SENATE—*Tuesday, June 9, 1992*

(Legislative day of Thursday, March 26, 1992)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Honorable RICHARD H. BRYAN, a Senator from the State of Nevada.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

Though I speak with the tongues of men and of angels, and have not love, I am become as sounding brass, or a tinkling cymbal. And though I have the gift of prophecy, and understand all mysteries, and all knowledge; and though I have all faith, so that I could remove mountains, and have not love, I am nothing. And though I bestow all my goods to feed the poor, and though I give my body to be burned, and have not love, it profiteth me nothing.—I Corinthians 13:1–3.

Almighty God, Father of us all, far too often we tend to see only a piece of the action, and expand that piece to the diminishing of the whole. Like the blind men and the elephant: One touching the tail said he was like a snake; one his leg, he was like a tree; one his side, he was like a wall. Grant us wisdom always to view the parts in the context of the whole.

Save us, God of all knowledge, from failing to see the connection between all of our problems—dysfunctional families, poverty, homelessness, drugs, crime, gangs, educational needs—in the context of alienation and brokenness; alienation—in the family, in the school, in the office, between races and sexes and ages—and behind it all, self-alienation from God.

Forgive our indifference to You, O Lord, and help us to see that indifference is the worst (cruelest) kind of rejection. In our hour of need, give us grace to turn to You, to acknowledge our need, and to receive Your infinitely adequate resource.

In the name of Jesus, incarnate love. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 9, 1992.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable RICHARD H. BRYAN, a Senator from the State of Nevada, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. BRYAN thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Without objection, the time of the two leaders is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for transaction of morning business not to extend beyond the hour of 9:30 a.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

The Chair, acting as a Senator from the State of Nevada, suggests the absence of a quorum.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BURNS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I will yield myself 5 minutes on another subject.

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

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

TRIBUTE TO THE LATE MARCELLUS CRAIG GARNER

Mr. THURMOND. Mr. President, I rise today to pay tribute to the memory of an outstanding South Carolinian, Mr. Marcellus "Mark" Craig Garner, who passed away on May 17, 1992. Mr. Garner was the former owner of the Myrtle Beach Sun News and several other South Carolina newspapers, and was also a past mayor of Myrtle Beach. Mark Garner was a man of character, courage, and compassion whose lifetime dedication to his community will be sorely missed.

Mr. Garner built a long and distinguished career in the newspaper business, beginning as a combat correspondent in World War II. After the war, he went on to become co-owner of the Myrtle Beach Sun and to merge two local newspapers into the Sun News. He also became the owner and publisher of the Loris Sentinel, and served as president of the Printing Industry of the Carolinas and of the South Carolina Press Association.

In addition to his newspaper career, Mr. Garner was an energetic and public-spirited member of his community, whose unwavering dedication to public service was well known throughout the Myrtle Beach area. Mr. Garner was elected to the Myrtle Beach City Council for three terms; was president of the South Carolina Municipal Association; and served as mayor of Myrtle Beach from 1965 to 1974. He received countless awards for his contributions to the community, including the Chamber of Commerce Citizen of the Year Award and the Sertoma Service to Mankind Award. In addition, he was the founder and chairman of the Myrtle Beach Council on Transportation and was named a lifetime member of the Myrtle Beach Chamber of Commerce.

Mr. President, Mark Garner will be remembered as an individual whose life exemplified service to his fellow man. I know I echo the feelings of his many other friends and admirers when I say the grand strand will not be the same without him.

I would like to take this opportunity to extend my deepest condolences to Mr. Garner's lovely wife, Nancy O'Neal Garner; his daughter, Jeanne G. Clay; his son, M. Craig Garner, Jr.; and the rest of his fine family.

I ask unanimous consent that an editorial from the Myrtle Beach Sun News and an article from the Charleston Post and Courier be inserted in the RECORD following my remarks.

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

[From the Myrtle Beach Sun News, May 19, 1992]

MARK GARNER: FOR ALL SEASONS

People like Mark Garner just don't come by very often. More's the pity that not enough of us seize the opportunity to know them and to learn from them while they are with us. Garner's death over the weekend has taken the opportunity from us, leaving us with memories, with inspiration and with knowledge as only he could impart it.

