastrophic coverage monthly premium and the prescription drug monthly premium" and inserting "the catastrophic coverage monthly premium",

(iii) by striking "paragraphs (2) and (3)" and inserting "paragraph (2)",

(iv) in the column in the table relating to the catastrophic coverage monthly premium, by striking "$4.90", "$5.46", "$6.75", and "$7.18" and inserting "$4.00", "$7.30", "$9.10" and "$8.00", respectively, and

(v) by striking the column in the table relating to the prescription drug monthly premium; and

(B) by striking subparagraphs (B) and (D) and redesignating subparagraph (C) as subparagraph (B).

(2) UPDATE IN MONTHLY PREMIUM.—Section 1839(g)(2) of such Act is amended—

(A) subparagraph (A), by striking "or (1)(C)",

(B) in subparagraph (D)(i), by striking "or (1)(C)",

(C) in subparagraph (D)(ii), by striking "37 percent" and inserting "100 percent", and

(D) in subparagraph (D)(iii)(II), by striking "or section 59B(e) of the Internal Revenue Code of 1986".

(3) ELIMINATION OF SEPARATE PRESCRIPTION DRUG MONTHLY PREMIUM.—Section 1839(g) of such Act is further amended by striking paragraph (3).

(4) TREATMENT OF RESIDENTS OF PUERTO RICO AND TERRITORIES.—Section 1839(g)(4) of such Act is amended to read as follows:

"(3)(A) In the case of an individual who is a resident of Puerto Rico or who is a resident of another U.S. commonwealth or territory during a month, instead of the premium increase provided under paragraph (1), subject to subsection (b), the monthly premium for each individual enrolled under this part (otherwise determined without regard to this subsection) shall be increased by a fraction (determined under subpara-

graph (B)) of the premium increase determined under paragraph (1) for residents of Puerto Rico and for residents of the other U.S. commonwealths and territories, respectively.

"(B) The Secretary shall from time to time establish, for Puerto Rico and for the other U.S. commonwealths and territories, a fraction that reflects the relative costs for the benefits under this title (which are accounted for under the Medicare Catastrophic Coverage Account) of residents in such respective areas compared to such costs in the 50 States and the District of Columbia.".

(5) PART B ONLY INDIVIDUALS.—Section 1839(g)(5) of such Act is amended to read as follows:

"(4)(A) In the case of a part B only individual during a month, instead of the premium increase provided under paragraph (1), subject to subsection (b), the monthly premium for each individual enrolled under this part (otherwise determined without regard to this subsection) shall be increased by a fraction (determined under subparagraph (B)) of the premium increase determined under paragraph (1).

"(B) The Secretary shall from time to time establish a fraction that reflects the relative costs for the benefits under this title (which are accounted for under the Medicare Catastrophic Coverage Account) of part B only individuals compared to such costs for individuals entitled to benefits under both part A and this part.".

(5) CONFORMING AMENDMENT.—Section 1839 of such Act is further amended—

(A) in subsection (b), by striking "(g)(6)" and inserting "(g)(5)",

(B) in subsection (g)(6), by striking "(6)(A)" and inserting "(5)" and by striking subparagraph (B),

(C) in subsection (g)(7), by striking "(7)(A)" and inserting "(6)(A)" and, in subparagraph (B), by striking "paragraph (4)" and inserting "paragraph (3)", and

(D) in subsection (g)(8)—

(i) in subparagraph (A)(ii), by striking "part A" and inserting "this part", and

(ii) by striking subparagraph (B).

(b) CONFORMING AMENDMENT.—The last sentence of section 1844(a) of such Act (42 U.S.C. 1395w(a)) is amended by inserting "or additional premium amounts under section 1839 for months after December 1990 attributable to section 1839(e) applying during 1991, 1992, and 1993" after "Internal Revenue Code of 1986".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to premiums for months beginning with January 1990.

SEC. 203. TRANSFER OF AMOUNTS TO FEDERAL HOSPITAL INSURANCE TRUST FUND.

Section 1841 of the Social Security Act (42 U.S.C. 1395t) is amended—

(1) in subsection (a), by striking all that follows the first sentence, and

(2) by adding at the end the following:

"(j) There shall be transferred periodically (but not less often than monthly) from the Trust Fund to the Federal Hospital Insurance Trust Fund an amount equal to the Secretary's estimate of the additional amounts of expenditures made from the Federal Hospital Insurance Trust Fund that are attributable to the amendments to sections 1812(a)(1), 1813(a)(1), and 1813(a)(3) made by the Medicare Catastrophic Coverage Age of 1988.".

SEC. 204. REVISIONS TO MEDICARE CATASTROPHIC COVERAGE ACCOUNT.

Section 1841B of the Social Security Act (42 U.S.C. 1395t-2) is amended—

(1) in subsection (a), by striking ", and section 59B of the Internal Revenue Code of 1986," and by striking "and for purposes of section 59B of the Internal Revenue Code of 1986";

(2) by amending paragraph (1) of subsection (b) to read as follows:

"(1) The Account shall be—

"(A) credited for receipts of the Federal Supplementary Medical Insurance Trust Fund attributable to premiums under section 1839(g), and

"(B) debited for—

"(i) outlays made under part A that are attributable to the amendments to sections 1812(a)(1), 1813(a)(1), and 1813(a)(3) made by the Medicare Catastrophic Coverage Act of 1988, and

"(ii) outlays made under this part that are attributable to section 1833(c).";" and

(3) in subsection (b)(4), by striking ", receipts that are also" and all that follows through "Reserve Fund".

## TITLE III—MAKING PROVISION OF ADDITIONAL CATASTROPHIC BENEFITS OPTIONAL

SEC. 301. NEW OPTIONAL, PART C PROGRAM.

(a) IN GENERAL.—Title XVIII of the Social Security Act is amended by redesignating part C as part D and by adding after part B the following new part:

"PART C—INSURANCE PROGRAM FOR CERTAIN ADDITIONAL BENEFITS

ESTABLISHMENT OF PROGRAM

"SEC. 1851. There is hereby established a voluntary insurance program to provide certain benefits provided under amendments made by the Medicare Catastrophic Coverage Act of 1988 in accordance with the provisions of this part for individual entitled to benefits under part A or part B who elect to enroll under such program, to be financed from premium payments by enrollees.

"SCOPE OF BENEFITS

"SEC. 18552. (a) DESCRIPTION OF BENEFITS.—Notwithstanding any other provision of this title, except as provided in this section, the amendments made by the following provisions of the Medicare Catastrophic Coverage Act of 1988 shall only apply to individuals enrolled and covered under this part:

"(1) Sections 101, 102, and 104(d), insofar as they relate to changes in benefits with respect to extended care services or hospice care.

"(2) Section 202 (relating to coverage of expenses for prescription drugs and insulin), other than subsections (g) and (m)(4) thereof.

"(3) Section 203 (relating to coverage of home intravenous drug therapy services).

"(4) Section 204 (relating to coverage of screening mammography).

"(5) Section 205 (relating to in-home care for certain chronically dependent individuals).

"(6) Section 206 (relating to extended home health services).

"(b) TREATMENT OF PART A ONLY INDIVIDUALS.—In the case of an individual enrolled under this part who is entitled to benefits under part A but not enrolled under part B, for purposes of this title the individual shall be deemed enrolled under part B but only with respect to covered outpatient drugs, home intravenous therapy services, screening mammography, and in-home care.

"(c) TREATMENT OF PART B ONLY INDIVIDUALS.—In the case of an individual enrolled under this part who is entitled to benefits under part B but not enrolled under part A, no benefits shall be available under part A by virtue of this part.

"(d) TRANSITION FOR EXTENDED CARE BENEFITS.—In the case of an individual who, as of December 31, 1989, is entitled to benefits under part A and is receiving extended care services for which payment may be made under part A, the individual shall remain entitled to extended care services under such part during a continuous period of stay in 1990 subject to the following:

"(1) LIMIT ON NUMBER OF DAYS.—The number of days of coverage under this subsection shall not exceed 150 less the number of days for which benefits for extended care services were payable under part A for the individual in 1989.

"(2) TREATMENT OF COINSURANCE.—Coinsurance shall be applicable under section 1813(a)(3) only for those days (if any) in 1990 before the 9th day in which the individual was furnished extended care services in 1989 and 1990.

"(e) 6-MONTH WAITING PERIOD FOR PREEXISTING CONDITIONS.—Except as provided in subsection (d), during the 6-month period beginning with the first month in which an individual is covered under this part, benefits are not available under this part for treatment of any condition which existed before the first day of such coverage period.

"ELIGIBILITY, ENROLLMENT, PREMIUMS

"SEC. 1853. (a) ELIGIBILITY TO ENROLL.—Every individual who is entitled to benefits under part A or enrolled under part B is eligible to enroll in the insurance program established by this part.

"(b) ENROLLMENT.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the provisions of section 1837 (other than subsections (c), (f), and (g)) shall apply to this part in the same manner as they apply to enrollment part B, and, for this purpose—

"(A) any reference to paragraph (1) or (2) of section 1836 shall be deemed a reference to subsection (a) of this section; and

"(B) any reference to a coverage period under section 1838 is deemed a reference to subsection (c).

"(2) INITIAL GENERAL ENROLLMENT.—

"(A) IN GENERAL.—In the case of individuals who are entitled to benefits under part A, or enrolled under part B, as of December 1989, the initial general enrollment period shall begin on January 1, 1990, and end on February 28, 1990.

"(B) INFORMATION.—The Secretary shall provide for the dissemination of such information to each individual described in subparagraph (A) as may be necessary to assure the individuals are fully apprised of the benefits of this part and the requirement to enroll under this section to obtain such benefits.

"(3) SUBSEQUENT INITIAL ENROLLMENT PERIOD.—In the case of individuals who are not entitled to benefits under part A, or enrolled under part B, as of December 1989, the initial general enrollment period shall be the initial enrollment period described in section 1837(d).

"(c) COVERAGE PERIOD.—

"(1) IN GENERAL.—The period during which an individual is entitled to benefits under this part shall begin as follows:

"(A) In the case of an individual who enrolls under subsection (b)(2), January 1, 1990.

"(B) If the individual enrolls under subsection (b)(3), the first month of the coverage period (described in section 1838(a)) for which the individual satisfies subsection (a).

"(C) If the individual enrolls during a general enrollment period (described in section 1837(e)), July 1 following the month in which he so enrolls.

"(2) APPLICATION OF OTHER COVERAGE PERIOD RULES.—Except as otherwise provided in this subsection, the provisions of section 1838 (other than subsection (a)) shall apply to this part in the same manner as they apply to part B.

"AMOUNT AND COLLECTION OF PREMIUMS

"SEC. 1854. (a) DETERMINATION OF AMOUNT OF PREMIUM.—

"(1) IN GENERAL.—Except as otherwise provided in this part, the monthly premium for each individual enrolled under this part shall be—

"(A) $15.40, for months in 1990,

"(B) $30.30, for months in 1991,

"(C) $33.60, for months in 1992,

"(D) $35.80, for months in 1993, and

"(E) the amount determined under paragraph (2) for months in years after 1993.

"(2) PREMIUM FOR YEARS AFTER 1993.—The Secretary shall, during September of 1993 and of each year thereafter, determine the monthly premium for enrollees under this part for the succeeding year. Such premium shall be the amount the Secretary estimates to be necessary so that the aggregate amount of the premiums for such calendar year with respect to such enrollees will equal the total of the benefits and administrative costs which the Secretary estimates will be payable under this title due to the application of this part. In calculating the premium, the Secretary shall include an appropriate amount for a contingency margin.

"(3) PENALTY FOR LATE ENROLLMENT AND ROUNDING.—Under regulations of the Secretary, the provisions of subsections (b) and (c) of section 1839 shall apply to premiums under this subsection in the same manner as they apply to premiums under such section, except that the percent increase in premiums effected under section 1839(b) with respect to any individual may not exceed 80 percent.

"(d) PAYMENT OF PREMIUMS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the provisions of section 1840 shall apply to payment of premiums under this part in the same manner as they apply to payment of premiums under part B.

"(2) TRANSITION.—In the case of individuals who enroll under this part under subsection (b)(2) (or during such succeeding period in which the Secretary is unable to apply the provisions of section 1840 under this part), the Secretary shall provide for the collection of premiums for previous months through a 1-time addition to the premium otherwise imposed or in such other manner as the Secretary determines to be appropriate.

"(3) DEPOSITS.—Amounts paid to the Secretary under this part shall be deposited in the Treasury to the credit of the Federal Supplementary Medical Insurance Trust Fund.".

(b) CONFORMING AMENDMENTS.—

(1) Sections 226(c)(1) of the Social Security Act and section 7(d)(1) of the Railroad Retirement Act of 1974 are each amended by striking "part D" and inserting "part C".

(2) Section 1862(a) of the Social Security Act is amended by striking "under part A or part B" and inserting "under this title".

(3) Section 104(b) of the Social Security Amendments of 1965 is amended by inserting "or part C" after "part B" each place it appears.

(c) TRANSITION PROVISIONS FOR POST-HOSPITAL EXTENDED CARE SERVICES.—In applying sections 1812 and 1813 of the Social Security Act with respect to extended care services provided on or after January 1, 1990, other than for an individual entitled to benefits under part A of title XVIII of such Act in December 1989 who enrolls under part C of such title during the period described in section 1852(b)(2) of such title—

(1) no day before January 1, 1990, shall be counted in determining the beginning (or period) of a spell of illness; and

(2) the limitation of coverage of extended care services to post-hospital extended care services shall not apply to an individual receiving such services from a skilled nursing facility during a continuous period beginning before (and including) January 1, 1990, until the end of the period of 30-consecutive days in which the individual is not provided inpatient hospital services or extended care services.

SEC. 302. FUNDING AND ACCOUNTING.

(a) TRANSFER OF FUNDS TO FEDERAL HOSPITAL INSURANCE TRUST FUND.—Section 1841(j) of the Social Security Act (42 U.S.C. 1395t), as added by section 203 of this Act, is amended—

(1) by inserting "(1)" after "(j), and

(2) by adding at the end the following:

"(2) There shall be transferred periodically (but not less often than monthly) from the Trust Fund to the Federal Hospital Insurance Trust Fund an amount equal to the Secretary's estimate of the additional amounts of expenditures made from the Federal Hospital Insurance Trust Fund that are attributable to individuals enrolled under part C.".

(b) REPEAL OF FEDERAL CATASTROPHIC DRUG INSURANCE TRUST FUND.—

(1) Section 212 of the Medicare Catastrophic Coverage Act of 1988 (Public Law 100-360) is repealed, and the provisions of law amended or repealed by such section are restored or revived as if such section had not been enacted.

(2) Any balance in the Federal Catastrophic Drug Insurance Trust Fund as of the date of the enactment of this Act shall be transferred into the Federal Supplemental Medical Insurance Trust Fund and any amounts payable due to overpayments into such Trust Fund shall be payable from the Federal Supplementary Medical Insurance Trust Fund.

(c) CONFORMING AMENDMENT.—Section 1844(a) of the Social Security Act (42 U.S.C. 1395w(a)) is amended by striking "or section 59B of the Internal Revenue Code of 1986" and inserting "or part C".

TITLE IV—INFORMATION TO BENEFICIARIES

SEC. 401. NOTICE TO BENEFICIARIES OF CHANGES.

The Secretary of Health and Human Services shall provide, in the notice of medicare benefits provided under section 1804 of the Social Security Act for 1990, for a description of the changes in benefits under title XVIII of such Act made by the amendments made by this Act.

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## ROTH (AND OTHERS) AMENDMENT NO. 989

Mr. ROTH (for himself, Mr. DANFORTH, Mr. NICKLES, Mr. REID, Mr. SHELBY, Mr. BRYAN, Mr. HELMS, Mr. COATS, and Mr. GRAHAM) proposed an amendment to the bill S. 1726, as follows:

Strike out all after the enacting clause and insert the following:

SECTION 1. REPEAL OF EXPANSION OF MEDICARE PART A BENEFITS.

(a) IN GENERAL.—

(1) GENERAL RULE.—Except as provided in paragraph (2), sections 101, 102, and 104(d) (other than paragraph (7)) of the Medicare Catastrophic Coverage Act of 1988 (Public Law 100-360) (in this part referred to as "MCCA") are repealed, and the provisions of law amended or repealed by such sections are restored or revived as if such section had not been enacted.

(2) EXCEPTION FOR BLOOD DEDUCTION.—The repeal of section 102(1) of MCCA (relating to deductibles and coinsurance under part A) shall not apply, but only insofar as such section amended paragraph (2) of section 1813(a) of the Social Security Act (relating to deduction for blood).

(b) TRANSITION PROVISIONS FOR MEDICARE BENEFICIARIES.—

(1) INPATIENT HOSPITAL SERVICES AND POST-HOSPITAL EXTENDED CARE SERVICES.—In applying sections 1812 and 1813 of the Social Security Act, as restored by subsection (a)(1), with respect to inpatient hospital services and extended care services provided on or after January 1, 1990—

(A) no day before January 1, 1990, shall be counted in determining the beginning (or period) of a spell of illness;

(B) with respect to the limitation on such services provided in a spell of illness, days of such services before January 1, 1990, shall not be counted, except that days of inpatient hospital services before January 1, 1989, which were applied with respect to an individual after receiving 90 days of services in a spell of illness (commonly known as "lifetime reserve days") shall be counted;

(C) the limitation of coverage of extended care services to post-hospital extended care services shall not apply to an individual receiving such services from a skilled nursing facility during a continuous period beginning before (and including) January 1, 1990, until the end of the period of 30-consecutive days in which the individual is not provided inpatient hospital services or extended care services; and

(D) the inpatient hospital deductibles under section 1813(a)(1) of such Act shall not apply—

(i) in the case of an individual who is receiving inpatient hospital services during a continuous period beginning before (and including) January 1, 1990, with respect to the spell of illness beginning on such date, if such a deductible was imposed on the individual for a period of hospitalization during 1989;

(ii) for a spell of illness beginning during Janaury 1990, if such a deductible was imposed on the individual for a period of hospitalization that began in December 1989; and

(iii) in the case of a spell of illness of an individual that began before January 1, 1989, and has not ended as of January 1, 1990.

(2) HOSPICE CARE.—The restoration of section 1812(a)(4) of the Social Security Act, effected by subsection (a)(1), shall not apply to hospice care provided during the subsequent period (described in such section as in effect on December 31, 1989) with respect to which an election has been made before January 1, 1990.