Garner's many civic, professional and political accomplishments have been listed elsewhere, and all will surely marvel. We will not repeat them here, except to say that Garner was deeply involved, more intricately involved than any Grand Strand resident we have ever known. Be it critical area transportation needs, one of his latter-day pas-

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

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sions, or politics or business, Garner could not be interested without being involved.

This Grand Strand giant, who never claimed to be and would seldom admit to being a leader, had the capacity to devote as much of his time to his family and to his friends as he did to his business and his interests. He loved the times he could spend with his wife, his children and his grandchildren, but he also relished the times he could help accomplish something for the Grand Strand.

Garner's vision was larger than his home town of Myrtle Beach and broader than the Grand Strand. He was thoroughly in touch with Columbia and quite often welcomed visitor to Washington. Garner knew about business ethics, and more often than not he questioned whether a plan was ethical before he asked whether it might work.

Among friends, he was loyal. Among acquaintances, he was genial. Among those who weren't friends, when they could be found meeting in a phone booth, he was respectful. Garner used the telephone diligently to network his friends and acquaintances. They called him, leaving nuggets of information; he called them, passing along.

The real problem with giants in a community is that when they pass on, they leave such a void that few wish to take on the challenge of filling it. In Garner's case, it will take several giants to fill his role. God rest.

[From Charleston News & Courier, May 18, 1992]

NEWSPAPERMAN MARCELLUS GARNER DIES AT AGE 71

MYRTLE BEACH.—Marcellus "Mark" Craig Garner, former owner of The Sun News and several other South Carolina newspapers, and a former mayor of Myrtle Beach, died Sunday in a local hospital.

The funeral will be at 1 p.m. Tuesday in First Presbyterian Church. Burial will be private, according to McMillan-Small Funeral Home.

Mr. Garner was born Dec. 31, 1920, in Meridian, Miss., a son of Dr. Marcellus Craig Garner and Villa Treffrey Garner. He graduated from high school in Asheville, N.C., and earned a bachelor's degree in journalism from the University of North Carolina at Chapel Hill. He was an Army Air Corps veteran of World War II, having served as a combat correspondent in the Pacific Theater.

In 1946, he joined The Citizen in Asheville as a sports editor. He then served as assistant manager of the Asheville Chamber of Commerce. In 1948, he became executive secretary of the Myrtle Beach Chamber of Commerce and later served as a member of the chamber's board of directors and as president.

Mr. Garner became co-owner of the Myrtle Beach Sun in 1950. In 1952, he purchased The Field in Conway and then purchased the Horry Herald, also in Conway, and combined the two to make the Field and Herald. He later bought the Myrtle Beach News and combined it with the Myrtle Beach Sun to make The Sun-News. In 1973, he became the owner and publisher of the Loris Sentinel. He then sold his publications to The State-Record Co. in Columbia, where he became a member of the board of directors.

He served as president of the Printing Industry of the Carolinas and was a life member and former president of the PICA Foundation. He served as president of the S.C. Press Association and was named a life member in 1966.

Mr. Garner was elected to the Myrtle Beach City Council for three terms, serving from 1954 to 1960. He served as mayor of Myrtle Beach from 1965 to 1974. He was president of the S.C. Municipal Association from 1971 to 1972. He was founder and chairman of the Area Council on Transportation, a past president of the Myrtle Beach Rotary Club, a member of the Horry Council Development Board and a past member of the board of directors of Santee-Cooper and the S.C. Coastal Council.

He received numerous awards for public service, including the Chamber of Commerce "Citizen of the Year Award," the "State Tourism Award" and the Sertoma "Service to Mankind Award." He was inducted into the Ash Khan Society of Printing Industries of America in 1991 and was named Honorary Lifetime Member of the Myrtle Beach Chamber of Commerce in 1992. He was president of Me Books, Myrtle Beach Marketing and The Palms.

He was a director of the Carolina Motor Club and the Azalea Sands Golf Club and was a member of the advisory board of trustees of Brookgreen Gardens. He was a member of the Dunes Golf and Beach Club. He was a member of First Presbyterian Church, where he served as a deacon and elder.

Surving are his wife, Nancy O'Neal Garner, a daughter, Jeanne G. Clay of Raleigh, a son, M. Craig Garner Jr. of Columbia; and three grandchildren.

SERMON BY THE REVEREND RONALD COLEMAN

Mr. THURMOND. Mr. President, along with warm weather and blooming flowers, spring brings with it one of my favorite activities—attending various high school and college graduation ceremonies in my home State. Recently, I had the pleasure of attending a baccalaureate service held for the graduating class of Aiken High School at the First Baptist Church of Aiken, SC. I especially enjoyed this service because my daughter Julie was among the graduating seniors.

The featured speaker at the service was the Reverend Ronald Coleman, pastor of Valley Fair Baptist Church of Graniteville, SC. Reverend Coleman is a very good preacher, and he gave a memorable sermon on the value of persistence and high ideals in achieving success. I was most impressed by his remarks, and I know they were a great inspiration to the graduating seniors who were present on this occasion.

Mr. President, this sermon emphasizes how important it is for all of us to remember the importance of virtue and hard work as we strive to reach our goals. Reverend Coleman is to be commended for his unwavering faith and common sense, and I ask unanimous consent that his sermon be included in the CONGRESSIONAL RECORD.

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

KEEP THE COURAGE TO ACHIEVE

Joshua 1: 6–7th verses: "Be strong and of a good courage: for unto this people shall thou divide for an inheritance the land, which I sware unto their fathers to give them. Only be thou strong and very courageous, that thou mayest, observe to do according to all the law, which Moses my servant commanded thee: turn not from it to the right hand or to the left, that thou mayest prosper whither so ever thou goest." Theme.

I congratulate each of you for an academic job well done. All of you should pat yourselves on the back because today is perhaps, thus far in your school life, "The Day". It represents the culmination of twelve years of laborious study, hard work, dedication, sacrifice, devotion and competition. It represents the end of academic boot camp and you are now required to enter the battlefield of life, with the knowledge and understanding of the enemies' strategies, tactics, and methods, with the ability to counter them. The Marine slogan is true that Boot Camp separates the men from the boys: Likewise, does graduation separate the achievers from the non-achievers, the learned from the unlearned and the hard workers from the show-offs. Hence in the minds of some graduates, there may exist thoughts concerning this occasion because you know that only the fittest will survive, and self-survival depends upon how well the academic skills and knowledge were learned in the classroom setting, prior to this day. Guiding forces other than your own, probably, determined the pathways, roads and directions, that you should travel, as you fulfilled the essentials of life. Mother, Father, Sisters and others, perhaps helped mold your self-image through precepts and examples.

Never-the-less, be it resolved that on this day, May 31, 1992, at the First Baptist Church, located at the corners of York Street and Richland Avenue, and having been invited by the principal and faculty of Aiken High School, may the History books of life reflect that Reverend Coleman challenged the graduating Seniors of Aiken High to keep the courage to achieve, as evidenced by the scriptural text read in your hearing. Joshua and his followers were encouraged to be strong and courageous, and to know there is no gratification in turning to the left or right. They knew to prosper one must possess the faith to believe you can achieve, and the courage to try. Success in life does not come by wishing it into existence. If success is worth having then it is worth the time, energy, drive and determination it takes to achieve. Do not dwell on the negative aspects of life for it is said that two buckets went to the well to draw water, with a complaining and negative attitude one bucket said to the other "It amazes me that no matter how many times we leave the well full we always come back empty.

The other bucket said I was congratulating myself on the fact that no matter how many times we come to the well empty, we always leave full." There is always two sides to life. Always be optimistic and look to the brighter side of life. Hopefully the academic training, skills, knowledge and understanding that each of you acquired during your twelve years of study will enable you to keep the courage to achieve. The greatest test that any of you will take will be the one given not by teachers and professional examiners, but the one given by the world. The real world, where mommy and daddy may no longer come to your rescue, and each of you must face the weeding-out process, which separates the prepared from the unprepared, the skilled from the unskilled and the pretenders from the contenders. The future of our country and the world rests now with the graduating minds of this class. It is imperative that you achieve in life. Do not sell

yourselves short by only doing enough to get by. Those who do so will never see all the colors of the rainbow because their vision would have been impaired by the sunlight of mediocrity. They will never smell the full fragrance of achievement since it will be stiffled by the stuffy odor of mediocrity. Life should be experienced to the fullest but mediocrity serves the express purpose of limiting and crippling life's dream.