(3) TERMINATION OF HOLD HARMLESS PROVISIONS.—Section 104(b) of MCCA is amended by striking "or 1990" each place it appears.

(c) TERMINATION OF TRANSITIONAL ADJUSTMENTS IN PAYMENTS FOR INPATIENT HOSPITAL SERVICES.—

(1) PPS HOSPITALS.—Section 104(c)(1) of MCCA is amended by inserting "and before Janauary 1, 1990," after "October 1, 1988,".

(2) PPS-EXEMPT HOSPITALS.—Section 104(c)(2) of MCCA is amended—

(A) by inserting "and before January 1, 1990," after "January 1, 1989,"; and

(B) by striking the period at the end and inserting the following: ", without regard to whether any of such beneficiaries exhausted medicare inpatient hospital insurance benefits before January 1, 1989.".

(d) EFFECTIVE DATE.—The provisions of this section shall take effect January 1, 1990, except that the amendments made by subsection (c) shall be effective as if included in the enactment of MCCA.

SEC. 2 REPEAL OF SUPPLEMENTAL MEDICARE PREMIUM AND FEDERAL HOSPITAL INSURANCE CATASTROPHIC COVERAGE RESERVE FUND.

(a) IN GENERAL.—Sections 111 and 112 of MCCA are repealed and the provisions of law amended by such sections are restored or revivied as if such sections had not been enacted.

(b) DELAY IN STUDY DEADLINE.—Section 113(c) of MCCA is amended by striking "November 30, 1988" and inserting "May 31, 1990".

(c) DISPOSAL OF FUNDS IN FEDERAL HOSPITAL INSURANCE CATASTROPHIC COVERAGE RESERVE FUND.—Any balance in the Federal Hospital Insurance Catastrophic Coverage Reserve Fund (created under section 1817A(a) of the Social Security Act, as inserted by section 112(a) of MCCA) as of January 1, 1990, shall be transferred into the Federal Hospital Insurance Trust Fund and amounts payable due to overpayments into such Trust Fund shall be payable from the Federal Hospital Insurance Trust Fund.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in this subsection, the provisions of this section shall take effect January 1, 1990.

(2) REPEAL OF SUPPLEMENTAL MEDICARE PREMIUM.—The repeal of section 111 of MCCA shall apply to taxable years beginning after December 31, 1988.

SEC. 3. REPEAL OF EXPANSION OF MEDICARE PART B BENEFITS.

(a) IN GENERAL.—

(1) GENERAL RULE.—Except as provided in paragraph (2), sections 201 through 208 of MCCA are repealed and the provisions of law amended or repealed by such sections are restored or revived as if such sections had not been enacted.

(2) EXCEPTION.—Paragraph (1) shall not apply to subsections (g) and (m)(4) of section 202 of MCCA.

(b) CONFORMING AMENDMENTS.—Section 1905(p) of the Social Security Act (42 U.S.C. 1396d(p) is amended—

(1) in paragraph (3)(C)—

(A) by striking "Subject to paragraph (4), deductibles" and inserting "Deductibles", and

(B) by striking "1813, section 1833(b)" and all that follows and inserting "1813 and section 1833(b))."; and

(2) by striking paragraph (4) and redesignating paragraph (5) as paragraph (4).

(c) EFFECTIVE DATE.—The provisions of this section shall take effect January 1, 1990.

SEC. 4. REPEAL OF CHANGES IN MEDICARE PART B MONTHLY PREMIUM AND FINANCING.

(a) IN GENERAL.—Sections 211 through 213 (other than section 211(b)) of MCCA are repealed and the provisions of law amended or repealed by such sections are restored or revived as if such sections had not been enacted.

(b) 1-TIME TRANSFER OF NET ADDITIONAL PREMIUMS.—There shall be transferred, as of January 1, 1990, from the Federal Supplementary Medical Insurance Trust Fund to the Federal Hospital Insurance Trust Fund an amount equal to—

(1) the amount of the premiums collected pursuant to section 1839(g) of the Social Security Act, minus

(2) the amount of administrative expenses incurred under part B of title XVIII of such Act relating to implementation of MCCA, plus

(3) the amount of interest accrued to the Federal Supplementary Medical Insurance Trust Fund attributable to balance described in paragraphs (1) and (2).

(c) EFFECTIVE DATE.—The provisions of subsection (a) shall take effect January 1, 1990, and the repeal of section 211 of MCCA shall apply to premiums for months beginning after December 31, 1988.

SEC. 5. AMENDMENT OF CERTAIN MISCELLANEOUS PROVISIONS.

(a) REVISION OF MEDIGAP REGULATIONS.—

(1) Section 1882 of the Social Security Act (42 U.S.C. 1395ss), as amended by section 221(d) of the Medicare Catastrophic Coverage Act of 1988, is amended—

(A) in the third sentence of subsection (a) and in subsection (b)(1), by striking "subsection (k)(3)" and inserting "subsections (k)(3), (k)(4), (m), and (n)";

(B) in subsection (k)—

(i) in paragraph (1)(A), by inserting "except as provided in subsection (m)," before "subsection (g)(2)(A)", and

(ii) in paragraph (3), by striking "subsection (1)" and inserting "subsections (1), (m), and (n)"; and

(C) by adding at the end the following new subsections:

"(m)(1)(A) If, within the 90-day period beginning on the date of the enactment of this subsection, the National Association of Insurance Commissioners (in this subsection and subsection (n) referred to as the 'Associaiton') amends the amended NAIC Model Regulation (referred to in subsection (k)(1)(A)) and adopted on September 20, 1988) to reflect the changes made in law to the Medicare Catastrophic Act of 1988 and any additional provisions enacted relating to such changes, subsection (g)(2)(A) shall be applied in a State, effective on and after the date specified in subparagraph (B), as if the reference to the Model Regulation adopted on June 6, 1979, were a reference to the amended NAIC Model Regulation (referred to in subsection (k)(1)(A) as amended by the Association in accordance with this paragraph (in this subsection and subsection (n) referred to as the 'revised NAIC Model Regulation').

"(B) The date specified in this subparagraph for a State is the earlier of the date the State adopts standards equal to or more stringent than the revised NAIC Model Regulation of 1 year after the date the Association first adopts such revised Regulation.

"(2)(A) If the Association does not amend the NAIC Model Regulation, within the 90-day period specified in paragraph (1)(A), the Secretary shall promulgate, not later than 60 days after the end of such period, revised Federal model standards (in this subsection and subsection (n) referred to as 'revised Federal model standards') for medical supplemental policies to reflect the changes made in law to the Medicare Catastrophic Act of 1988 and any additional provisions enacted relating to such changes, subsection (g)(2)(A) shall be applied in a State, effective on and after the date specified in subparagraph (B), as if the reference to the Model Regulation adopted on June 6, 1979, were a reference to the revised Federal model standards.

"(B) The date specified in this subparagraph for a State is the earlier of the date the State adopts standards equal to or more stringent than the revised Federal model standards or 1 year after the date the Secretary first promulgates such standards.

"(3) Notwithstanding any other provision of this section (except as provided in subsection (n))—

"(A) no medicare supplemental policy may be certified by the Secretary pursuant to subsection (a),

"(B) no certification made pursuant to subsection (a) shall remain in effect, and

"(C) no State regulatory program shall be found to meet (or to continue to meet) the requirements of subsection (b)(1)(A),

unless such policy meets (or such program provides for the application of standards equal to or more stringent than) the standards set forth in the revised NAIC Model Regulation or the revised Federal model standards (as the case may be) by the date specified in paragraph (1)(B) or (2)(B) (as the case may be).

"(n)(1) Until the date specified in paragraph (4), in the case of a qualifying medicare supplemental policy described in paragraph (3) issued in a State—

"(A) before July 1, 1990, the policy is deemed to remain in compliance with the standards described in subsection (b)(1)(A) if the insurer issuing the policy complies with the transition provision described in paragraph (2), or

"(B) on or after July 1, 1990, the policy is deemed to be in compliance with the standards described in subsection (b)(1)(A) if the insurer issuing the policy complies with the revised NAIC Model Regulation or the revised Federal model standards (as the case may be) before the date of the sale of the policy.

"(2) The transition provision described in this paragraph is—

"(A) such transition provision as the Association provides, by not later than December 15, 1990, so as to provide for an appropriate transition to reflect the changes in benefits under this title made in law to the Medicare Catastrophic Act of 1988 and any additional provisions enacted relating to such changes, or

"(B) if the Association does not provide for a transition provision by the date described in Subparagraph (A), such transition provision as the Secretary shall provide, by January 1, 1990, so as to provide for an appropriate transition described in subparagraph (A).

"(3) In paragraph (1), the term 'qualifying medicare supplemental policy' means a medicare supplemental policy which has been issued in compliance with this section as in effect on the date before the date of the enactment of this subsection.

"(4)(A) The date specified in this paragraph for a policy issued in a State is—

"(i) the first date a State adopts, after the date of the enactment of this subsection, standards equal to or more stringent than the revised NAIC Model Regulation (or revised Federal model standards), as the case may be, or

"(ii) the date specified in subparagraph (B), whichever is earlier.

"(B) In the case of a State which the Secretary identifies, in consultation with the Association, as—

"(i) requiring State legislation (other than legislation appropriating funds) in order for medicare supplemental policies to meet standards described in subparagraph (A)(i), but

"(ii) having a legislature which is not scheduled to meet in 1990 in a legislative session in which such legislation may be considered,

the date specified in this subparagraph is the first day of the first calendar quarter beginning after the close of the first legislative session of the State legislature that begins on or after January 1, 1990, for purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

"(5) In the case of a medicare supplemental policy in effect on January 1, 1990, the policy shall not be deemed to meet the standards in subsection (c) unless each individual who is entitled to benefits under this title and is a policy holder under such policy on such date is sent a notice in any appropriate form by not later than January 31, 1990, that explains—

"(A) the changes in benefits under this title effected by the changes made in law to the Medicare Catastrophic Act of 1988 and by any additional provisions enacted relating to such changes, and

"(B) how these changes affect the benefits contained in such policy and the premium for the policy.

"(6) In the case of an insurer which had in effect, as of December 31, 1988, a medicare supplemental policy with respect to an individual, for which the individual terminated coverage as of January 1, 1989 (or the earliest renewal date thereafter), no medicare supplemental policy of the insurer shall be deemed to meet the standards in subsection (c) unless the insurer—

"(A) provides written notice, by January 15, 1990, to the individual (at the most recent available address) of the offer described in subparagraph (B), and

"(B) offers to the individual, during the period beginning on January 1, 1990, and ending on March 1, 1990, continuation of coverage under such a medicare supplemental policy (with coverage effective as of January 1, 1990), under the terms respecting treatment of pre-existing conditions and group rating of premium which are at least as favorable to the individual as such terms as existed with respect to the policy as of December 31, 1988.".

(2) It is the sense of Congress that States should respond, at the earliest practicable date after the date of the enactment of this Act, to requests by insurers for review and approval of riders and premium adjustments for medicare supplemental policies in order to comply with the amendments made by paragraph (1).

(b) ADJUSTMENT OF CONTRACTS WITH PREPAID HEALTH PLANS.—Section 222 of MCCA is amended by inserting "and before January 1, 1990," after "December 31, 1988," each place it appears.

(c) NOTICE OF CHANGES.—The Secretary of Health and Human Services shall provide, in the notice of medicare benefits provided under section 1804 of the Social Security Act for 1990, for a description of the changes in benefits under title XVIII of such Act made by the amendments made by this part.

(d) MISCELLANEOUS TECHNICAL CORRECTION.—Section 221(g) (3) of MCCA is amended by striking "subsection (f)" and inserting "subsection (e)".

(e) EFFECTIVE DATE.—The provisions of this section shall take effect January 1, 1990, except that the amendment made by subsection (d) shall be effective as if included in the enactment of MCCA.

SEC. 6. OTHER MISCELLANEOUS AMENDMENTS.

(a) IN GENERAL.—Sections 421 through 425 and 427 of MCCA are repealed and any provision of law amended or repealed by such sections is restored or revived as if such sections had not been enacted.

(b) MISCELLANEOUS TECHNICAL CORRECTIONS.—

(1) Effective as if included in the enactment of the Omnibus Budget Reconciliation Act of 1987, section 1834(b)(4)(A) of the Social Security Act, as added by section 4049(a)(2) of the Omnibus Budget Reconciliation Act of 1987, is amended by striking "insurance and deductibles under section 1835(a)(1)(I)" and inserting "coinsurance and deductibles under section 1833(a)(1)(J)".

(2) Section 1842(j)(1)(C)(vii) of the Social Security Act, as added by section 4085(i)(7)(C) of the Omnibus Budget Reconciliation Act of 1987, is amended by striking "accordingly" and inserting "according".

(3) Section 1886(g)(3)(A)(iv) of the Social Security Act, as added by section 4006(a)(2) of the Omnibus Budget Reconciliation Act of 1987, is amended by striking "may) be" and inserting "may be)"

(4) Section 1866(a)(1)(F)(i)(III) of the Social Security Act is amended by striking "fiscal year))" and inserting "fiscal year)".

(5) Section 1875(c)(7) of the Social Security Act, as added by section 9316(a) of the Omnibus Budget Reconciliation Act of 1986, is amended by striking "date of the enactment of this Act" and inserting "date of the enactment of this section".

(6) Section 1842(j)(2)(B) of the Social Security Act, as amended by section 8(c)(2)(A) of the Medicare and Medicaid Fraud and Abuse Patient Protection Act of 1987, is amended by strking "paragraphs" and inserting "subsections".

(c) EFFECTIVE DATE.—The provisions of this section shall take effect January 1, 1990, except that—

(1) the repeal of section 421 of MCCA shall not apply to duplicative part A benefits for periods before January 1, 1990, and

(2) the amendments made by subsection (b) shall take effect of the date of the a enactment of this Act.

## BRADLEY (AND OTHERS) AMENDMENT NO. 990

Mr. BRADLEY (for himself, Mr. BENTSEN, and Mr. PRYOR) proposed an amendment to the bill S. 1726, supra, as follows:

At the end of the bill, add the following new section:

SEC. . RESPITE CARE.

(a) IN GENERAL.—Notwithstanding any other provision of this Act, the amendments made by subsections (a), (b), (c), (d), and (e) of section 205 of the Medicare Catastrophic Coverage Act of 1988 shall take effect and apply to items and services furnished on or after January 1, 1991.

(b) AMENDMENT TO PAYMENT THRESHOLD.—

(1) IN GENERAL.—Paragraph (4) of section 1861(ll) of the Social Security Act (42 U.S.C. 1395x(ll)), as added by section 205 of the Medicare Catastrophic Coverage Act of 1988 is amended to read as follows:

"(4) The 12-month period described in this paragraph is the 1-year period beginning on the date that the Secretary determines that a chronically dependent individual has incurred out-of-pocket part B cost sharing in an amount equal to $1780 in 1991 and equal to an amount in each succeeding year which is equal to an amount (rounded to the nearest multiple of $1) as the Secretary estimates will result, in that succeeding year, in 5.5 percent of the average number of individuals enrolled under this part (other than individuals enrolled with an eligible organization under section 1876 or an organization described in subsection (a)(1)(A)) during the year incurring such amount. In the case of an individual who qualifies under this paragraph within 12 months after previously qualifying, the subsequent qualification shall begin a new 12-month period under this paragraph."

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to items and services furnished on or after January 1, 1991.

## NOTICES OF HEARINGS

### COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LEAHY. Mr. President, I wish to announce that the Committee on Agriculture, Nutrition, and Forestry will hold a field hearing on the preparation of the 1990 farm bill in Camilla, GA. The hearing will be held on October 16, 1989.

For further information, please contact Bob Redding of Senator FOWLER's staff at 224-3643.

Mr. LEAHY. Mr. President, I wish to announce that the Committee on Agriculture, Nutrition, and Forestry will hold a hearing on the reauthorization of the CFTC. The hearing will be held on October 17, 1989, at 9:30 a.m. in 332 Senate Russell Office Building.

For further information, please contact Ken Ackerman, of the committee staff at 224-2035.

### SUBCOMMITTEE ON AGRICULTURAL PRODUCTION AND STABILIZATION OF PRICES

Mr. LEAHY. Mr. President, I wish to announce that the Committee on Agricultural Production and Stabilization of Prices of the Committee on Agriculture, Nutrition, and Forestry will hold a hearing on the 1990 farm bill: wheat. The hearing will be held on November 2, 1989, at 10 a.m. in room 332, Russell Senate Office Building.

Senator DAVID BOREN will preside over the hearing. For further information please contact Bob Young of the committee staff at 244-5207, or Dan Weber of Senator BOREN's staff at 224-4721.

## AUTHORITY FOR COMMITTEES TO MEET

### COMMITTEE ON FOREIGN RELATIONS

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Friday, October 6, at 10

a.m., to markup S. 195—the Chemical and Biological Weapons Control Act and to consider and vote on other pending legislation and nominations.

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

COMMITTEE ON ARMED SERVICES

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Friday, October 6, 1989, at 1 p.m., in open session to consider the nominations of James R. Locher III to be Assistant Secretary of Defense for Special Operations and Low Intensity Conflict and Terrence O'Donnell to be general counsel of the Department of Defense.

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

COMMITTEE ON THE JUDICIARY

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Friday, October 6, 1989, at 10 a.m., to hold a hearing on S. 1631, a bill to make a technical amendment to title 11, United States Code, the Bankruptcy Code.

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

COMMITTEE ON ARMED SERVICES AND THE SELECT COMMITTEE ON INTELLIGENCE

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet jointly with the Senate Intelligence Committee on Friday, October 6, 1989, at 10 a.m., in executive session to receive testimony on the situation in Panama.

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

## ADDITIONAL STATEMENTS

### MICHIGAN MINORITY BUSINESS MONTH

● Mr. RIEGLE. Mr. President, I rise today to pay tribute to the minority entrepreneurs of my home State of Michigan.

Since 1984 the Michigan Department of Commerce has designated the month of October as Minority Business Month in recognition of its commitment to foster the development of minority-owned businesses in the State.

Mr. President, the Michigan Department of Commerce's Minority Business Enterprise Office [MBEO] is charged with the responsibility of providing specific help to the minority business community in Michigan. Business owners can receive services including direct financing, marketing, networking, and other assistance. Additionally, the MBEO provides seminars and workshops around the State to help minority-owned businesses run more effectively and to grow stronger in an ever-increasing competitive marketplace.