The late great Dr. Benjamin E. Mays stated "It is not to be borne in the mind that the tragedy of life doesn't lie in not reaching your goals. The tragedy lies in having no goals to reach. It is not a calamity to die with dreams unfulfilled, but it is a calamity not to dream. It is not a disaster to be unable to capture your ideals, but it is a disaster to have no ideals to capture. It is not a disgrace not to reach the stars, but it is a disgrace to have no stars to reach for, not failure, but low aim, is sin. The road to excellence is rough, rugged and difficult, but persons who make it to the end find satisfaction, gratification and fulfillment. People traveling the road of excellence will be all that they can be. Keeping the courage to achieve presents and serves as your source of strength and inspiration. Deeply ingrained in your mind is the determination to succeed. In closing, there are several final things that I wish to mention concerning the occasion which brought us together this evening. As well as representing a happy moment in the lives of graduating Seniors, this day signals an end to many other things, due to roads that each of you choose, friendships that began with someone from Grade 1, may now come to an end, because of the road that each of you choose. There will be members of the graduating class that you may never see again. But let us not end our sermon on a sad note.

Instead, Hornets, let us be jubilant and keep alive the friendships and bonds that kept you close to each other. Let us allow the eternal torches of love, knowledge, wisdom and understanding of your alma mater, Aiken High, to stand tall on the highest mountain so that others can see the way. Let us keep alive the rich proud academic tradition of a great institution of higher learning, which tries to illuminate, and inspire, the minds of young people. Remember, what ever Aiken High stands for, depends upon you because you are Aiken High. I wish to dedicate and leave a poem written by Douglas Malluch entitled "Be the Best of Whatever You Are."

"We all dream of great deeds and high positions, away from the pettiness and humdrum of ordinary life. Yet success is not occupying a lofty place or doing conspicuous work, it is being the best that is in you. Rattling around in two big a job is worse than filling a small one to overflowing. Dream, aspire by all means, but do not ruin the life you must lead. Make the most of what you have, and are. Perhaps your trivial immediate task is your one sure way of proving your mettle. Do the things near at hand and great things will come to your hands to be done.

"If you can't be a pine on the top of the hill, be a scrub in the valley—but be the best little scrub by the side of the hill. Be a bush if you can't be a tree. If you can't be a bush, be a bit of the grass, and some highway happier make. If you can't be a muskie, then just be a bass but the liveliest bass in the lake. We can't all be captains, we've got to be crew, there's something from all of us here, there's big work to do, and there's lesser to do, and the task you must do is the near. If you can't be a highway then just be a trail, if you can't be the Sun be a star. It isn't by size that you win or fail be the best of whatever you are"

God bless you all and best wishes!

NATIONAL CANCER SURVIVORS DAY

Mr. KENNEDY. Mr. President, on Sunday, June 7, 1992, cancer survivors throughout the United States will celebrate "National Cancer Survivors Day." The major organizer for this event is the Greater Washington Coalition for Cancer Survivorship. The outstanding work of this organization has improved the quality of life for thousands of American cancer survivors and their families. It is estimated that 83 million Americans now living will eventually develop cancer. Many people have been cured, or will have their lives considerably prolonged.

Over 8 million Americans today have a history of cancer, and 4 million were diagnosed 5 or more years ago. Most of these 4 million can be considered cured. My son Teddy is one of them, and our family knows firsthand the miracles that medical science is able to achieve.

In the early 1900's few cancer patients had any hope of long-term survival. In the 1930's less than 1 in 5 cancer patients was alive at least 5 years after treatment. In the 1940's it was 1 in 4, and in the 1960's it was 1 in 3. Today, through remarkable advances in cancer treatment and rehabilitation, 50 percent will be alive 5 years after their diagnosis.