Recently, the MBEO launched its first Young Minority Entrepreneur Awards Program. This program goes far in addressing the many problems inherent in trying to run a minority business. By recognizing the achievements of the innovative, successful young people that comprise the future of minority-owned corporations, the program encourages many to push themselves further than ever. The self-confidence this generates resounds throughout the business community by spurring young people on to greater achievements which, in turn, provides leadership by example for the many minority youths of this Nation.

Mr. President, the following individuals have been nominated to receive the Young Minority Entrepreneur Awards, and I salute them for their achievements.

Kathy Carter Boles, founder of Salad Express.

Danny D. Brown, president, D&B Equipment & Service.

Yvette Holloway, founder of HHS Employees Unlimited.

Randy Rainey, owner of Albion Ford.

Reness M. Griffin, president, R&R Temporaries, Inc.

M. Cole and B. Copeland, founders of Red Carpet Maintenance, Inc.

Andrew G. McLemore, president, Ameritech Capital Corp.

Andra M. Rush, CEO, Rush Trucking Corp.

Jerome Harvey, president, A&H Machine and Tool.

S. Baxter Jone, president, Busy Bee Production Co., Inc.

Robert and Marcia Cavin, owners of Exquisite Centerpieces.

George A. Bayard III, founder of Bayard Gallery.

Hilmer J. Kenty, president, Kenty Financial Services, Inc.

Roger C. Johnston III, president, RCJ Oil Co.

While it is important to recognize young entrepreneurs, we must also recognize the achievements of the more established entrepreneurs who are trailblazers in their own right and who provide counseling and guidance to younger entrepreneurs. This year a number of these individuals will also be recognized for their success in business. They are:

Jack P. Moore, president, Moore & Assoc., Inc.

Mike Navarro, founder, El Matador Tortilla Chip.

Lewis Driskell, Sr., president and CEO, Union Printing Co.

Frank Madison, coowner, Madison Food Center.

Brady Keys, Jr., owner, Keys Group Co.

Betty J. Walker, owner, BJW Associates, Inc.

The State of Michigan and our country as a whole can benefit from the creation and strengthening of minority business. I believe that the services provided by the Minority Business Enterprise Office of Michigan are invaluable in attempting to redress the grim reality of the many difficulties that must be overcome by minority entrepreneurs. I urge my fellow Senators to join me in recognizing this outstanding program that serves as a guiding light for the rest of the Nation in the area of minority business development.●

### EDWARD DOYLE

● Mr. D'AMATO. Mr. President, I rise today to speak in honor of a constituent of mine, Mr. Edward Doyle.

Edward Doyle, a citizen from Yonkers, NY, will be receiving a humanitarian award from the Yonkers Columbus Day celebration committee, for the services and contributions he devoted to the City of Yonkers. He became part of the Teamsters in 1958 and was elected as vice-president of Local 456 in 1961. After his appointment, Mr. Doyle was called into active duty in the Reserves when President Kennedy activated the Reserves during the Berlin crisis. He served our country well in the United States Army and was in the Reserves for 5 years.

Mr. Doyle has served the community of Yonkers with much dedication. In 1976 he was, once again, elected as vice-president of Local 456 and also the business agent. He progressively proved his abilities and is now the secretary-treasurer and business manager. In addition to his professional achievements he has also contributed to his community by serving on political committees for both Democrats and Republicans. He is also a member of the board of directors of the Angel Guardian for the Elderly, the Brighter Tomorrow Group, and the Dr. I Foundation and Yonkers P.A.L.

Mr. Doyle has received multiple awards, including the Westchester-Putnam Affirmative Action Program for the Union Award. His commitment to the less fortunate is remarkable. His devotion to children; Cerebral Palsy; March of Dimes; Children's Village and Special Education for the underprivileged children is something that should commended.

Mr. President, I am proud of the achievements and dedication of Mr. Doyle.●

### LAW LIBRARIANS' SOCIETY OF WASHINGTON, DC

● Mr. ROBB. Mr. President, this month the Law Librarians' Society of Washington, DC, celebrates its 50th anniversary. Founded in 1939 with 40 members, the Society now represents over 650 government, academic, bar association and law firm librarians in the Washington, Virginia, and Maryland region.

Librarians by profession are dedicated to offering open, unrestricted service to their users and facilitating the exchange of information and ideas among all levels of society. In the field of law, they assist in every stage of the legal process from the background research needed in writing a new piece of legislation to the final judicial review in court.

Law librarians at the Library of Congress maintain the largest collection of legal literature in the world and provide essential research services to Congress, scholars, attorneys, and the general public. Law librarians employed at each of the Federal departments and major agencies serve the legal needs of the Government both in Washington and around the country. Their expertise in quickly assembling the vast amounts of technical and legal data needed to administer Government functions allows regulations to be written more quickly and implemented more fairly.

Judges from the U.S. Supreme Court to local county courts are called upon to render opinions on complex questions requiring knowledge of social and scientific conditions often going beyond narrow legal bounds. They rely on their librarians to provide access to a comprehensive and current collection of both legal and general literature so that their decisions reflect the most recent research and scholarship in all fields.

The Washington area, befitting its site as the Nation's capital and the source of legislation, contains more librarians at more law schools than any other region in the country. Members of the Society at the University of Virginia at Charlottesville, the University of Richmond, and George Mason University serve faculty, students, and the citizens of their State, as well as offer legal reference to local government officials. Librarians provide similar services at the five law school libraries of Washington, DC—American, Catholic, Georgetown, George Washington, and Howard—and at the two law school libraries of Maryland, the University of Maryland, and the University of Baltimore.

At the numerous law firms in the area, librarians utilize print, database, media, Government, and institutional sources of information to assist attorneys in furnishing cost-effective service to clients seeking advice on international business matters, counsel on pending legislation, or representation before the Federal courts and agencies.

The Society maintains a scholarship fund for disadvantaged students and annually distributes thousands of dollars to those pursuing a professional library education. Volunteers from the Society maintain law book collections at local prisons and provide reference services to prisoners who may not otherwise have access to legal counsel. The Society's annual book drive supports the nonprofit bar association libraries in the region.

I congratulate the members of the Law Librarians' Society of Washington, DC, on half a century of service to their constituents and the community at large and wish them continued success in their profession.●

## CLOSING A GAPING HOLE IN FLOW OF COCAINE

● Mr. McCONNELL. Mr. President, last night I offered an amendment to the national drug control strategy bill that would have closed a gaping hole in the flow of cocaine to this country. By a close vote, my amendment was tabled.

Mr. President, the only people celebrating last night's outcome were the drug cartels and the Aircraft Owners and Pilots Association. Last night's vote told drug dealers, "Buy a plane and come on in. Our skies are open, you have nothing to fear." We told the cartel we are not prepared to close our skies as their avenue of choice to Main Street, U.S.A.

The cartel kingpins must be asking themselves: Why risk being stopped at the border, when there is no deterrent to smuggling by air? I think the Senate's decision is nothing short of an invitation to increase drug smugglers' flights.

Forty-eight Senators are ready to close this avenue, Mr. President. Not one of them is "posturing" as some have argued. This amendment could make a profound difference in our war on drugs, and I say, Mr. President, that you have not heard the last of it.

While we were debating this issue yesterday, 5,000 Americans tried cocaine for the first time. Five thousand new users in 1 day. Another cartel pilot collected $200,000 for a few hours' work dropping a half ton of cocaine off our coasts. Countless crimes were committed and lives were ruined because of crack and cocaine abuse. The time to end this madness is today—not tomorrow, or a week from now.

It is a fact that 50 percent of America's cocaine supply enters this country by air; it is a fact that cocaine and crack are rocking the foundation of this country. There is nothing short of a cocaine airlift to the United States underway which is feeding crack clearance sales on our streets.

I would like to leave my colleagues with the questions very much on my mind: Why didn't you end this airlift, once and for all? Why did you choose to protect the drug smuggler who operates by air? Why did you preserve the gaping hole in our wall of defense against the cartel's assault on America?●

## YESHIVA UNIVERSITY HONORS HERBERT TENZER

● Mr. MOYNIHAN. Mr. President, on Wednesday evening, September 20, Herbert Tenzer was honored by Yeshiva University in New York City upon his retirement after 12 years of distinguished service as chairman of the University's Board of Trustees.

From 1964 to 1968, Mr. Tenzer served with distinction as U.S. Representative from New York's Fifth Congressional District, which encompasses the South Shore of Long Island. Elected by an overwhelming majority, he was the first Democrat ever to be elected from that district.

During his two terms in the House, Herb Tenzer played a major role in the struggle against cancer, heart disease, and stroke. He was one of five original sponsors of landmark legislation which allocated and appropriated funds to establish new care centers and rehabilitate existing ones for the treatment of these major diseases. He also provided spirited leadership in support of programs benefiting the elderly, handicapped, and disadvantaged. In yet another realm, he was a sponsor of the Wetlands Preservation Act, protecting valuable wetlands areas in his district and throughout the United States.

Yeshiva University's tribute to Herbert Tenzer was in recognition of his selfless and heroic leadership—from 1977 through June of this year—as chairman of the board of trustees of the university. In that capacity, Mr. Tenzer was the highest ranking lay leader of an educational institution which is America's oldest and largest university under Jewish auspices.

The dinner marked the establishment of the Herbert and Florence Tenzer Fellows Program, the first universitywide program to award substantial grants to outstanding students attending any of Yeshiva University's graduate schools or affiliates.

Mr. Tenzer has enjoyed an illustrious career in public and communal service, spanning more than six decades on the local, national, and international scene.

He is the founder of Rescue Children Inc., an organization which from 1945 to 1948 cared for more than 2,200 European war orphans in 15 orphan homes in Belgium and France. One-third of these children were reunited with their parents, another third were adopted by relatives in America and elsewhere, and the remaining "full orphans" emigrated to Israel.

Mr. Tenzer served in a leadership capacity in the establishment of Yeshiva University's Albert Einstein College of Medicine, one of the world's leading centers for biomedical research. He is on the board of overseers of the school of medicine, and the board of governors of the university's Wurzweiler

School of Social Work—America's only graduate social work education program under Jewish auspices in a university setting—and on the board of directors of Stern College for Women, the university's undergraduate division of liberal arts and sciences for women.

In 1972, Mr. Tenzer received an honorary doctor of humane letters degree from the late Dr. Samuel Belkin, the university's second president. Twelve years later, the university's current president, Dr. Norman Lamm, conferred upon him an honorary doctor of laws degree. In awarding this degree, Dr. Lamm said: "For more than four decades, you have labored zealously to ensure that this great institution continues to serve as a beacon of academic excellence to the Jewish community and the world."

Mr. Tenzer has held leadership positions in some two dozen philanthropic and communal organizations. He is the founder and chairman of America-Israel Friendship League, an organization devised to promote and strengthen the friendship between Israelis and Americans of all races, creeds, and religions. Many of my colleagues have joined me in support of the league's important work.

For the past 41 years, Mr. Tenzer has served as president of Fight for Sight Inc., a leader in the effort to find cures for blindness and blinding eye diseases.

He is also a founder of the United Jewish Appeal of Greater New York, now the UJA-Federation of Jewish Philanthropies of Greater New York, and has served as its chairman, president, and campaign chairman.

Mr. President, Mr. Tenzer's accomplishments are varied and profound. He is a leader and a "mensch" and was quite deservedly honored by Yeshiva University. I send my own congratulations to this fine American and, if I may, that of this body as well.●

## AN OUTSTANDING GREEK AMERICAN

● Mr. CRANSTON. Mr. President, as Americans are taught from an early age, the Greek people have made important contributions to our culture, to our society, and to our system of government. Greeks established many of the foundations of Western civilization. Greek historical, cultural, and political tradition helped shape our Nation and lives today in the activities of our businessmen, philosophers, entrepreneurs, government, and community leaders.

California is fortunate to have an organization of Greek-Americans, the AXIOS Foundation for Worthiness, who have joined together to encourage quality leadership and community service, to further educational opportunity by providing scholarship assistance, and to promote and preserve Greek tradition and culture.

On October 13, 1989, AXIOS will honor Angelo Tsakopoulos, as 1989 Man of the Year. To be honored in this way by the leaders of the Greek-American community is itself an achievement. Mr. Tsakopoulos was chosen as Man of the Year because of his steadfast commitment to the community, his leadership role in the Greek Orthodox Church, and his efforts to preserve the Greek heritage.

I'm delighted to join the AXIOS Foundation in congratulating Angelo Tsakopoulos for his efforts in preserving the Greek culture, past and present.●

## A TRIBUTE TO ROY TERRY

● Mr. SHELBY. Mr. President, I would like to ask my colleagues to join with me honoring not only an exceptional Alabamian, but an outstanding American as well.

Roy Terry, who owns and operates Terry Manufacturing Co., Inc., in Roanoke, AL, has been selected as the National Minority Manufacturer of the Year by the United States Small Business Administration and the Minority Business Development Agency for the second consecutive year. Mr. Terry was honored here in Washington this week.

Terry Manufacturing Co., Inc. was established in 1963 by the late Jesse A. and Velma Terry, along with their three sons, Ron, Rudolph, and William. The company has grown from five employees and six sewing machines in 1963 to nearly 300 employees today, with plants in Roanoke and Tuskegee. It is now the leading black-owned apparel manufacturing operation in the Nation, with gross sales exceeding $12 million annually.

The company's first years of operation were spent performing subcontracts for other large apparel manufacturers. However, their primary goal was to become true manufacturers in every sense of the word. Terry Manufacturing Co., Inc. had its first real break when they secured a contract from the Veterans' Administration to produce hospital uniforms in 1970.

Terry Manufacturing provides one-third of Burger King's uniforms nationally and has supplied uniforms to Church's Fried Chicken for the past 7 years. The firm has never had a uniform returned for poor workmanship. In addition, Terry Manufacturing still performs Government contracts, providing uniforms to various defense agencies.

At present, this company is the exclusive supplier of special fire-retardant uniforms used by the U.S. Forest Service. In addition, this company recently became one of only three uniform manufacturers in the U.S. licensed to supply crew uniforms to the McDonald's Corporation. This is one of the largest and most sought after uniform contracts in the world.

Mr. President, I know I join Roy's wife, Willo, his two children and their families in sharing their pride in Roy's accomplishments. Roy Terry embodies the very characteristics that identify the American spirit—faith, courage, and determination. He is a most fitting and worthy recipient of the National Minority Manufacturer of the Year award and a source of great pride for the State of Alabama. It is my pleasure to serve as one of his representatives in Washington.●

## HOUSING NOW! MARCH

● Mr. GORE. Mr. President, I rise to commend the thousands of concerned citizens from around the country who are converging on Washington this weekend to demand an end to the scourge of homelessness.

The people are coming by the thousands to join in "Housing Now!"—a peaceful march on Washington. They are coming from my home State, and from the States of most of our colleagues. Some of them have even walked to Washington. Today, I met with students, activists, Vietnam veterans, and other Tennesseans who had come all the way from Memphis to express the urgent need for more housing.

Housing Now! is a unique effort supported by more than 175 national organizations. Together, these people are bringing a clear message: The time to solve America's housing crisis is now. They are coming here to say what many of us already know, that there is one lasting answer to homelessness more important than all the others, and that is to build more affordable housing.

Three million Americans are homeless. One-third of this group are families. This new reality has outdated the old stereotype of the skid-row bum. Today's homeless come from every walk of life, from every community, and are as diverse a group as America itself. Most tragically, one out of every four homeless persons is a child.

Mr. President, when children in our country must live without shelter, something in the system has failed; when children in our country must go to sleep at night without supper, something has failed; when children are afraid to go to school because they are dirty and have no clean clothes, Mr. President, something in our system has failed miserably.

This spring I had the opportunity to meet some of these young people during a performance of "Beauty and the Beast" on Capitol Hill. This was a play performed by children who live in the Capitol City Inn shelter and sponsored by Voices in the Streets. These

children are beautiful, bright, and imaginative, but they are being robbed of their youth. We must force a change.

According to a recent study, another 4 to 14 million families are on the edge of becoming homeless. Even more disturbing is a recent Housing Studies report at Harvard University indicating that the number of renters and homeowners who meet Federal poverty standards and who spend more than half their income on housing rose from 3.2 million in 1974 to 6.6 million in 1985.

These numbers grew steadily throughout the 1980's, as the administration cut Federal support for housing by more than 75 percent. Now we learn that hundreds of millions of funds in the Department of Housing and Urban Development [HUD] may have been lost through mismanagement and fraud. Funds allocated by Congress to help America's most needy may have been misused to help wealthy business people become more wealthy.

Three years ago, I stood here and told this Chamber that we can no longer afford to ignore the housing crisis. I introduced legislation to build more housing and guarantee every American the right to shelter.

Since that time, Congress has passed the Stewart B. McKinney Homeless Assistance Act, which has helped launch and support a wide range of programs and benefits for the homeless including health care, emergency food and shelter, child care services, and job training. I am proud to have helped write that legislation and steer it to passage. But we need to do much, much more. This year, working with Senator METZENBAUM of Ohio and Congressman VENTO of Minnesota, I have introduced legislation to provide permanent housing for the homeless.

The people who will be marching here tomorrow are right: We don't have a homelessness crisis because 3 million people chose to be homeless. We have a homelessness crisis because we stopped building affordable housing. And the best way to help the homeless is to start building affordable places to live again.

I urge my colleagues to join me in pushing for a lasting solution to this tragedy.●

## THE NATIONAL RESEARCH AND EDUCATION COMPUTER NETWORK

● Mr. GORTON. Mr. President, recently the White House Office of Science and Technology Policy [OSTP] released a plan for a Federal high performance computing program. I want to congratulate President Bush and his team at OSTP for their leadership in making this program a priority.

My colleague on the Commerce Committee, Senator GORE, introduced a bill last spring which would create a high-capacity national research and education network to link up supercomputers and databases around the country. I support Senator GORE's bill and I am hopeful that the Congress and the administration will work in concert on this vitally important proposal.

Mr. President, the United States no longer enjoys the comfortably dominant position it once held in the international marketplace. Government-supported research and development in other nations, namely Europe and Japan, is producing technology innovation and commercialization that is threatening to erode our leadership base in many sectors of the economy. Confronted with diminishing areas of dominance, we can ill afford to fall behind in the one sector of the economy where we have thus far remained ahead of our competitors: high performance computing.

Dr. William R. Graham, former Director of OSTP, put it succinctly in the 1987 report: A Research Strategy for High Performance Computing, "One thing is clear: the competition in an increasingly global market cannot be ignored. The portion of our balance of trade supported by our high performance computing capability is becoming more important to the Nation. In short, the United States must continue to have a strong, competitive supercomputing capability if it is to remain at the forefront of advanced technology."

Advanced technologies, such as supercomputing, will yield products, services, and manufacturing capabilities that will protect America's role as an economic leader. In addition to its traditional military role, supercomputers have become important to every sector of America's industry. Supercomputers are being utilized in energy research, weather prediction, and problems of molecular structure, just to name a few. The challenges for tomorrow are in the areas such as climate and global changes, enhanced oil and gas recovery, design of hypersonic aircraft, and design of new materials such as immunological agents and diseases.

The National Research and Education Computer Network will especially benefit small and remote universities and research institutions that do not have access to supercomputer capabilities and specialized databases. Currently, sophisticated research tools like these are available only to a privileged few at major research institutions and large corporations. The proposed network will change this by making supercomputers and on-line databases available to virtually every university in the Nation.

Mr. President, I understand the fragile foundation of America's superiority in advanced computing and the importance of Federal support of an integrated approach for restoring and maintaining our technological lead. Senator GORE's bill, S. 1067, will implement a program whereby the Federal Government will encourage, support, and sponsor enhanced development architecture, hardware, and software for supercomputing campatibility. The research and education network will create an effective synergism between government, industry, and academic participants in high performance technology development.

Dr. Allan Bromly, in his forward to the program plan, stated our mission quite accurately when he said, "We cannot afford to cede our historical leadership in high performance computing and its applications. We need to encourage the dynamism of the United States computer industry, and hence, our economy."

Mr. President, I again applaud the administration and Senator GORE for their combined leadership in this program and I urge my colleagues to lend their support.●

## NOBEL PEACE PRIZE TO DALAI LAMA

● Mr. MOYNIHAN. Mr. President, I rise today to note with pleasure that the Nobel Peace Prize has been awarded to a living symbol of peace, the Dalai Lama. In his struggle to preserve the culture and identity of this people—the ancient people of Tibet—the Dalai Lama has chosen the path of peace.

Born Tenzin Gyatso, he was taken to Lhasa at the age of 5 and installed as the 14th Dalai Lama. At the age of 15 he assumed the mantle of government. That was in 1950. Just 1 year later Chinese troops invaded and occupied Tibet. Years of discussion with the Chinese were fruitless. In 1959 he fled to India with nearly 100,000 followers amidst an unsuccessful revolt against Chinese rule.

Since that time he has worked unceasingly to focus world attention on the tragic plight of his people. In Tibet, the Chinese truly embarked upon a "cultural revolution." Probably "cultural decimation" would be a better description of the events in Tibet. The Dalai Lama's people suffered one of the great tragedies of this century when Tibetan Buddhist culture was attacked by Mao's legions. Countless temples of inestimable religious significance and artistic value were razed. A mere handful survived.

The tragedy of Tibet has been too much an unheard story, but it has been told. Patiently, insistently, peacefully, and eloquently, the Dalai Lama has told the tragic story of Tibet. Per-

haps this well-deserved prize will help open the world's unlistening ears.

Mr. President, I congratulate the Nobel Committee on their selection, and I send my warm congratulations to the Dalai Lama.●

## EXTENDING EXPIRATION DATE OF THE DEFENSE PRODUCTION ACT OF 1950

● Mr. GARN. Mr. President, I rise in support of H.R. 3281 a bill to extend the authorities of the Defense Production Act, the National Flood Insurance Program, and several other programs. The Senate has previously enacted extensions of DPA and flood insurance, but both programs lapsed because the House tied their passage to extension of the Federal Crime Insurance Program.

I strongly favored Senate passage of both DPA and flood insurance, because both are critical pieces of legislation that address important national priorities. Our defense preparedness requires that the Government be able to give priority to defense contracts and allocate critical materials, authorities provided by the DPA. Flood insurance is a requirement for certain types of disaster assistance for homes and businesses seeking relief. Failure to reauthorize this program could jeopardize the provision of disaster assistance to victims of Hurricane Hugo.

The Senate did not pass a crime insurance extension and I believe this was appropriate because the program does not address an issue of national consequence. It is a small but very costly program that deals with crime problems of a limited number of major metropolitan areas. This matter is more appropriately addressed by State government without any Federal role.

Despite my reservations about crime insurance, however, I am now willing to support this bill because of changes that the House made to its crime insurance proposal. The 5 percent statutory limit on annual premium increases in current law has been increased to 15 percent. I would have favored no cap on premium increases, but this change makes a good start at reducing the Federal subsidy in the program.

The bill also calls for a detailed annual report on the program and a justification for increases in premium rates. I favor closer scrutiny of this costly program because I believe it will stand the light of day. However, nothing in this reporting requirement represents an impediment, legislative or otherwise, to FEMA imposing the full 15 percent annual premium increase allowed by this amendment. There should be little difficulty in justifying a 15-percent premium increase for a program whose operating expenses and debt service costs are double its program level.

With these changes, a reasonable compromise has been struck on crime insurance. I urge adoption of the bill by the Senate so that the DPA and flood insurance programs can be put back into operation.●

## EXECUTIVE SESSION

### EXECUTIVE CALENDAR

Mr. MITCHELL. I ask unanimous censent that the Senate proceed to executive session to consider the following nominations: Calendar items numbered 394, 395, 396, 397, 398, 399, 400 401, 402, 403, nominations placed on the Secretary's desk in the Coast Guard, two nominations reported today by the Foreign Relations Committee: Thomas F. Stroock, to be Ambassador to the Republic of Guatemala, and David J. Smith, with the rank of Ambassador during his tenure of service as Chief Negotiator for defense and space.

I further ask unanimous consent that the nominees be confirmed en bloc, that any statements appear in the RECORD as if read; that the motions to reconsider be laid upon the table en bloc; that the President be immediately notified of the Senate's action, and that the Senate return to legislative session.

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

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF STATE

Thomas F. Stroock, to be Ambassador to the Republic of Guatemala.

David J. Smith, for the rank of Ambassador during his tenure of service as Chief Negotiator for defense and space.

FARM CREDIT ADMINISTRATION

Harold B. Steele, of Illinois, to be a member of the Farm Credit Administration Board, Farm Credit Administration, for the remainder of the term expiring May 21, 1992.

DEPARTMENT OF AGRICULTURE

Catherine Ann Bertini, of Illinois, to be an Assistant Secretary of Agriculture.

Bruce L. Gardner, of Maryland, to be an Assistant Secretary of Agriculture.

DEPARTMENT OF TRANSPORTATION

Warren G. Leback, of New Jersey, to be Administator of the Maritime Administration.

DEPARTMENT OF VETERANS AFFAIRS

Edward T. Timperlake, of Virginia, to be an Assistant Secretary of Veterans Affairs (Congressional and Public Affairs).

Raoul Lord Carroll, of the District of Columbia, to be General Counsel, Department of Veterans Affairs.

S. Anthony McCann, of Maryland, to be an Assistant Secretary of Veterans Affairs (Finance and Planning).

Allen B. Clark, Jr., of Texas, to be an Assistant Secretary of Veterans Affairs (Veterans Liaison and Program Coordination).

JoAnn Krukar Webb, of Virginia, to be Director of the National Cemetery System, Department of Veterans Affairs.

DEPARTMENT OF LABOR

Thomas E. Collins III, of Mississippi, to be Assistant Secretary of Labor for Veteran's Employment and Training.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE COAST GUARD

Coast Guard nominations beginning Zoran Sajovic, and ending Robert W. Foster, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 12, 1989.

STATEMENT ON THE NOMINATION OF DAVID J. SMITH TO BE AMBASSADOR AND CHIEF NEGOTIATOR TO THE DEFENSE AND SPACE TALKS

Mr. DOLE. Mr. President, I would like to make a few remarks about Dave Smith—the President's nominee to be Chief Negotiator at the defense and space talks in Geneva.

Many of you know him already—from his 3 years on my staff; his work on the arms control observer group—which gave him a firsthand look at the talks in Geneva; and his earlier duty with the Foreign Relations Committee, where he did arms control issues.

I'm sorry to see Dave leave—he's been an outstanding staffer, on some issues that are extremely complex and, sometimes, politically sensitive.

But because I know firsthand the quality of his work, I know, too, that the President has made a good choice; and that Dave Smith will make a superb negotiator to the defense and space talks.

He has all of the qualities that make a good negotiator. A quick look at his record makes it clear he has the knowledge and experience to tackle the defense and space talks.

Those of you who worked with Dave during the INF Treaty ratification process—when he served as the INF Republican task force staff director—know firsthand how much he contributed.

But his new job demands not only a firm command of issues and policies. To be a good negotiator, you have to know how to negotiate. Dave Smith knows how, because he learned in one place where negotiations are the only way to get things done—the U.S. Senate.

He knows when to be tough, without being abrasive. And he knows how to be flexible, without compromising principle. That's what produces not only treaties and agreements—but good treaties and agreements.

There's one final point I want to make about Dave. He cares not only about the important issues of arms control; he cares about people. One example—when our defense attaché in Athens, Bill Nordeen, was assassinated, Dave took it upon himself to find ways to ensure that his family was not forgotten, including in the important matter of compensation. The case is not yet fully resolved, but Dave Smith's caring, perseverance, and his legislative skill have made a good solution possible.

I want to thank the Foreign Relations Committee for acting quickly, unanimously, and favorably, to recommend the confirmation of Dave Smith.

Mr. President, this is a fine nominee, an excellent nomination. I urge my colleagues to support Dave Smith.

## LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

## VITIATION OF SENATE ACTION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate engrossment of S. 1711, the drug strategy bill, reflect the vitiation of action on Senate amendment No. 983.

Mr. McCLURE. We have no objection.

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

## AMENDMENT ADOPTION—S. 1711

Mr. MITCHELL. Mr. President, I ask unanimous consent that the amendment I send to the desk be deemed to have been adopted before the third reading of S. 1711, and that the Secretary of the Senate be directed to include the amendment in the engrossed version of S. 1711.

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

## OUR NATION'S WAR AGAINST DRUGS

Mr. DOLE. Mr. President, in our Nation's war against drugs—a war that we all know will be long and protracted—we will need more foot soldiers—we will need more FBI agents, more DEA agents, more Customs officials and more Secret Service agents.

To his credit, the President has recognized the need to bolster our army of law enforcement personnel. In the anticrime package sent to Congress last June, for example, the President authorized funding for an additional 300 FBI agents as well as for other law enforcement officers. And—as I have said countless times before on this floor—I believe that the President has properly recognized the importance of this issue and the importance of stepping up our law enforcement efforts in the war against drugs.

### EXPERIENCE HAS NO PRICETAG

But we also must be careful here. Hiring more FBI agents and other law enforcement officers is crucially important—there's little to debate about on this issue.

But—it seems to me—that it is more crucial to ensure that our experienced, trained troops—those troops that are already in the trenches and on the streets—receive adequate pay. And we must make sure that these troops continue to find it worthwhile—financially and otherwise—to remain on the job. This country simply cannot afford to lose their valuable experience—experience that I believe has no pricetag.

### THE PROBLEM OF ATTRITION

Unfortunately, it is a sad fact that we are losing trained, experienced FBI agents. Last year, for example, more FBI agents resigned from the Bureau than retired. It is my understanding that this is the very first time in the Bureau's history that such a situation has occurred.

But—to tell you the truth—I can understand why an FBI agent would consider the resignation route. Just like everybody else, the FBI agent has to put food on the family table too.

Several years ago, the starting salary for an FBI agent was equivalent to that of a lieutenant in the New York City Police Department. Today, the starting salary for an FBI agent is lower than that of a New York rookie cop.

And it is important to recognize that the educational and work experience requirements for FBI agents are far more stringent than the requirements of most local and State law enforcement agencies.

In fact, almost 47 percent of the FBI agents today have advanced degrees in law, in public accounting, in business administration, in the sciences, and in other fields. I cannot think of a single State or local law enforcement agency that can boast of a more highly educated and technically qualified work force. Yet, FBI agents receive a base pay and overtime pay that are inferior to what most other law enforcement agencies can offer their employees.

### DESCRIPTION OF THE AMENDMENT

Mr. President, my amendment attempts to remedy this problem. It would simply provide for a modest increase in the premium for administratively uncontrollable overtime—unsupervised overtime, in other words—for FBI agents and other Federal law enforcement officers.

Under current law, administratively uncontrollable overtime is compensated at a maximum rate of 25 percent of an employee's base salary. Nevertheless, overtime pay for those employees—mostly law enforcement officers—who earn more than a GS-10 is limited to a maximum of 25 percent of a GS-10 salary. My amendment would simply increase the overtime premium so that it will equal 25 percent of an agent's actual rate of pay.

### THE HOUSE BILL

The language of my amendment is virtually identical to the language of a bill introduced earlier this year by Congresswoman MARY ROSE OAKAR. It is my understanding that the Oakar bill has more than 170 cosponsors—both Democrats and Republicans. And I hope the House acts quickly to take up and adopt this bill.

### CONCLUSION

Mr. President, this is not a pay issue—it is an issue of simple equity. It is also an issue of very practical importance in our war against the drug lords.

The solution proposed by my amendment is a modest one. And it is a solution that most Senators, I believe, can accept.

## "COUNTRY MUSIC MONTH," "WORLD POPULATION AWARENESS WEEK," "NATIONAL WOMEN VETERANS OF WORLD WAR II DAY," "NATIONAL RED RIBBON WEEK FOR A DRUG-FREE AMERICA"

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of the following: Senate Joint Resolution 158, World Population Awareness Week; Senate Joint Resolution 204, National Women Veterans of World War II Day; Senate Joint Resolution 213, National Red Ribbon Week for a Drug-Free America; House Joint Resolution 401, Country Music Month; and that the Senate proceed to their immediate consideration en bloc, that they be read a third time and passed and that the motion to reconsider the votes by which they were agreed to be laid upon the table en bloc and that their preambles where appropriate be agreed to en bloc.

Mr. McCLURE. We have no objection.

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

So House Joint Resolution 401 was passed.

Senate Joint Resolution 158, Senate Joint Resolution 204, and Senate Joint Resolution 213 were passed.

The preambles were agreed to.

The Senate joint resolutions and their preambles are as follows:

### S.J. RES. 158

Whereas the population of the world today exceeds five billion and is growing at an unprecedented rate of approximately ninety million per year;

Whereas vitually all of this growth is occurring in the poorest countries, those countries least able to provide even basic services for their current citizens;

Whereas the demands of growing populations have contributed substantially to enormous environmental devastation and pose threats of even greater harm to the world;

Whereas one-half of the ten million infant deaths and one-quarter of the five hundred thousand maternal deaths that occur each year in the developing world could be prevented if voluntary child spacing and maternal health programs could be substantially expanded;

Whereas research reveals that one-half of the women of reproductive age in the developing world want to limit the size of their

families but lack the means or abilty to gain access to family planning;

Whereas the global community has for more than twenty years recognized that it is a fundamental human right for people to voluntarily and responsibly determine the number and spacing of their children and the United States has been a leading advocate of this right;

Whereas the demands of growing populations force many countries to borrow heavily and sell off their natural resources to cover the interest on their debt;

Whereas selling off natural resources in such circumstances often causes irretrievable losses, such as the destruction of the tropical rain forests at a rate of fifty thousand acres per day;

Whereas the reliance of a rapidly growing world population on burning fuels is a critical factor in the emission of carbon dioxide into the atmosphere, which many scientists believe has already catalyzed a warming of the Earth's climate;

Whereas pollution is damaging the ozone layer to such an extent that within forty years the ultraviolet light reaching our planet is expected to be up to 20 percent greater than it is today; and

Whereas in 1988, forty State Governors proclaimed "World Population Awareness Week" in their States to call attention to the consequences of rapid population growth and the House of Representatives also passed a resolution to that effect: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That October 22 through 28, 1989, is designated as "World Population Awareness Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate programs, ceremonies, and activities.

S.J. RES. 204

Whereas the contributions of the 350,000 women who volunteered for service in the Armed Forces of the United States during World War II were a valiant and vital element in the success of the Allied armed forces;

Whereas such service women left a distinct and indelible mark on the military history of the United States;

Whereas during World War II, a total 17,000 members of the Women's Army Corps served in all of the overseas combat theatres;

Whereas during World War II, more than 2,500 women in the Armed Forces won decorations for combat and non-combat activities;

Whereas women veterans of World War II have a rich and courageous history of service to this Nation;

Whereas such history is a continuing inspiration for women currently serving in the United States Armed Forces;

Whereas the selfless sacrifices of the modest women who served in the Armed Forces during World War II have not gained appropriate historical notice; and

Whereas such service women deserve the respect and recognition of the people of this Nation: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That in order to recognize the valuable military service rendered by the women who served in the Armed Forces of the United States during World War II and to increase the awareness of the indispensable role of such service women in that war, October 28, 1989, is designated as "National Women Veterans of World War II Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate activities and ceremonies.