The Greater Washington Coalition for Cancer Survivorship provides support and other services to cancer patients from the moment they are diagnosed. In the Washington metropolitan area, the coalition serves as the major voice for cancer survivors and their interests. Their goal is to support cancer patients in times of crisis and hope as they meet the challenges of this disease.

Educational programs sponsored on cancer-related issues affect the quality of life and include discussions on medical treatment, patient-doctor relationships, family and social life, insurance, employment discrimination and public education.

In order to help survivors obtain appropriate services and resources the coalition maintains an ongoing calendar of local educational and support programs. Free, up-to-date literature on cancer survivorship and a directory of support programs are generously provided. The coalition links cancer sufferers by telephone with survivors of the same treatment they are receiving.

National Cancer Survivors Day provides an excellent opportunity for all Americans to join in a tribute to the life and hope of cancer survivors, their families, and friends, and I urge citizens to join us in commemorating this special day and the progress we are making against this disease.

REPORT OF VISIT TO AFRICAN REPUBLICS

Mr. COCHRAN. Mr. President, I am pleased to submit a report to the Senate of my visit to the Republics of Senegal, South Africa, and Cote d'Ivoire from April 17 through April 26.

I ask unanimous consent that the report be printed in the RECORD.

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

REPORT OF THE MISSION OF SENATOR THAD COCHRAN TO AFRICA, APRIL 17–26, 1992

PURPOSE

Senator Cochran welcomed the Republican Leader's authorization to visit the republics of Senegal, South Africa, and Cote d'Ivoire. His delegation was officially hosted by the respective American embassies and met with senior officials in each of the three countries.

During the April 18–19 stay in Senegal, the delegation discussed bilateral relations and regional conditions in West Africa.

In South Africa from April 20 to April 25, the Senator met with South Africans from both public and private sectors to discuss:

The status of negotiations in the Convention for a Democratic South Africa (CODESA);

The impact of current U.S. policy on the South African economy; and

The long-term outlook for bilateral relations and conditions in southern Africa.

The April 25–26 talks in Cote d'Ivoire focused on regional conditions, and Senator Cochran was honored at a reception for Ivorian participants in the Cochran Fellowship Program, administered by the U.S. Department of Agriculture's Office of International Cooperation and Development.

SENEGAL

At an April 18 briefing in Dakar, the U.S. embassy staff emphasized the traditional importance of Senegal as the geographical gateway to West Africa, most recently evidenced by the evacuation of refugees from Zaire. The moderating influence of Senegalese officials in African affairs was discussed, as well as Senegal's role in the attempt to bring stability to Liberia.

Prime Minister Habib Thiam

The delegation met with Prime Minister Habib Thiam, who said President Abdou Diouf's visit to the United States in September 1991 and the visit by General Colin Powell to Senegal in March 1992 symbolized the excellent relations between our two countries. Senator Cochran expressed appreciation for the bilateral relationship and for Senegal's contribution to Desert Shield/Desert Storm.

The Prime Minister described Senegal's new electoral code, designed to encourage greater multiparty competition in the presidential election scheduled for February 1993. He said electoral reforms would be costly, and he thanked Senator Cochran for continuing U.S. assistance.

He also noted Senegal's difficulty in implementing requirements imposed by the World Bank and the International Monetary Fund with regard to agricultural policy. One agency favored an agricultural reform policy prohibiting subsidies for agricultural fertilizer

while another demanded policies encouraging increased local production. He said elimination of fertilizer subsidies would contribute to soil erosion and declining acreage utilization in Senegal.

Prime Minister Thiam was optimistic about the transition to nonracial democracy in South Africa. Noting that Senegal had received both South African State President F.W. de Klerk and African National Congress President Nelson Mandela, he stated his hope that the Inkatha Freedom Party would participate fully in forming a new democratic system.

He felt Liberian instability was an important regional problem in which Senegal had a vital interest. Although the 1500 Senegalese troops involved in the international peacekeeping effort in Liberia were well-trained, the Prime Minister emphasized the need for more equipment, especially helicopters, for the Senegalese peacekeeping forces in that country.