S.J. RES. 213

Whereas alcohol and other drug abuse has reached epidemic proportions and is of major concern to all Americans;

Whereas alcohol and other drug abuse is a major public health threat and is one of the largest causes of preventable disease, disability, and death in the United States today;

Whereas alcohol and other drug abuse costs American society nearly $100,000,000,000 a year;

Whereas illegal drug use does not discriminate on the basis of age, gender, or socioeconomic status, as evidenced by the facts that—

(1) 23,000,000 Americans age 12 and over currently use illicit drugs;

(2) a nationwide Weekly Reader survey revealed that of the 68,000 fourth graders polled 34 percent reported peer pressure to try wine coolers, 41 percent to smoke, and 24 percent to use crack or cocaine; and

(3) the 15- to 24-year-old group is dying at a faster rate than any other age group because of accidents, homicides, and suicides, many of which are related to drug and alcohol abuse;

Whereas the drug problem appears to be insurmountable, but Americans have begun to lay the foundation to combat it;

Whereas we must continue the important strides we have made in our efforts to prevent alcohol and other drug abuse;

Whereas the most recent national polls reveal that progress has been made in that—

(1) since 1979, there has been a steady decline in the use of marijuana on a daily basis among high school seniors, and in 1987, marijuana use among this group was at its lowest level in 11 years;

(2) in 1987 there was a significant drop in the use of cocaine, and the number of high school seniors associating great risk with trying cocaine once or twice rose from 34 percent in 1986 to 48 percent in 1987; and

(3) illicit drug use of stimulants and sedatives continues to decline among high school seniors, college students, and young adults in general;

Whereas according to public opinion polls the American people consider that drug abuse is one of the most serious domestic problems facing this Nation and have begun to take steps to fight it;

Whereas the National Federation of Parents for Drug-Free Youth has declared October 22 through October 29, 1989, as "National Red Ribbon Week for a Drug-Free America," and has called for a comprehensive public awareness, prevention, and education program involving thousands of parent and community groups across the country;

Whereas other outstanding groups, including the National Parents Resource Institute for Drug Education, the Council for Drug Education, Just Say No International, the National Crime Prevention Council, the Chiefs of Police National Drug Task Force, the National Hispanic Family Against Drug Abuse, national youth organizations, national service organizations, and others, have demonstrated leadership, creativity, and determination in achieving a drug-free America;

Whereas any use of an illegal drug is unacceptable, and the illegal use of a legal drug cannot be tolerated; and

Whereas alcohol and other drug abuse destroys lives, spawns rampant crime, undermines our economy, and threatens our national security: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the week of October 22 through October 29, 1989, is designated as "National Red Ribbon Week for a Drug-Free America.". The United States recognizes and commends the hard work and dedication of concerned parents, youth, law enforcement, educators, business leaders, religious leaders, private sector organizations, and Government leaders, and urges that meetings, conferences, and fundraising activities that support community and alcohol education take place during National Red Ribbon Week for a Drug-Free America with other appropriate activities, events, and educational campaigns. Every American is encouraged to wear and display red ribbons during National Red Ribbon Week for a Drug-Free America to present and symbolize their commitment to a healthy, drug-free lifestyle, and to develop an attitude of intolerance concerning the use of drugs.

## COUNTRY MUSIC MONTH

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate Judiciary Committee be discharged from further consideration of Senate Joint Resolution 196 designating "Country Music Month," and that the measure be indefinitely postponed.

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

## DESIGNATION OF BOWLING GREEN, KY, AS AN URBANIZED AREA

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Item No. 188, S. 1443, a bill to designate Bowling Green, KY, as an urbanized area.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1443) to designate Bowling Green, Kentucky, as an urbanized area.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The bill (S. 1443) was considered, ordered to a third reading, read the third time, and passed, as follows:

S. 1443

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the City of Bowling Green in the State of Kentucky shall be considered for designation as an urbanized area by the Director of the Bureau of the Census.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

## TESTIMONY AND REPRESENTATION OF SENATE EMPLOYEES

Mr. MITCHELL. Mr. President, on behalf of myself, and the distinguished Republican leader, Mr. DOLE, I send to the desk a resolution on testimony by Senate employees and representation by the Senate legal counsel, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 192) authorizing the testimony and representation of Senate employees in the case of United States v. Jorge Artalego (D.C. Superior Court).

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

TESTIMONY OF SENATE EMPLOYEES IN OFFICE UNLAWFUL ENTRY CASE

Mr. MITCHELL. Mr. President, on July 10 of this year, U.S. Capitol Police officers arrested Jorge Artalego on the charge of unlawful entry into Senator BENTSEN's private office in the Hart Senate Office Building. The defendant has also been charged with disorderly conduct. Frances Murrah, Senator BENTSEN's office manager, and Melissa Ferring and Erin Mewhirter, front office receptionists, witnessed events leading up to the defendant's arrest.

The U.S. Attorney's Office has obtained a subpoena for the testimony of Ms. Murrah at the trial of the case next Tuesday, October 10, 1989, in D.C. Superior Court. Counsel for Mr. Artalego has obtained subpoenas for the appearances of both Ms. Ferring and Ms. Mewhirter. This resolution would authorize the testimony of all three witnesses, as well as direct the Senate legal counsel to represent them in this matter.

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

The resolution was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 192

Whereas, in the case of the United States v. Jorge Artalego, Crim. No. M-7121-89, pending in the Superior Court of the District of Columbia, the United States Attorney has obtained a subpoena for the testimony of Frances Murrah, and counsel for the defendant has obtained subpoenas for the testimony of Melissa Ferring and Erin Mewhirter, employees of the Senate on the personal office staff of Senator Lloyd Bentsen;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that the testimony of employees of the Senate may be needed in any court for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges and rights of the Senate;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(a) and 288c(a)(2)(1982), the Senate may direct its counsel to represent employees of the Senate with respect to any subpoena or order directed to them in their official capacity: Now, therefore be it

*Resolved*, That Frances Murrah, Melissa Ferring, and Erin Mewhirter are authorized to testify in the case of United States v. Jorge Artalego, except concerning matters for which a privilege should be asserted.

SEC. 2. That the Senate Legal Counsel is directed to represent Frances Murrah, Melissa Ferring, and Erin Mewhirter, and any other staff assistant of Senator Bentsen who may be subpoenaed to testify in the case of United States v. Jorge Artalego.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

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

The motion to lay on the table was agreed to.

## APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, pursuant to Public Law 100-204, appoints the following individual from the private sector to the U.S. Commission on Improving the Effectiveness of the United Nations: the Honorable Thomas F. Eagleton, of Missouri.

## ORDER FOR TOMORROW

RECESS UNTIL 10 A.M.; RESERVATION OF LEADER TIME

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 10 a.m. tomorrow, Saturday, October 7, 1989; and, that the time for the two leaders be reserved for their use later in the day.

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

INTERIOR APPROPRIATIONS BILL

Mr. MITCHELL. Mr. President, I further ask unanimous consent that following the prayer, and approval of the Journal, the Senate begin consideration of the conference report on H.R. 2788, the Interior appropriations bill.

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

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

## RECESS UNTIL TOMORROW AT 10 A.M.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate stand in recess, under the previous order, until 10 a.m., tomorrow, Saturday, October 7, 1989.

There being no objection, the Senate, at 9:39 p.m., recessed until tomorrow, Saturday, October 7, 1989, at 10 a.m.

## NOMINATIONS

Executive nominations received by the Senate October 6, 1989:

DEPARTMENT OF STATE

CRESENCIO S. ARCOS, JR., OF TEXAS, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF HONDURAS.

FRANCIS TERRY MCNAMARA, OF CALIFORNIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF CAPE VERDE.

UNITED NATIONS

THE FOLLOWING-NAMED PERSONS TO BE ALTERNATE REPRESENTATIVES OF THE UNITED STATES OF AMERICA TO THE 44TH SESSION OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS:

BARBARA HACKMAN FRANKLIN, OF PENNSYLVANIA.

GARY EDWARD MADDOUGAL, OF ILLINOIS.

DEPARTMENT OF DEFENSE

MICHAEL BRUCE DONLEY, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF THE AIR FORCE (NEW POSITION).

DEPARTMENT OF JUSTICE

JEAN PAUL BRADSHAW, OF MISSOURI, TO BE U.S. ATTORNEY FOR THE WESTERN DISTRICT OF MISSOURI FOR THE TERM OF 4 YEARS VICE ROBERT G. ULRICH, RESIGNED.

JOYCE J. GEORGE, OF OHIO, TO BE U.S. ATTORNEY FOR THE NORTHERN DISTRICT OF OHIO FOR THE TERM OF 4 YEARS VICE PATRICK M. MCLAUGHLIN, RESIGNED.

PANAMA CANAL COMMISSION

ROBERT R. MCMILLAN, OF NEW YORK, TO BE A MEMBER OF THE BOARD OF THE PANAMA CANAL COMMISSION, VICE RICHARD N. HOLWILL, RESIGNED.

U.S. INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

PHILIP LAWRENCE CHRISTENSON, OF VIRGINIA, TO BE AN ASSISTANT ADMINISTRATOR OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT, VICE JULIA CHANG BLOCH, RESIGNED, TO WHICH POSITION HE WAS APPOINTED DURING THE RECESS OF THE SENATE FROM OCTOBER 22, 1988, TO JANUARY 3, 1989.

DEPARTMENT OF COMMERCE

BARBARA EVERITT BRYANT, OF MICHIGAN, TO BE DIRECTOR OF THE CENSUS, VICE JOHN G. KEANE, RESIGNED.

## CONFIRMATIONS

Executive nominations confirmed by the Senate October 6, 1989:

FARM CREDIT ADMINISTRATION

HAROLD B. STEELE, OF ILLINOIS, TO BE A MEMBER OF THE FARM CREDIT ADMINISTRATION BOARD, FARM CREDIT ADMINISTRATION, FOR THE REMAINDER OF THE TERM EXPIRING MAY 21, 1992.

DEPARTMENT OF AGRICULTURE

CATHERINE ANN BERTINI, OF ILLINOIS, TO BE AN ASSISTANT SECRETARY OF AGRICULTURE.

BRUCE L. GARDNER, OF MARYLAND, TO BE AN ASSISTANT SECRETARY OF AGRICULTURE.

DEPARTMENT OF TRANSPORTATION

WARREN G. LEBACK, OF NEW JERSEY, TO BE ADMINISTRATOR OF THE MARITIME ADMINISTRATION.

DEPARTMENT OF VETERANS AFFAIRS

EDWARD T. TIMPERLAKE, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF VETERANS AFFAIRS (CONGRESSIONAL AND PUBLIC AFFAIRS).

RAOUL LORD CARROLL, OF THE DISTRICT OF COLUMBIA, TO BE GENERAL COUNSEL, DEPARTMENT OF VETERANS AFFAIRS.

S. ANTHONY MCCANN, OF MARYLAND, TO BE AN ASSISTANT SECRETARY OF VETERANS AFFAIRS (FINANCE AND PLANNING).

ALLEN B. CLARK, JR., OF TEXAS, TO BE AN ASSISTANT SECRETARY OF VETERANS AFFAIRS (VETERANS LIAISON AND PROGRAM COORDINATION).

JOANN KURKAR WEBB, OF VIRGINIA, TO BE DIRECTOR OF THE NATIONAL CEMETERY SYSTEM, DEPARTMENT OF VETERANS AFFAIRS.

DEPARTMENT OF LABOR

THOMAS E. COLLINS III, OF MISSISSIPPI, TO BE ASSISTANT SECRETARY OF LABOR FOR VETERANS' EMPLOYMENT AND TRAINING.

DEPARTMENT OF STATE

THOMAS E. STROOCK, OF WYOMING, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF GUATEMALA.

DAVID JAMEISON SMITH, OF VIRGINIA, FOR THE RANK OF AMBASSADOR DURING HIS TENURE OF SERVICE AS CHIEF NEGOTIATOR FOR DEFENSE AND SPACE.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

IN THE COAST GUARD

COAST GUARD NOMINATIONS BEGINNING ZORAN SAJOVIC, AND ENDING ROBERT W. FOSTER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON SEPTEMBER 12, 1989.

## WITHDRAWAL

Executive message received October 6, 1989, withdrawing from further Senate consideration the following nomination:

U.S. INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

PHILIP LAWRENCE CHRISTENSON, OF VIRGINIA, TO BE AN ASSISTANT ADMINISTRATOR OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT, VICE JULIA CHANG BLOCH, RESIGNED, WHICH WAS SENT TO THE SENATE ON JANUARY 3, 1989.

# EXTENSIONS OF REMARKS

## PRESIDENT BARCO AT THE UNITED NATIONS

### HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 6, 1989*

Mr. BROOMFIELD. Mr. Speaker, I wish to call attention to the invaluable efforts of President Barco of Colombia in the war against international narcotics trafficking.

I met President Barco during his recent visit to Washington and was impressed both by his bravery and by his vision. In the face of threats from the merciless drug lords, he has shown great strength and resolve.

Narcotics abuse is a worldwide problem. The nations of the world must work together to stop this horrible menace that claims the lives of our children. President Barco's call for international cooperation in the war against drug trafficking is sound and workable.

I again salute President Barco's determination and his plan for dismantling the drug cartels in Colombia and working together to confront the drug menace. I commend the following speech by President Barco to the United Nations General Assembly to my colleagues in the Congress:

SPEECH BY PRESIDENT BARCO TO UNITED NATIONS

Mr. President, on behalf of the people of the Government of Columbia, please accept my congratulations and good wishes on your election as President of this General Assembly. I am sure that you will preside with distinction over the complex affairs of this body that gathers the nations of the world. Let me also add my thanks to those who have already noted the splendid role played by your predecessor, his Excellency Doctor Dante Caputo. In addition, let me also pay tribute to the efforts toward achieving world peace of the Secretary General, Javier de Perez Cuellar.

This will be the last occasion I speak to you as President of Colombia. However, I am here today not just as President of my country, but as a citizen of the world.

A GLOBAL CHALLENGE

The terrible carnage of the world's second great war gave birth to this body, in the hope that nations standing together, united can prevent such global madness from ever happening again. Since then, mankind has continued to follow the destructive path of war in conflicts across our planet. It has only been the unimaginable consequences of nuclear war that has restrained us from falling once again into a worldwide conflagration.

Yet in spite of the uneasy nuclear peace thus engendered, the world has remained at war. Conflicts generated by ideology, poverty, injustice, excessive ambitions, and now increasingly by narcotics, have scarred the peace.

The motion of national sovereignty underlies all our strategic thinking; indeed it is the basis for the United Nations. Yet now we find this newest threat, narcotics, and accompanying terrorism that pays no respect to borders. We, a community of nations, find ourselves under assault from an international criminal enterprise that respects none of our norms of sovereignty, frontiers, or laws.

To meet this new challenge we have to reach back to those core founding values of the United Nations. If we cannot act together in the face of this menace, then we will be abetting the unrestrained growth in the use of drugs and in the violence they generate.

I am certain that Colombia will finally defeat the drug traffickers. But if this effort is not accompanied by a global commitment, then no victory can be achieved.

The recent global outpouring of solidarity and support for Colombia has been a great encouragement to us in these difficult times.

A new era is upon us. A new world war is being waged by an aggressor unrestrained by the traditional rules of engagement or by the responsibilities of national sovereignty. This aggressor is an insidious, global criminal network with enormous power and resources—a criminal enterprise which feeds on the illegal profits from the trafficking of drugs. As the Secretary General said in his report to you this year:

"Illicit use and traffic of drugs is now recognized as a social plague afflicting both developed and developing countries. Although efforts to combat this scourge have intensified in recent years, estimates suggest that the monetary value of drug trafficking has recently surpassed that of international trade in oil and is second only to the arms trade. It is a chastening observation that humanity is so deeply mired in the commerce of degradation and death."

The members of these criminal cartels were born in many nations and many of its leaders are called Colombian. But while some may have been born in my country, let me be clear—they are not Colombian in any more than name. They are international fugitives on the run. They have no home.

THE STRUGGLE IN COLOMBIA

I am here today to lay out the stark realities of this war against drug trafficking. We are on the front line of this battle. For us this is no war of words. In Colombia the casualties of our struggle have been mounting for some time. A month ago, we suffered the tragic assassination of one of our finest national leaders, Luis Carlos Galan. In many ways, his death has galvanized our nation and focused the attention of the world on this problem. But our war on drugs has been taking its toll for years. We have lost 12 Supreme Court Justices, our Attorney General and Minister of Justice. We have lost Members of Congress and Mayors, scores of journalists, thousands of soldiers and policemen and tens of thousands of Colombian citizens who were committed to the cause of democracy.

Following my announcement last month to enforce drastic measures using executive powers available under a state of siege, the narco-traffickers have continued to engage in a cowardly reign of terror. They have threatened and retaliated against innocent families, they randomly strike at our cities and have bombed institutions like our newspaper El Espectador which dare to speak out against them. In short, in their aim to protect their illegal and criminal activities, they seek to destroy the will of our people and undermine our most precious institutions. Hear me well—they will fail. Colombia—one of the oldest democracies in Latin America—will prevail.

In these past few weeks, we have had some important victories. We are methodically breaking the back of the cartels, but not just by confiscating and destroying many tons of cocaine. Indeed, Colombian authorities capture almost eighty percent of the cocaine seized globally. But our offensive goes beyond that. The assassins of Luis Carlos Galan have already been captured. Many thousands of suspects have been apprehended and millions of dollars in property—processing plants, bank accounts, communication equipment, aircraft, boats, houses and ranches that provide the backbone and the lifestyle for this criminal operation—have been seized.

All these victories, though, will not be nearly sufficient to win this war. That is why I am here today. Only through concerted international action can we hope to defeat the scourge of narcotics. The criminal drug cartels have declared total war. This declaration of war is against the entire community of nations. Against those whose youth are being poisoned by drugs and against those who, like Colombia, see their democracy and their institutions threatened by the violence and terrorism. There are no boundaries to the narcotics conflict, there are no safe havens from narco-terror. Now, there must be no safe havens for the narco-terrorists. In this war, the time has come for the community of nations to choose sides.

Many of you, by the way, may not accept that this is a global war; you may believe that it is one of this hemisphere alone—that cocaine is a scourge only of the Americas, produced in the nations of South America and consumed by North America. This is not so, because cocaine's tentacles, even as we meet today, are reaching into Europe and the Far East. The aggressive search for new markets is no more respectful of oceans than it was of borders. Where there are customers there will be suppliers. And indeed cocaine is only one ugly manifestation of a much wider narcotics crisis. Make no mistake, this scourge touches us all.

A PLAN OF ACTION

In solidarity, as a community of nations, this should be our plan of action:

First, we simply must stop demand for these illicit narcotics. It is the insatiable demand for drugs that fuels this terrorism and which is one of the greatest threats to democracy in Latin America. Those who consume cocaine are contributing to the assassination of my people by the criminal drug cartels. No doubt somebody a few blocks from this General Assembly Hall, in

one of this city's fashionable neighborhoods, taking cocaine in the civilized calm of his living room, would balk at this description. Yet as surely as if he pulled the trigger he is the slayer of those Colombian judges and policemen who have paid with their lives for trying to uphold the law.

Every tactic and every weapon in the war against narcotics pales into insignificance compared to the need to reduce demand. The illegal profits produced by drug consumption are simply too great. I am sure that in Colombia we will defeat drug traffickers. But someone, in some country, somewhere, will supply the drugs as long as the business remains so profitable. This happened in the case with marijuana. When it became too expensive for drug traffickers to operate in Colombia, because of effective law enforcement, they moved to California, Hawaii and other places. The only law the narco-terrorists do not break is the law of supply and demand.

No society, no matter how rich, can afford to have its sons and daughters poisoned by cocaine, heroin or any other deadly drug. In this regard, President Bush's National Drug Control Strategy is a first step in the right direction.

We must insist on the message that illegal drugs are neither fashionable nor harmless, whether consumed at the glittering parties of the wealthy or in the ghetto. Drug users need to understand that in this war, they are in the camp of the enemy, along with those who produce and push drugs. Let me say how much I appreciate the initiative and leadership of the Prime Minister of Great Britain in her call for an international conference for the Reduction of Demand. Mrs. Thatcher has honored me with her invitation, which I have accepted, to address the conference next April.

Second, our efforts to reduce the supply of refined cocaine also depend on international cooperation in stopping the illegal trade in chemicals which are essential to the processing of this drug. Generally, much attention is given to the production and processing of drugs. For example, to countries like Peru and Bolivia where coca leaf is grown. Unfortunately, in contrast, little attention is given to controlling the supply of chemicals which are used to process cocaine and which come mainly from North America and Europe. None of these are manufactured in Colombia—all of them are smuggled into our country. Tightening controls on the manufacture and sale of these chemicals, as well as strengthening sanctions against their illegal shipment, must be one of our highest priorities. It takes more than coca leaf to produce cocaine. Without the chemicals there would be no narcotic. Let us press on the suppliers of these chemicals as firmly as we do on the poor peasant growers of coca leaf.

Third, the weapons used by the cartels to intimidate, maim and kill my people do not come from Colombia. They are found in international arms markets where even the most sophisticated weapons are easily and legally bought. Make no mistake, those who sell arms to the narco-terrorists are even more guilty than the addicts whose demand for drugs fuels violence. Last year Colombia presented a draft resolution calling for restrictions in arms sales, but unfortunately, consensus could not be found at the United Nations. We can no longer wait while this deadly trade continues. It is essential to adopt special measures to reduce and control arms sales to drug traffickers and terrorists. I call on all of the nations of the world to stop this madness and stop it now.

My government also views with extreme seriousness the activities of foreign mercenaries in training and assisting narco-terrorists in Colombia. The international community must strengthen its condemnation of the murderous association of mercenaries with terrorists and drug traffickers. My Administration has not only condemned the presence of foreign mercenaries in our terrority, it has also criminalized their activities and ordered their capture. These developments in Colombia make an urgent and indisputable case for the Assembly to approve the Convention outlawing these activities.

Fourth, international cooperation is an essential element in efforts to halt money-laundering. The drug cartels depend on the international banking sysem for the transfer of funds. A significant part of the criminal profits are invested in the industrialized nations—in bank accounts and bonds, in properties and in legal businesses. Somehow our sense of justice is warped when a poor farmer who feeds his family by growing coca is seen as the greater villain then the wealthy international banker who illegally transfers millions of dollars of drug money that finances terrorist actions against innocent people. If the international banking system cooperates in cracking down, we can put the cartel out of business.

Fifth, each of us must press for the prompt ratification of the Vienna Convention on narcotics trafficking. Painstakingly negotiated, this Convention includes specific actions on a wide variety of fronts, from penalties for consumption to seizure of ships on the high seas and confiscation of properties. Upon my return to Colombia, I will introduce it to the Colombian Congress for consideration. To be effective, it must be ratified by the community of nations.

In addition, I recommend to this Assembly two other multilateral initiatives: The first is to call a special session of this General Assembly addressed to all aspects of the global drug problem—consumption and production—which would consider urgent actions including those I am suggesting today. The other step, and perhaps the most important way to make concrete progress, is to establish an international working group at ministerial level, which would meet periodically to coordinate and refine specific anti-narcotics actions and to evaluate progress.

Sixth, central to the support for political stability and the maintenance of Colombia's democratic institutions is the strength of its economy. This is why international cooperation to maintain a strong and stable economy is so vital. In spite of the enormous destabilizing power of this international criminal organization, Colombia has been able to remain firm in its will to fight against drug trafficking.

It is critical to note that our economy is not dependent on the income of this illegal drug trade. In Colombia their dirty money is concentrated in speculative real estate activity and in money laundering. Its contribution to the growth of our economy is marginal. Colombia is not a narco-economy.

Three years ago, I addressed this assembly on the urgent need to fight absolute poverty. Since then, my government has embarked on an ambitious program of social change aimed at transforming the living conditions in regions traditionally excluded from development. The result can already be seen.

In spite of the massive resources that the drug war requires, we will not relent in our pursuit of social change and economic progress. To do this, Colombia requires international and financial cooperation. But even more important is the adoption of commercial and trade measures which allow our economy greater access to markets in the industrialized countries and fair prices for our exports.

THE INTERNATIONAL COFFEE AGREEMENT

The prime example is coffee, the traditional and principal source of income for Colombian farmers. The International Coffee Agreement has recently collapsed with the result that Colombia will lose more than $400 million this year in income. Sixty-one developing countries stand to lose a total of $5 billion in income next year.

We need the help of the United States and other countries to get the Coffee Agreement signed again without delay. We cannot afford to talk idealistically of crop substitution while sabotaging Colombian farmers' main cash crop and the country's largest export. It is encouraging to note that President Bush recently expressed his willingness to cooperate in finding solutions to the problems that led to the rupture of the Coffee Agreement. We expect that all other countries involved understand the seriousness of the situation and the need to revive one of the most successful examples of international economic cooperation.

The weakening of the commodities' market only aggravates the debt crisis. Foreign debt is a heavy burden for Latin America and is hindering economic growth. What is even more important, is that it is worsening the conditions of poverty for millions of Latin Americans. We have to work together to find realistic and effective solutions to this problem.

THE "ECODEBT" OF THE INDUSTRIALIZED NATIONS

There is yet another—and related—struggle which has drawn the attention of the world and which must be one of our highest priorities in the decade of the 1990's. It is, of course, the destruction of our natural resources.

As I said recently in Manaos, in the meeting of the member countries of the Amazon Cooperation Treaty, the industrialized countries have an ecological debt to humanity. In less than two centuries, not only have most of the native forests of Europe and North America been razed, but industrial production has brought pollution, acid rain and destruction to the ozone layer. This is an ecological debt to future generations of all the countries of the world who will have to live with the consequences of the mindless way in which the developed countries have handled their natural resources.

The way in which richer nations can pay this debt is by directly contributing to third world alternatives which preserve the environment, especially the rain forests. These issues should be dealt with at the highest level of all governments and of the United Nations. My Administration has already set aside more than 20 million hectares of rain forest and Indian reserves in the Amazon region, an area larger than that of many European countries. Let us pledge to seek sane development policies which recognize the value of our most precious resources. Let us pledge to retire this debt now for future generations.

A NEW LINK BETWEEN THE PACIFIC AND THE ATLANTIC

If the narcotics problem were not a priority at this moment I would have spoken to you today about another war: the struggle

of the developing countries to eliminate poverty and social injustice. We should not lose sight of these fundamental goals. I would also have spoken about the many important development projects we are promoting, the most important of which for Colombia and for the international community is the proposal to build a land bridge to link the Pacific and Atlantic oceans through Colombian territory. The railroads, highways and pipelines to be built will provide vital new links to global shipping.

A HISTORIC CHALLENGE

Mr. President, this is indeed an historic moment. Again, we are at war and future generations will judge our actions today. In this war on drugs, there have been many heroes, of many nationalities, willing to give their lives. Many are well-spoken, even more are unknown. Luis Carlos Galan died because he dared to speak out. Guillermo Cano, the editor of El Espectador, was gunned down because he would not be silenced. The thousands of soldiers and Colombian citizens who fell, died because of their commitment to this struggle.

These brave men and women have not died in vain. The entire community of nations must build on their sacrifice to defeat the curse of drugs.

The record of human history is strewn with the wreck of failed civilizations. We now face a new and global threat. We must act now before it is too late. If we confront the narcotics menace with boldness and determination we can win. With international commitment and cooperation, we can make this plague of the 20th century obsolete. It is my cherished hope that the school children of the 21st century will know about drugs and about terrorism only from their history books—the great plagues that passed.

We should be under no illusions about the burdens that lie ahead. Victory will take time. Winston Churchill might have been describing the road before us today when he told the House of Commons in 1940: "Death and sorrow will be the companions of our journey; hardships our garment; constancy and valor our only shield. We must be united, we must be undaunted. . ."

Let us declare today that, together, the last decade of this century will be used to bury the international scourge of drugs. Together we can and must succeed.

## FOOD CONTAMINATION PREVENTION ACT

### HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 6, 1989*

Mr. SMITH of New Jersey. Mr. Speaker, yesterday at a hearing, it was documented that tanker trucks which were hauling deadly chemicals have then turned around and hauled fruit juices. Like all Americans, I am outraged by this practice. Back in June I stood in the well of the House and introduced legislation to end the disgusting and dangerous practice of backhauling garbage in trucks which also transport food. That legislation, H.R. 2681, received broad bipartisan support in the House. Today, after additional investigations and two congressional hearings, I am pleased to join with my good friend MATT RINALDO, and over 30 other Members of Congress, to introduce a new and refined version of the Food Contamination Prevention Act.

Mr. Speaker, despite almost universal condemnation of this practice by food producers, processors, wholesalers, retailers and transporters, there is clear evidence that this practice continues. It is time for Congress to put forward a comprehensive plan to regulate the transportation of garbage in vehicles used for other purposes.

Two months, ago, on August 2, I testified before the Investigations and Oversight Subcommittee of the Public Works Committee during a hearing held to examine the whole issue of food distribution trucks which backhaul garbage. One witness at the hearing, Prof. Manfred Kroger of Penn State University, an expert on the issue of food safety, explained the potential of physical, chemical and microbial contamination to food from residues of garbage inside trucks. Other witnesses readily admitted and an ICC investigation confirmed that some trucks hauling garbage to landfills are then hauling food in the same vehicle. The only question remaining is how quickly can we end this potentially deadly practice.

Mr. Speaker, the legislation I am introducing draws on added insights gained as a result of the subcommittee's investigation and hearing, plus input from private associations and public agencies. As redrafted, the new Food Contamination Prevention Act amends the Solid Waste Disposal Act so that any vehicle which transports solid waste is prohibited from carrying food or related products. All refrigerated vehicles, which are specially designed to carry fresh meat and other foods, would be banned from ever transporting garbage regardless of the content of their previous or future loads.

Mr. Speaker, the new Food Contamination Prevention Act mandates that any vehicle which transports solid waste be labeled as such in order to let shippers know that the vehicle has previously carried garbage. In addition, new subclasses of solid waste are created to accommodate the differences between empty bottles being returned for reuse, bundled newspapers destined for recycling, and garbage going to landfills. As many of my colleagues know, several States have adopted bottle bills which mandate that beverage distributers pick up the returned bottles on the same trucks which deliver the beverages. Also, it is clear that there is a significant difference between bundled newspaper destined for recycling and baled garbage destined for a landfill. The new Food Contamination Prevention Act sets different standards for these three different classes of solid waste.

Mr. Speaker, already the Owner-Operator Independent Drivers Association and the National Food Processors Association, as well as several newspapers, have endorsed legislation to end the backhauling of gargage in trucks which also haul food. The new Food Contamination Prevention Act provides a more comprehensive solution to the problem while taking into account the multifaceted nature of what we call garbage. I am pleased that 30 Members have already joined Mr. RINALDO and me as original cosponsors of this important legislation and I urge swift congressional action to end this potential health threatening practice.

## MULTIPURPOSE VEHICLE STANDARDS

### HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 6, 1989*

Mr. GEJDENSON. Mr. Speaker, I rise today to introduce legislation to require the Secretary of Transportation to revise the Federal motor vehicle safety standards applicable to light trucks and multipurpose vehicles and for other purposes. The family vehicle of the 1980's is no longer the station wagon. Instead, families are buying record numbers of minivans and four wheel drive vehicles, which are referred to collectively as multipurpose vehicles [MPV's]. Thee vehicles now account for about one-third of all passenger vehicles sold in the United States. MPV sales have mushroomed because these relatively inexpensive vehicles are now being used as passenger cars. Unfortunately, the family that takes a pickup or minivan to get groceries or to pick up the kids at school is using a vehicle that lacks many structural safety features.

In the 1960's, when most of the safety standards for MPV's were written, the rationale for these exemptions was that these vehicles weighed more than passenger cars and were seldom used as passenger vehicles. Today, however, light trucks and MPV's have shrunk in size and are often marketed exclusively as passenger vehicles. The old standards are obsolete and insufficient, and the consequences of inadequate safety protections are deadly. MPV fatalities are rising steadily. In 1987, there were 7,200 deaths, and in 1988, the toll jumped to over 8,300.

MPV's lack entirely many important safety features which have long been required for passengers cars. The absence of such standards has been recognized as problematic for many years. In 1972, the National Transportation Safety Board [NTSB] reported that the severity of injuries sustained in accidents appeared considerably greater for occupants of some MPV's than for occupants of passenger cars. The NTSB suggested that this might have been due, in part, to the MPV exemption from certain safety standards. Similarly, a 1978 GAO study recommended that the National Highway Traffic Safety Administration [NHTSA] reassess its vehicle classification system for these very reasons, and concluded that delays by NHTSA in producing the reassessment were unwarranted. The GAO study further recommended that NHTSA apply a number of passenger car safety standards to MPV's.

More recently, additional concerns have been raised abut jeep-type sport-utility vehicles and allegations that, because of their design, they may have a propensity to roll over more easily than other vehicles. In June 1988, Consumers Union rated one model of this vehicle type unacceptable because of this risk, and petitioned NHTSA to recall that model. NHTSA denied that petition, but, in September 1988, granted a petition to establish a minimun performance standard to protect against unreasonable risk of rollover. However, rulemaking on this performance

standard has not begun. Additionally, NHTSA recently granted a petition to begin a defect investigation of another model of this vehicle type, based on accident data indicating a high rate of rollover.

The legislation which I introduce today will rectify a glaring weakness in the Federal motor vehicle safety codes by directing the Secretary of Transportation to issue certain safety standards for passenger cars to extend their applicability to light trucks and MPV's.

In the 100th Congress, the Senate passed S. 853, a bill that required the NHTSA to consider establishing four additional safety standards for MPV's: Roof crush resistance, a high-mounted rear stop lamp, head restraints, and front seat passive restraints. To date, NHTSA has addressed only the head restraint requirement, issuing a final rule on September 25, 1989. On August 3 of this year, the Senate passed S. 673, the NHTSA Authorization Act of 1989, which includes, under titles II and III, all of the provisions set forth in the legislation which I introduce here today.

This day marks the third time in two congressional sessions that legislation to extend the applicability of passenger motor vehicle standards to light trucks and MPV's has been brought before the Congress. Last session, I introduced legislation extending specific passenger motor vehicle standards to light trucks, vans, and other MPV's such as the Jeep CJ and the Suzuki Samurai. Now I introduce a modified bill which adopts the same important safety measures as well as providing for additional safeguards such as more effective bumpers on all vehicles and airbags on Federal vehicles. A provision requiring head restraints is no longer necessary since, on September 25, NHTSA finally completed rulemaking to extend the applicability of the appropriate standard to light trucks and MPV's.

This bill finds, first, that light trucks and multipurpose passenger vehicles have become increasingly popular during this decade and that they are being used increasingly for the transportation of passengers, not property. It further states that the safety of passengers in light trucks and MPV's has been jeopardized by the failure to apply to them the Federal motor vehicle safety standards applicable to passenger automobiles.

Today's bill acts, therefore, to require NHTSA to take six basic steps to improve light truck and MPV safety.

The first step is to revise Federal Motor Vehicle Safety Standard 216, to provide minimum roof crush resistance standards for light trucks and multipurpose passenger vehicles. Passenger vehicles have had this standard since 1971. Various MPV models, such as the Suzuki Samurai and the Ford Bronco II are notorious for rolling over under extreme conditions, and we need to ensure that the roof of an MPV will not collapse when this occurs.

The second step is to revise Federal Motor Vehicle Safety Standard 108, to require high center-mounted rear brake lights on light trucks and MPV's. Such lights have proven effective in preventing rear end collisions in passenger cars, and they can also help prevent such collisions in MPV's. NHTSA has been working on a prototype center-mount MPV brake light for some time now.

The third step is to revise Federal Motor Vehicle Safety Standard 208, to apply the passive restraint rule to light trucks and MPV's. According to an Insurance Institute for Highway Safety [IIHS] study, a major cause of death in MPV crashes is passenger ejection when the vehicle rolls over. IIHS found that passenger ejection was the cause of death in 46 percent of single vehicle crashes involving small utility vehicles. In contrast, 16 percent of small car single vehicle accidents involve ejection. Applying the passive restraint rule's requirement of either automatic seat belts or airbags would help prevent these ejections.

The fourth step is to revise Federal Motor Vehicle Safety Standard 214, to extend the applicability of side impact protection to light trucks and multipurpose vehicles. The requirement of a door beam on passenger cars under the current standard is of great value in protecting occupants in single vehicle crashes. Occupants of MPV's should be afforded the same protection.

The bill directs the Secretary of Transportation to initiate not later than 60 days after enactment of this Act, and to complete not later than 12 months after enactment, rulemaking to revise these four standards.

The fifth step is to require the Secretary to review the system of classification of vehicles with a gross vehicle weight under 10,000 pounds to determine if such vehicles should be reclassified. The changing use pattern of MPV's and the recent controversy surrounding tariff treatment of sport utility vehicles both demonstrate the need for a clearer definition of what is an MPV and what is a passenger car. NHTSA has issued a Notice of Proposed Rulemaking with respect to its classification system, but no final rule has been issued.

The sixth step is to direct the Secretary to initiate and complete a rulemaking to establish a Federal Motor Vehicle Safety Standard to protect against unreasonable risk of rollover of light trucks and MPVs. Many MPVs, particularly sport utility vehicles, have high centers of gravity, which can cause them to roll over. For example, NHTSA reports that 64 percent of all single vehicle Suzuki Samurai accidents involve roll-over. The roll-over rate for full-sized sedans is only 8 percent. The problems with the Samurai were highlighted in tests conducted by the Consumers Union, the publishers of Consumer Reports. Consumers Union said that it had "never before come across a vehicle so vulnerable to rolling over" in its 25 years of vehicle testing. In addition, this spring, NHTSA opened an investigation into roll-over accidents involving Ford Bronco II's. One report determined that this vehicle rolls over three times more frequently than the Samurai. This legislation would require NHTSA to establish a standard for MPV stability in order to minimize roll-over problems.