Senator Cochran congratulated the Prime Minister on the opening of the African Unity Games taking place in Dakar during the delegation's visit. He noted the games were the first in which South African athletes were competing with other African athletes and expressed the hope that the games marked the beginning of a new era in relations among the nations of Africa.

SOUTH AFRICA

From the beginning of the twentieth century, South Africa has developed into the major industrial power in Africa, one of the world's foremost mineral producers, and an international leader in mining technology. The country has a well-developed infrastructure and a modern economy based on manufacturing, mining, and agriculture. Although the economy is of moderate size by world standards, it is the largest in Africa and by far the most broadly developed.

Overview of the Situation in South Africa

In 1990 the government of State President F. W. de Klerk legalized the African National Congress (ANC) and released Nelson Mandela, the long-jailed leader of the black nationalist movement. Events over the next two years have resulted in improved relations with other African states, most notably Nigeria, Cote d'Ivoire, and Senegal. Full reconciliation with other countries in Africa and elsewhere, however, depends upon South Africa's achievement of a nonracial democratic government.

On April 20, U.S. Consul General John Hirsch escorted Senator Cochran and his party on a tour of the Johannesburg area, including Soweto, which provided an overview of a diverse metropolis with dramatic contrasts in living standards and economic activity.

At a luncheon meeting in Pretoria on April 21, the delegation discussed the current situation in South Africa with U.S. embassy personnel. Debate on the nature of the "New South Africa" is now taking place among 19 political parties in the Convention for a Democratic South Africa (CODESA), which is attempting to reach a constitutional settlement expanding democratic government to include all South Africans. Most leaders seem determined to achieve nonracial democracy, but the structure of the emerging political system is still uncertain.

Adding to the political tension is the economic uncertainty brought on by international sanctions against South Africa because of its past racial policies. Although most international sanctions have been lifted, many U.S. local governments, companies, and pension funds maintain their restrictions. The Government wants all sanctions lifted and says the country faces a predicament: sanctions were imposed to force a democratic political settlement, but such a settlement cannot be sustained successfully until sanctions are removed to allow the economy to grow. Many in the ANC concede that sanctions delay economic progress, but contend the political leverage afforded by sanctions is essential to a democratic settlement.

Violence is a major problem confronting South Africa. More than 12,000 people have been killed since 1984 in clashes involving the Inkatha Freedom Party (IFP) and the ANC. There has been much finger-pointing concerning responsibility, but no one seems able to get it under control. In 1991, President de Klerk created a commission headed by Supreme Court Justice Richard Goldstone to investigate the causes of violence in townships around Johannesburg and in Natal, and the country was awaiting the commission report at the time of the delegation's visit.

These difficulties are further complicated by the drought in southern Africa. South Africa, which usually serves as the area's granary, this year produced only one-third its normal production of maize, the staple crop of the region. Growing numbers of farm workers are moving into squatter camps, and increased regional food imports passing through South Africa will strain that country's port and transportation facilities.

Recent U.S. aid has amounted to some $80 million through the U.S. Agency for International Development, with some $25 million supporting scholarships for black South Africans. The Comprehensive Anti-Apartheid Act of 1986, however, prohibits U.S. aid to governmental agencies, including schools, a restriction which appears counterproductive in the changing environment.

Operations of the U.S. Information Service in South Africa are the largest on the continent, but until recently there were no Fulbright Fellowships, no cultural exchanges, no sports competitions. This situation has changed, however, and some $2.5 million is now devoted to exchange programs with South Africa.

Most observers seemed to agree that if the United States wishes to help South Africa meet its political and economic challenges, a major goal should be greater private investment.

Democratic Party

U.S. Ambassador William L. Swing hosted an April 21 dinner in Pretoria at which the delegation discussed developments in Africa with Zach de Beer, President of the Democratic Party of South Africa; Herman J. Cohen, U.S. Assistant Secretary of State for African Affairs; Peter R. Chaveas, Director of the Office of Southern African Affairs, U.S. Department of State; and William Pope, Deputy Political Counselor at the U.S. embassy in Pretoria.

The conversations covered the range of issues confronting South Africa, as well as developments within the various political parties, especially the Democratic Party, which had just recently lost five of its parliamentary members to the ANC.

American Chamber of Commerce

Founded in 1979, the American Chamber of Commerce (AMCHAM) is an association of businessmen concerned with U.S. trade and investment in South Africa. Because of requirements under the Sullivan Principles, the activities of the Chamber since 1981 have been focused on political issues both in South Africa and the United States. Because of U.S. disinvestment, there has been little incentive for distributors and licensees linked to American companies to become active in AMCHAM, in contrast to other foreign chambers of commerce operating in South Africa.

On April 22, the delegation met in Johannesburg with AMCHAM Executive Director Michelle Cohen; board members Mervyn Jones, Loctite; W. Dercksen, Resinite; Michael Judin, Goldman, Judin and Werner; Marius Furst, Siltek; and Denise Buckley, Administrative Manager of the Signatory Association, an organization of 51 companies that comply with the Sullivan Principles.

Because of increasing competition from businesses in Asia and the European Community, AMCHAM is attempting to encourage greater U.S. investment in South Africa and the lifting of remaining trade sanctions by State and local governments in the United States. Chamber officials emphasized that American goods and services are very popular in South Africa and that the market will expand once all sanctions are removed and U.S. businesses become more aggressive.

Most American companies have been cautious about activities in South Africa, since they are subject to U.S. restrictions not imposed on their competitors. For example, the 51 U.S. businesses in the Signatory Association must devote 12 percent of their income to betterment projects through a "social responsibility fund," to which R600 million has been contributed. Moreover, American companies confront onerous paperwork not faced by other firms, including an annual 40-page questionnaire required under provisions of the U.S. Comprehensive Anti-Apartheid Act of 1986.

The AMCHAM members complained that American businesses are overly cautious, in contrast to firms from some other countries. They said only one U.S. trade mission has visited South Africa since lifting of sanctions began, indicating that U.S. businesses are not taking advantage of opportunities in South Africa.

Senator Cochran pointed out that he was in South Africa to encourage the people and the Government in the political change taking place. He said he believed U.S. firms would become more involved in South Africa once the country achieved nonracial democracy.

African National Congress

The delegation next visited ANC headquarters in Johannesburg to meet with International Affairs Deputies Aziz Pahad and Stanley Mabizela, and with Neo Moikangoa, Head of the ANC European and Americas Desk. The officials reviewed developments since the ANC "unbanning" in February 1990, as well as the organization's perspective on the CODESA negotiations.

The ANC spokesmen said the 20,000 ANC exiles who have returned to South Africa are still in a "learning process" to determine how best to organize and administer their cause. They blamed mercenaries, some from outside South Africa, for the mounting problem of township violence. Despite their suspicion of covert Government funding of some of these groups, the ANC nevertheless believed that negotiations with the Government were necessary to move forward. They emphasized the ANC's commitment to CODESA and the necessity for other groups to enter the process, including the Pan Africanist Congress and the Azanian People's Organization.

Deputy Pahad believed the CODESA I meetings had gone very well; all parties put

forth their views, and there was agreement on a Declaration of Intent on general constitutional principles. He said the ANC expected CODESA II, scheduled for mid-May, to agree to form an interim government to administer the country until a constituent assembly could be elected by popular vote. The organization envisioned an interim government empowered to control the security forces, foreign affairs, the budget, and local government; together with two independent commissions composed of prominent citizens, one to oversee the media (currently under government control) and another to oversee the electoral process.

The ANC representatives rejected the contention by some that the basic cause of township violence was the political struggle between the ANC and the IFP; the violence was too well-organized and professional for that to be the case. They felt the parties, churches, unions, and other organizations should continue to support the National Peace Accord and work through the local complaint resolution commissions to suppress the conflict, which was especially bad in the worker hostels. They argued that since only the police and security forces were capable of controlling violence, the Government was ultimately responsible and should arrest the perpetrators, whoever they might be.