The second section of my bill requires the Secretary to promulgate a regulation establishing bumper system labeling requirements for all passenger motor vehicles. This regulation will require manufacturers to label all vehicles sold in a manner which discloses the impact speed at which the bumper system can protect the rest of the vehicle from damage. NHTSA promised to establish this information system 7 years ago, but has yet to take any action in this area.

The third section of the bill reestablishes the bumper standard which was in effect in 1982, before the Reagan administration weakened it. For the 7 years, the minimum speed at which motor vehicle bumper systems were required to protect the rest of the vehicle from damage has been 2.5 miles per hour. This has allowed automobile manufacturers to install decorative bumpers which offer little protection to the vehicle. Reestablishment of the 1982 standard will raise this minimum acceptable speed to 5.0 miles per hour. IIHS has conducted a study demonstrating that the tougher standard will save the American consumer from unnecessary repair expenses.

The fourth section of this bill requires that all passenger cars acquired after September 30, 1990, for use in the Federal fleet be equipped with driver-side airbags. If economically practicable, full front-seat airbags would be required for vehicles acquired after September 30, 1993. Airbags are the most effective technology for preventing injuries and fatalities in frontal crashes. Many automakers have chosen to make use of airbags in order to comply with the passive restraint rule. Chrysler has made driver-side airbags standard on all its models, and Ford and General Motors are not far behind. All of these manufacturers have plans to install passenger-side airbags as well. The Federal Government has already had success with the 6,500 Ford Tempos equipped with driver-side airbags which it purchased between 1985 and 1987. In 126 crashes of these vehicles which were severe enough to deploy the airbags, they have not only prevented death and serious injury, they have saved the Government payments for medical treatment, hospitalization, and survivors' and disability benefits.

According to an NHTSA report prepared at the request of the Appropriations Committee, the distinction between passenger cars and light truck has blurred as the market share of light trucks has doubled and as light trucks are marketed more and more for passenger use. The new passenger minivan accounts for more than 50 percent of light truck sales. From 1981 to 1985, as MPV's shunk in size, the proportion of MPV fatalities rose while passenger care fatalities declined. The obvious conclusion? Federal motor vehicle safety standards written for light trucks and MPV's in the 1960's are obsolete and insufficient when applied to today's smaller passenger vehicles.

This bill is practical; it grants the Secretary of Transportation a full year after enactment of this act to complete rulemaking to revise or establish the specified motor vehicle standards and to amend the bumper standard; the Secretary will afford motor vehicle manufacturers ample time after the issuance of the final rules to comply with the revised standards.

Some will argue that the cost of these safety measures to manufacturers and consumers is too high. Such a view is shortsighted. The benefits which consumers will accrue from driving safer vehicles, while not immediately quantifiable, far outweigh the monetary cost. The benefits include fewer medical bills, more secure employability, and peace of mind. For example, the NHTSA has just completed rulemaking on a revision of Standard

202, to extend the applicability of the head restraint requirement to light trucks and MPV's. A 1982 NHTSA report shows that head restraints reduce the overall risk of injury in rear impact crashes by up to 17 percent. NHTSA estimates that the average cost of this new requirement to MPV buyers will be $22 per vehicle. According to the All-Industry Research Advisory Council, 49.2 percent of all injury claims paid by automobile insurance companies involve a neck sprain or strain. This is the most common injury out of 17,800 whiplash injuries sustained in MPV's annually. The average insurance claim paid by automobile insurance companies for a neck sprain or strain is $2,943. From this perspective, the $22 cost of a safety device like a head restraint is hardly prohibitory.

Like most Americans, when I bought my minivan, I assumed that it met the same safety standards as a station wagon. It is marketed as a passenger vehicle and is built on a K-Car chassis, not a truck chassis. I had every reason to believe that it met the same safety standards as a car, but learned long after I bought the van that it did not. As a father of two small children, I am concerned about the safety of my family every time I drive them in this vehicle.

This gaping hole in the vehicle safety standards must be closed, and that is why I have introduced this legislation. Common sense dictates that families who ride in these vehicles should be afforded the same safety protection as families who ride in passenger cars. With the passage of the companion bill in the Senate, the standards for safer design and construction of passenger vehicles can be on the books in less that 12 months time. Many injuries can be avoided and many lives will be saved if this small improvement in vehicle safety regulation is made. American families should be able to purchase a motor vehicle under the assumption that the Federal Government has ensured the safety of that vehicle. This time, for the sake of Americans all across the country who rely on motor vehicle transport for themselves and their families, we must have the courage to pass this crucial legislation.

## INTRODUCTION OF COAL INDUSTRY HEALTH BENEFIT STABILIZATION ACT OF 1989

### HON. RICK BOUCHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 6, 1989*

Mr. BOUCHER. Mr. Speaker, today, along with 15 colleagues, I introduced the Coal Industry Health Benefit Stabilization Act of 1989.

This legislation is needed to help address an emergency. It will ensure the financial condition of the health benefits program for retired coal miners. Simply put, the bill will authorize transfers of surplus funds from the 1950 United Mine Workers of America [UMWA] pension trust to the UMWA benefit trusts. The benefit trusts provide health benefits to 125,000 beneficiaries.

In recent years, due to such causes as rapidly escalating health care costs, the two UMWA health benefit funds have experienced serious financial difficulties. The 1950 fund has $54 million deficit, and the other is expected to be in deficit within weeks. As a consequence, payments to doctors, hospitals, and pharmacies are overdue by as much as 60 days.

We face the possibility of a breakdown of the health care system for retired miners. The funds contribute many millions of dollars to the Virginia economy, alone, and sustain the efforts of many health care practitioners and organizations. If allowed to continue unchecked, the financial difficulties in the UMWA health funds could cripple health care delivery in the coal counties of States like Alabama, Arkansas, Colorado, Illinois, Indiana, Kentucky, Ohio, Pennsylvania, Virginia and West Virginia.

In contrast with the health funds, the 1950 pension fund has a substantial surplus, according to independent actuaries who have reviewed the financial condition of the fund. The bill would authorize use of the surplus in this pension fund to help repair the financial condition of the health funds. The decision to transfer funds could only be made and the precise amount of surplus to be transferred determined through a joint decision of the UMWA and the Bituminous Coal Operators' Association [BCOA].

The pension and health funds are supported financially by companies that have participated in the national bituminous coal wage agreements, which have been renegotiated periodically by the BCOA and the UMWA. The BCOA and the UMWA have viewed the imminent health fund crisis with growing concern. To strengthen the financial basis of the funds, the legislation not only authorizes the transfers, but also provides statutory reinforcement for the contractual and other obligations of the companies regarding contributions to the retiree health funds. In this way, the security of each contributor is enhanced by the knowledge that the responsibilities of all contributors will be met.

Mr. Speaker, this bill is timely and it is beneficial. It is fiscally prudent and responsible public policy. I am convinced that it is also necessary to restore confidence in the health and retirement systems that Congress itself has created.

## STATEMENT OF THE DALAI LAMA ON RECEIVING THE NOBEL PEACE PRIZE

### HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 6, 1989*

Mr. LANTOS. Mr. Speaker, yesterday, the Nobel Committee in Oslo, Norway, announced that His Holiness the Dalai Lama of Tibet would receive the 1989 Peace Prize for his contribution to world peace, in particular his advocacy of nonviolent, peaceful struggle for recognition of the human rights and political autonomy of the Tibetan people from China.

At a press conference in California yesterday afternoon, the Dalai Lama met with the press and expressed his feelings about the great honor of receiving this award. Mr. Speaker, I insert the remarks of His Holiness the Dalai Lama in the RECORD, and I urge my colleagues to read them:

REMARKS BY HIS HOLINESS THE FOURTEENTH DALAI LAMA OF TIBET ON BEING AWARDED THE NOBEL PEACE PRIZE

I am deeply touched to be chosen as this year's recipient of the Nobel Peace Prize. I believe my selection reaffirms the universal values of non-violence, peace and understanding between all members of our great human family. We all desire a happier, more humane and harmonious world, and I have always felt that the practice of love and compassion, tolerance and respect for others is the most effective manner in which to bring this about.

I hope this prize will provide courage to the six million people of Tibet. For some forty years now, Tibetans have been undergoing the most painful period in our long history. During this time, over a million of our people perished and more than six thousand monasteries—the seat of our peaceful culture—were destroyed. There is not a single family, either in Tibet or among the refugees abroad, which has gone unscathed. Yet, our people's determination and commitment to spiritual values and the practice of non-violence remain unshaken. This prize is a profound recognition of their faith and perseverance.

The demonstrations which have rocked Tibet for the past two years continue to be non-violent despite brutal suppression. Since the imposition of martial law in Lhasa last March, Tibet has been sealed off, and while global attention has focused on the tragic events in China, a systematic effort to crush the spirit and national identity of the Tibetan people is being pursued by the government of the People's Republic.

Tibetans today are facing the real possibility of elimination as a people and a nation. The government of the People's Republic of China is practicing a form of genocide by relocating millions of Chinese settlers into Tibet. I ask that this massive population transfer be stopped. Unless the cruel and inhuman treatment of my people is brought to an end, and until they are given their due right to self-determination, there will always be obstacles in finding a solution to the Tibetan issue.

I accept the Nobel Peace Prize in a spirit of optimism despite the many grave problems whch humanity faces today. We all know the immensity of the challenges facing our generation: the problem of overpopulation, the threat to our environment and the dangers of military confrontation. As this dramatic century draws to a close, it is clear that the renewed yearning for freedom and democracy sweeping the globe provides an unprecedented opportunity for building a better world. Freedom is the real source of human happiness and creativity. Only when it is allowed to flourish, can a genuinely stable international climate exist.

The suppression of the rights and freedoms of any people by totalitarian governments is against human nature and the recent movements for democracy in various parts of the world is a clear indication of this.

The Chinese students have given me great hope for the future of China and Tibet. I feel that their movement follows in the tradition of Mahatma Gandhi's ahimsa or nonviolence which has deeply inspired me ever since I was a small boy. The eventual success of all people seekng a more tolerant at-

mosphere, must derive from a commitment to counter hatred and violence with patience. We must seek change through dialogue and trust. It is my heartfelt prayer that Tibet's plight may be resolved in such a manner and that once again my country, the Roof of the World, may serve as a sanctuary of peace and a resource of spiritual inspiration at the heart of Asia.

I hope and pray that the decision to give me the Nobel Peace Prize will encourage all those who pursue the path of peace to do so in a renewed spirit of optimism and strength.

## CONGRESSIONAL SALUTE TO ALVIN AND JIM GREENBAUM, OF GREENBAUM INTERIORS, PATERSON, NJ, IN RECOGNITION OF THEIR CONTRIBUTION TO THE CITY OF PATERSON

### HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 6, 1989*

Mr. ROE. Mr. Speaker, on Thursday, October 12, residents of my congressional district, and the State of New Jersey, as well as former residents of Paterson, NJ, who now live throughout this country, will join together at the third annual reunion of the Paterson Alumni Association to pay tribute to Alvin and Jim Greenbaum, in recognition of their unique contributions to the city of Paterson.

Mr. Speaker, I know that you and our colleagues will want to join with me in extending our warmest greetings and felicitations to Alvin Greenbaum, his good wife Arlene; their children Lori, Richard, and Jane; and to Jim Greenbaum, his good wife Ellen; and their children Susan and David; and on this most joyous occasion join with their families as they honor Alvin and Jim's achievements and contributions to the city of Paterson.

Mr. Speaker, during a period when many of our Nation's urban centers are declining, it is very heartening to point to a family owned retail establishment in Paterson which continues to expand and in so doing demonstrates a commitment to the future of this city.

Mr. Speaker, Alvin and Jim started 37 years ago with 10,000 square feet, and have just completed their fourth major expansion to bring their establishment to 120,000 square feet. They have done this through the acquisition and preservation of several venerable old downtown buildings, including a police station built in 1904, as well as a fire station. Today, Greenbaum Interiors provides jobs for 80 employees, including 40 crafts people who design and make many of the beautiful pieces found in this remarkable building, with its four floors of mazes.

Mr. Speaker, it is well known that downtown shopping centers have developed a poor image among suburban shoppers. Nevertheless, the Greenbaum family has built a design center which attracts to downtown Paterson sophisticated designers and shoppers from all around the world, and they have done this by maintaining high quality standards and by a determination to succeed. And that success has been recognized by awards from such organizations as the American Society of Designers and House Beautiful.

Mr. Speaker, the Greenbaum family has truly been a role model for the business community. For not only have they stayed and grown in Paterson, but they have been active participants in the business and philanthropic life of the city. Their contribution and commitment to the city has been recognized by an award from the Paterson Chamber of Commerce.

Mr. Speaker, I want to point out that the foundation which is honoring the Greenbaums, the Paterson Alumni Association, is very likely a unique organization in the United States. It was founded by a group of childhood friends who shared the feeling that they wanted to give something back to the city which had contributed to their own development and success. And over the past 3 years they have awarded 42 grants totaling $155,000 to 27 Paterson community organizations for programs which seek to improve the quality of life in the city.

Mr. Speaker, it is a privilege and an honor to seek this national recognition of Alvin and Jim Greenbaum, and for their contributions to the city of Paterson. I ask my colleagues here in the Congress to join with me in expressing our most sincere appreciation to these men for their lifetime of commitment to the rich past and bright future of Paterson, NJ.

## FREEDOM, FIREARMS, AND THE CHINESE EXPERIENCE

### HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 6, 1989*

Mr. MARLENEE. Mr. Speaker, our Founding Fathers understood the connection between the right to bear arms and freedom. That's why the second amendment to the U.S. Constitution is vital to a free and open society in America. If the brave prodemocracy students on Tiananmen Square in Beijing, China, has firearms, perhaps the totalitarian Communist Chinese leadership would have had second thoughts about putting down this protest. I would like my colleagues to read this insightful article written by Dr. James H. McGee, published in the Police Marksman. In the debate over restricting the rights of law-abiding citizens access to semiautomatic firearms, I hope that we take Dr. McGee's warnings into consideration.

FREEDOM, FIREARMS AND THE CHINESE EXPERIENCE

(By Dr. James H. McGee)

The upheaval in China has faded from the headlines. The blood has been scrubbed from the pavements of Tiananmen Square and the cry of freedom which captured the imagination of the world has been stifled. The democratic revolution has proven to be as fragile as the paper-mache' and styrofoam copy of the Statue of Liberty which was its visible symbol. The leaders of the revolution are in exile, in hiding—or dead. We Americans may take comfort in the oft-repeated assertion that the events in June represented nothing more than a setback, and that the democratic movement in China must ultimately prevail. But "ultimately" must seem like a distant dream to the Chinese themselves, and distant dreams can scarcely offer anything more than cold comfort.

Since the massacre on June 4, thousands of words have been written and spoken about the "lessons" for Americans of the events in China. Most of these "lessons" have had to do with foreign policy, or business investment, or the perceived strength or weakness of the present Administration. The popular media, however, have all but bypassed the most important lesson taught to us by the Chinese experience. This is, perhaps, hardly surprising, for this lesson has nothing directly to do with China, or foreign policy, or business. It is instead a lesson about the nature of freedom and about how we defend it.

In the weeks prior to the massacre in Beijing, the focus of the Chinese student "revolution" was the assertion of political rights to go with the economic reforms which had characterized the last several years. Our nightly news reports from China became an ongoing illustration of democracy in action. Hundreds of thousands of students and workers, in effect, took our First Amendment to the streets of the Chinese capital and of other major cities throughout the country, defying their dictatorial government to stop them. A generation brought up under Communism rejected the authority of Marx, Mao, and the government which embodied their principles.

But after marveling at the capacity of the demonstrators to deflect the repeated displays of force by the army, we were reminded in a single night of bloodshed of the difference between the display of force and the exercise of force. We were also reminded of a fundamental truth: freedom can only be defended against force with force.

We Americans are conditioned to this basic truth by two centuries of history. We understand—or, at least, we should understand—that there are times when the violence of oppressors has to be met with counter-violence in the cause of freedom. As children we were taught to detest a bully. We find justice and satisfaction in watching the picked-on small child rise up and lay a solid punch in the face of the schoolyard tyrant. We embody the right of self-defense and the obligation to defend others from deadly violence in the deadly force rules which govern those of us who "protect and serve." Thousands of Americans have given their lives protecting not just our own freedom, but, in the words of the Special Forces motto, "to free the oppressed." As products of this American tradition, I am sure that many of us watched the news reports of the massacre in Tiananmen Square with an aching heart, because the Chinese people lacked the means to defend themselves and their newly-asserted democratic rights. As one observer noted, "Banners stand against bullets only so long as the bullets remain unfired."

Our Founding Fathers understood the truth. It is surely no accident that, in the sequence of freedoms addressed in the Bill of Rights, the First Amendment and its guarantee of freedom of speech, freedom of thought, and freedom of assembly—the freedoms which animated the "revolution" in China—was followed by the Second Amendment's protection of the people's right to keep and bear arms. The framers of our Constitution and Bill of Rights understood, from their own direct experience of revolution, that the ultimate protection of our First Amendment democratic rights lay

in the fact that an armed citizenry can defend these rights.

It is thus ironic that many of the government and media figures who were so emotionally distraught at the slaughter of defenseless Chinese are, in many instances, the same individuals who are using their considerable degree of influence to ensure that the American people will someday be equally defenseless. The inconsistency of this position is illustrated perfectly by *Time* magazine, which indulged itself in considerable breast-beating over the vision of armed troops spraying unarmed students with automatic weapons fire and then, more recently, devoted a cover story to a powerfully biased attack upon gun ownership and gun owners in the United States. For my part, I found that, as I watched the news reports of the Beijing massacre, I could not help but wish that the democratic Chinese, by some miracle, could have laid their hands on some of the semi-automatic "assault rifles" that our own government seems bent on taking away from us.

It is doubly ironic that the firearms most under attack by the gun control lobby today are these so-called "assault rifles." Of all the firearms currently available to the American public, these military-style rifles and carbines are precisely the ones which most closely fit the spirit of militia weapons. The Second Amendment was not written, as some seem to think, to protect sporting weapons only; the authors of the Bill of Rights were not overly concerned about our right to shoot deer and ducks. The Second Amendment was written to ensure that the American people would never confront a situation such as that which occurred in China; it was written to prevent government—our own or that of an invading foreign power—from possessing monopoly control of the instruments of force.

At this point in our history it is hard to imagine the U.S. Army wantonly slaughtering American citizens in the streets, and it is equally difficult to envision a hostile invader establishing a beachhead on our shores. But two hundred years ago the Founding Fathers did not know—they could not know—how our political values and our place in the world of nations would evolve. They did not want to take any chances, and nor should we. We cannot know what the future will hold. After all, there are Chinese today who, prior to June 4, could not believe that the "People's Army" would fire upon the people.

January of 1941, as the world sank ever more deeply into the darkness of World War II, President Franklin Roosevelt gave a deeply-moving expression of the cause for which we would find ourselves fighting in his famous "Four Freedoms" speech. This speech has taken its place alongside the Gettysburg Address as one of the clearest statements of what our freedom means. Perhaps the most fundamental of Roosevelt's Four Freedoms was "freedom from fear." In 1941 this meant, first and foremost, freedom from the fear of aggressive dictatorships. In 1989 we can find an even more basic meaning for this most fundamental of freedoms.

Consider an example. Some months ago in Atlanta an elderly couple engaged the services of a strong young man to do yard work. When the time came to pay for his services, a dispute arose. The young man exploded in a rage and began beating the wife. When the husband attempted to intervene, he, too, was viciously beaten. The wife died from her beating and the husband was left insensible. The disparity in force between one healthy and muscular young man and two retirees in their seventies resembles nothing so much as the difference between armed troops and unarmed students—and the result was the same. During this same timeframe, the so-called "wilding" episodes, where joggers were brutally beaten and raped by gangs of youths, reminded all of us of our vulnerability. These are not isolated incidents. They exemplify what has become a daily occurence in this country, and they illustrate why the phrase "freedom from fear" has become a mockery in the everyday lives of the elderly, the weak, and the defenseless. Overworked and undersupported police departments throughout the country perform valiantly in their efforts to protect the public, but the police cannot be everywhere at once; among themselves, police officers candidly acknowledge that they frequently arrive on the scene only after the worst has happened. If we, as individuals, lack the means to defend ourselves, then truly we cannot enjoy "freedom from fear."

Despite the propaganda of the gun control lobby, more and more Americans are recognizing this simple fact. The positive response received by Smith & Wesson to its introduction of the "Ladysmith" series of handguns is but one indication that women no longer accept the idea that their only defense from attack is a loud scream. In my part of the country police are trying to build a case against a man suspected of being the "Green River Killer," believed to have murdered dozens of women. And his prototype, Ted Bundy, may have killed over a hundred women before he was brought to justice. What a difference it would have made in the lives of the victims of these men and their families if the first victim in each case had been armed and ready to defend herself.

The assault rifle issue is just the latest version of an ongoing attack upon our right to keep and bear arms, a right which exists as the final protection of our other basic rights as a free people. As members of the law enforcement community we should not be deflected from our support for this right by ill-considered rationalizations about disarming street gangs or drug-traffickers. Once we as Americans lose our right to possess the means to defend ourselves, our other freedoms—like those of the people of China and of countless other countries around the world—will exist only at the whim of the criminal on the one hand and the political elite on the other.

## GERMAN-AMERICAN DAY

### HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 6, 1989*

Mr. MAZZOLI. Mr. Speaker, the people of my hometown of Louisville, KY, can take a special pride in marking October 6, 1989, as the celebration of "German-American Day."

That sense of pride springs from the traditions and diversity of ethnic and cultural heritages which have come together in Louisville. As in other American cities and towns it's a patchwork quilt that has given, and continues to give, strength and vitality to our community.

Americans of German descent have played major roles in Louisville's history. Though use of the German language may have disappeared altogether, architectural landmarks, industries, and customs remain as tangible evidence of the strong German influence in Louisville.

Much of the German migration to our area occurred in the mid-to-late 1800's. Germantown and "Butchertown" became well-defined working class neighborhoods, growing up around the meat-processing industry primarily. This commercial activity encouraged and brought along with it a range of skilled craftsmen and related businesses. "Shotgun" houses, Gothic church steeples, festivals, choruses, and social clubs evoke the spirit, then and now, of the rich German heritage in our midst.

For more than a decade, Louisville has maintained a sister city relationship with Mainz, West Germany. Student and cultural exchanges from both cities further cement the common ties which join our two communities.

This weekend the 20th annual Oktoberfest will be held in Butchertown. It is not only an event to celebrate German traditions, but it offers an opportunity to raise money for civic and charitable activities. And, it will be my honor and pleasure to host two members of the West German Bundestag who are visiting in Louisville for some of the festival's activities.

The German heritage in my hometown has been important and enduring. So, as one who is proud to represent the city of Louisville in the House, I am pleased also to be a sponsor of House Joint Resolution 104, which designates October 6, 1989, as "German-American Day" and pays tribute to the many contributions made to our own history, our way of life, and culture by Americans of German descent.

## PASSAGE TO FREEDOM

### HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 6, 1989*

Mrs. ROS-LEHTINEN. Mr. Speaker, I rise today to pay tribute to a special campaign entitled "Passage to Freedom." This program helps in paying for the many services and programs that are needed by the Soviet Jews throughout the migration period. The passage is open, but the journey has just begun.

For many years, American Jews have been a part of the movement to free Soviet Jews. They have demonstrated and marched, written letters, signed petitions, stood silent vigil and shouted, "Let our people go!" Their cries reverberate from all over the world.

This year thousands of Soviet Jews are expected to flood through the gates that have held them back for so long. Most Jews leave the Soviet Union with virtually no financial assets due to Government regulations as well as years of refusal in loss of employment. "Passage to Freedom" assists in the transition by providing basic needs: housing, medical care, language instruction, and job placement.

There could be as many as 2 million Jews still left in the Soviet Union. Unfortunately, there is no way of knowing if the Soviets will close the gates of freedom. If it happens, it could be tomorrow. Therefore, the time is now

to provide whatever assistance is needed, whenever it is needed.

I am proud to acknowledge individuals from my district who are responsible for this tremendous campaign: David Schaecter, Mikki Futernick, Norman H. Lipoff, Dorothy Podhurst, and Michael Scheck. With the continued devotion of their movement, Soviet Jews can move toward an everlasting passage to freedom.

## IN HONOR OF MARION DEVLIN

### HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 6, 1989*

Mr. FAZIO. Mr. Speaker, I rise today to honor Marion Devlin, a distinguished journalist from Vallejo, CA, who will celebrate her 80th birthday on October 27.

Ms. Devlin, the daughter of the late Mr. and Mrs. Frank R. Devlin, was born in 1909 at her family's home in Vallejo, CA. A graduate of the Berkeley Anna Head School in 1927, Ms. Devlin worked on the college newspaper the Daily Californian.

Following her graduation, Ms. Devlin accepted an offer from the late Luther E. Gibson to work as society editor of the Vallejo Evening Chronicle in 1931. Later, the society page became the Panorama section of women's news in the Vallejo Times Herald, and under Ms. Devlin's guidance, the Panorama section received the "Best in the State" award on 10 occasions from the California Newspaper Publishers Association.

Throughout her career, Ms. Devlin has had the remarkable opportunity to meet and interview numerous celebrities, including three reining queens: Elizabeth of Great Britain, Juliana of The Netherlands, and Fredericka of Greece. She attended the coronation of Queen Elizabeth in 1953 representing the Times Herald and the wedding of Prince Charles and Diana in 1981 for the Vallejo Independent Press. Two years later, Ms. Devlin had the distinction of serving as an official press representative when Queen Elizabeth and Prince Philip visited San Francisco in 1983.

Not only has Ms. Devlin had the chance to visit with and interview foreign dignitaries, she has also interviewed four of the most prominent first ladies of this century. She received an exclusive interview with Eleanor Roosevelt during the First Lady's World War II visit to the Mare Island Hospital. The other First Ladies included Mamie Eisenhower, Lady Bird Johnson, and Nancy Reagan. Finally, Ms. Devlin has interviewed a number of Hollywood stars, including Mary Pickford, Clark Gable, Gregory Peck, and Shirley Temple.

Notwithstanding her success at working the celebrity beat, Ms. Devlin has written many stories on the military. She represented the Times Herald on flights as a guest of the Army, Navy, and Air Force. Ms. Devlin also flew on the Navy's maiden flight of the *Constitution* JATO, jet-assisted takeoff, and during the Korean war, she was the only reporter invited by the Air Force on an air evacuation flight ferrying wounded soldiers from the Korean front to military hospitals.

In addition to being a journalist, Ms. Devlin has also left her mark in the Vallejo area through volunteer activities. Some of the organizations that she has worked with include the Soroptimist International of Vallejo, the Children's Hospital Medical Center of Northern California, the Vallejo Naval and Historical Museum, and the Vallejo Merchants Association. Because of her tremendous contributions to the Vallejo community, Ms. Devlin has received numerous awards including the "Women Helping Women" award presented by Soroptimist International of Vallejo in 1975 and the "Woman of the Year" award from the Vallejo-Benicia Area Council of Beta Sigma Phi in 1978.

Marion Devlin is truly an outstanding member of the Vallejo community and I know my colleagues join me today in saluting all her many accomplishments and wishing her a happy 80th birthday.

## TRIBUTE TO DAVE DRAVECKY

### HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 6, 1989*

Mr. TRAFICANT. Mr. Speaker, I rise today to pay tribute to an outstanding individual and close family friend, Dave Dravecky.

Faced with incredible obstacles, Dave Dravecky has fought back with amazing courage and determination. While pitching for the San Francisco Giants, a lump on his pitching arm was diagnosed as cancerous. David had to go through a painful operation to have the tumor removed. The surgery took much of the deltoid muscle from his left arm. Although he was told there was little hope he would ever pitch again, he refused to give up and turned to his faith in God to face the agony of rehabilitation. Ten months later, his prayers were answered, and it seemed as if all the pain and effort had been worth it. Dave reentered the game of baseball by way of a 20-day rehabilitation in the minor leagues. He started out with class A San Jose and shutout the local team in Stockton, CA, on July 23. From there, Dave worked his way back into the limelight.

On August 10, Dave Dravecky returned to the major league greeted by cheering fans. The Giants won the game 4 to 3. Five days later he returned to the mound, but this time something went wrong. While delivering a fastball, Dave's humerus bone snapped. He had been warned that his arm was weakened by the surgery, yet he loved the game too much to give up. Despite the break, doctors are optimistic that the bone will heal and become stronger than it had been following the cancer surgery. It is generally believed that Dave Dravecky will be able to return to the game by spring training of next year.

The outstanding faith and courage this man has shown throughout the past year are deserving of great praise. His tremendous accomplishments and determination make him an American hero. I am proud to call him my friend and pay him tribute today.

## TRIBUTE TO JOSEPH P. AND EILEEN MIELE

### HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 6, 1989*

Mr. RINALDO. Mr. Speaker, I rise today to pay tribute to Commissioners Joseph P. and Eileen Miele, of Mendham, NJ, who have been selected by the Italian Tribune News, Newark, NJ, as its "1989 Man and Woman of the Year." The Mieles are only the second couple to receive this distinguished award, sharing this honor with Mr. and Mrs. Bob Hope. A full day of festivities, including a Columbus Day parade, which attracts over 200,000 spectators, as well as a gala banquet, will highlight the 1989 Columbus Day celebration to be held on October 8 at which Mr. and Mrs. Miele will be honored.

J.P. Miele, a partner in the law firm of Miele, Cooper, Spinrad & Kronberg, of Millburn, and a commissioner on the New Jersey Highway Authority, is an executive officer of over 30 private corporations worldwide. Eileen Miele serve as a commissioner on the New Jersey Board of Cosmetology and Hairstying, personally overseeing the examinations of thousands of future cosmetologists throughout New Jersey. They actively participate in numerous charitable and civic endeavors including serving as trustees of the New Jersey Pops; cochairpeople of the Garden State Arts Center's Annual Spring Ball; members of the board of trustees of Little Hill Foundation; a nationally recognized drug and alcoholic rehabilitation center in Blairstown; and are the founders of the Joseph P. Lordi Memorial Scholarship Fund at Seton Hall University School of Law.

Mr. and Mrs. Miele are truly outstanding Italian-Americans who continously demonstrate their deep concern and commitment to helping those in need. The Italian Tribune News has made an excellent choice is selecting these individuals as the "1989 Man and Woman of the Year."

## BISONS PROVE BUFFALO IS MAJOR LEAGUE CITY

### HON. BILL PAXON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 6, 1989*

Mr. PAXON. Mr. Speaker, I rise today to salute the Buffalo Bisons—Buffalo, NY's contribution to the great American pastime.

This minor league baseball team enjoys the major league support of the people of Buffalo and western New York.

This year the Bisons drew more than 1 million fans for the second consecutive year, shattering American Association attendance records. The Bisons are the first minor league team to have more than 1 million fans pass through the turnstyles in back to back seasons.

In 1989, 1,132,183 Bison fans watched their team post their best record ever. The Bisons finished 80 and 62 for the season—finishing a

close second in the competitive American Association.

For the past 2 years, enthusiastic Bison fans have gone to watch their team play at Pilot Field—Buffalo's brandnew baseball stadium located in the very heart of downtown. Pilot Field, an architectural gem reminiscent of the old-fashioned baseball stadiums of yesterday, is one of America's finest ballparks.

The Bisons have demonstrated unequivocally that Buffalo is ready for a major league baseball team. Buffalo and western New York have the fans, we have the stadium, and since Buffalo has more sunshine during the summer months than any city with a baseball team in the American League East, we have the weather for a big league team.

I would be remiss, Mr. Speaker, if I did not congratulate Bisons' owner, Mr. Bob Rich, Jr., and the entire Bisons organization for their success. Thanks to Bob, the people of Buffalo and western New York have one more thing to be proud of—their Buffalo Bisons.

Mr. Speaker, the Buffalo Bisons have proven, once again, that Buffalo is indeed a major league city.

## THE INTERSTATE GREYHOUND RACING ACT OF 1989

### HON. JIM SLATTERY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 6, 1989*

Mr. SLATTERY. Mr. Speaker, I rise to announce that I am today introducing a bill, the Interstate Greyhound Racing Act of 1989, which will regulate interstate commerce with respect to the interstate simulcasting of greyhound racing.

Eleven years ago a similar bill, the Interstate Horseracing Act of 1978, was considered by the U.S. House of Representatives and passed by a voice vote. The U.S. Senate also passed the Interstate Horseracing Act of 1978 by voice vote. The only major difference between my bill and that passed in 1978 is that today we are extending to greyhound owners the same protections given the horsemen in 1978.

Mr. Speaker, my bill does not require any Federal money. It does not create any new agency of government and it does not legalize off-track betting. The States legalize off-track betting.

My bill does provide that an interstate wager on a greyhound race taking place in one Statse may not be placed with an off-track betting office in another State without the consent of the following: the racetrack where the race is to be run, the racing commission of the State where the race is to be run, and the racing commission of the State where the off-track betting office is located.

Consent cannot be given by the racetrack where the race is run in disregard of the interests of the greyhound owners. My bill requires the racetrack where the race is to be run to have a written agreement with the greyhound owners' group, setting forth the terms and conditions allowing the track to give its consent to an interstate wager with an off-track betting system in another State.

This issue was succinctly covered during Senate floor consideration of the Interstate Horseracing Act of 1978 by the then senior Senator from Kentucky, the Honorable Walter D. Huddleston, wherein he stated:

> In essence, this bill regulates the acceptance of an interstate off-track wager that is placed or accepted in one State on the outcome of a horserace taking place in another State.
>
> The bill prohibits such wagering unless all the parties involved in racing—the track, the horsemen, the off-track betting interests, and the racing commissions of the States involved—agree, either directly or indirectly, regarding the terms and conditions of such wagering. This bill will prevent an off-track betting system in one State from using a race in another State without the permission of the parties that have a "proprietary" interest in that race.

Mr. Speaker, I am concerned about reports that greyhound races have been simulcast to interstate off-track betting locations without the consent or agreement of the greyhound owners. These owners have the same proprietary interest as the horsemen, and my bill seeks to protect those interests to the same extent that horsemen are now protected.

I urge my colleagues to join me in support of this legislation.

Few of us are aware that over 26 million people visited the 48 greyhound racetracks in the United States in 1988. Even more important to the 14 States involved was the fact that greyhound racing contributed over $225 million to State and county governments. This figure does not include the millions of dollars produced through payroll taxes and sales taxes generated at the track as well as at local motels, restaurants, gasoline stations, and other greyhound-related businesses.

Greyhound racing is the sixth largest spectator sport in America and it is growing every day. My own State of Kansas has been the home of the National Greyhound Association for many years, but it was not until this year that Kansas, along with Texas and Wisconsin, actually began the planning and construction of 10 new greyhound tracks. Interestingly enough, a greyhound racetrack that generates a handle of more than $500,000 will employ a minimum of 600 people. Greyhound racing is a parimutuel spectator sport that creates employment, produces taxes, and provides entertainment.

The sole registry for the racing greyhound on the North American Continent is the National Greyhound Association [NGA]. The NGA s a voluntary, nonprofit association operated in accordance with the laws of Kansas. It was organized in 1906 and its membership today is in excess of 6,000 owners and breeders whose greyhounds compete at tracks throughout the continent. The NGA maintains records of all breedings, litters whelped, individual registrations, transfers, and leases. Their rigid identification system has played an integral role in maintaining the sport's impressive reputation as a creditable, major spectator sport. The NGA is an associate member of the World Greyhound Racing Federation and a charter and founding member of the World Alliance of Greyhound Registries and the American Greyhound Council.

The greyhound has its origins deep rooted in the lands that cradled earliest civilization. Murals and paintings suggest that the greyhound of today was around some 4,000 years ago. He was the subject of art, lore, sport, and entertainment in the ancient civilizations of Egypt, Persia, Greece, Rome, and later in England and Ireland. Cleopatra championed greyhound hunting and coursing—racing, however, it was not until the 1700's that the first formal rules of greyhound coursing were initiated by Queen Elizabeth I. The support of Cleopatra and Elizabeth I has been the basis for referring to greyhound racing as the Sport of Queens.