The spokesmen also rejected the Government claim that CODESA II could not succeed unless the violence stopped. To the contrary, the ANC claimed that violence, far from justifying delay, actually necessitated an interim government to control the defense forces and the police in the homelands.

The ANC officials further advocated that:

(1) CODESA II should agree on an interim government to restore law and order and reestablish confidence in the economy;

(2) the interim government should be established by June 1992 and a constituent assembly elected by December 1992;

(3) membership in the constituent assembly should be based upon proportional representation;

(4) a two-thirds majority should be required for major decisions;

(5) a body of respected citizens should be established to assure a final constitution based on constitutional principles; and

(6) the constitution should have a bill of rights guaranteeing judicial review, checks and balances, geographical devolution of power, and protection of individual rights rather than group rights.

In answer to a question from Senator Cochran, the ANC spokesmen agreed that the move toward an interim government could be accelerated by improvement in the economy. They said South Africa could not have peace and democracy until its social problems are addressed, and that would require a sound economy, which could only come when external sanctions on investment were removed. The spokesmen were divided, however, on the timing of the lifting of sanctions; one favored early removal in order to stimulate the economy, while another felt sanctions should remain in place in order to strengthen ANC leverage at CODESA.

In response to the comment the United States might not be able to give the help South Africa needed if America maintained its sanctions and other countries lifted theirs, the officials suggested most of the current investments by other countries were insubstantial "trial balloons." The United States did not need such trial balloons because of its "special position," and ANC President Nelson Mandela had made it clear that U.S. investment would be welcomed in South Africa whenever sanctions were lifted. The spokesmen claimed full ANC awareness that South Africa would have to compete in a global economy.

Senator Cochran expressed his hope that the United States could continue to be a catalyst for peaceful change to democracy in South Africa.

Institute for Multiparty Democracy

The delegation was received at the Johannesburg office of the Institute for Multi-Party Democracy (MPD) by Transvaal Director Richard Nkholo, who discussed MPD's mission "to promote the establishment and maintenance of multi-party democracy, political toleration, and national reconciliation in South Africa."

MPD is not affiliated with any institution or political party and strives to work with all South African political and community organizations to promote democracy by offering practical programs in political leadership, public information, voter education, and applied research. Of particular importance is "Education for Democracy," a school-oriented civics program targeted at persons of school-going age, who constitute more than 50 percent of the South African population.

When asked to assess progress at CODESA, Mr. Nkholo said some observers feared the talks were moving too fast and that any political settlement would be unstable if certain groups remained outside the negotiations. While MPD was optimistic about trends in South Africa, it was concerned that township violence might undermine the developing democratic process and was trying to involve itself in antiviolence efforts. The organization was particularly concerned about the parties and groups of the left and right which have remained outside CODESA.

The Director said outside assistance, including help from the U.S. Agency for International Development, was very helpful to MPD. He said the best specific uses of the assistance had been to organize forums, to prepare curricular materials, and to fund visits by outside experts and observers.

Senator Cochran expressed appreciation for the work of MPD and stated the hope that the United States could continue to be a constructive influence in the work of the organization.

South African Businessmen

U.S. Consul General and Mrs. John L. Hirsch hosted a Johannesburg luncheon at which the delegation discussed South African economic perspectives with Dr. Azar Jamine, Econometrix; Gibson Thula, Kilimanjaro Holdings; Ronnie Bethlehem, Johannesburg Consolidated Investments; Jeffrey Van Rooyen, Deloitte Pim Golby Chartered Accountants; Edward Osborn, Nedbank; Israel Skosana, National Sorghum Breweries; and William Pope, Deputy Political Counselor at the Pretoria embassy.

While there was no consensus on a political panacea for the problems confronting South Africa, all participants agreed there would be negative political consequences if the economy did not improve significantly in the near future.

Federation for African Business and Consumer Services

Later in the afternoon, Senator Cochran met in Pretoria with Joas Mogale, Secretary General of the Federation for African Business and Consumer Services (FABCOS), who stressed the need for education and training programs for aspiring black entrepreneurs.

At one time, black business activities were restricted largely to the homelands in South Africa. As more blacks moved to the cities, they maintained their homeland ties, sending money to their families and making frequent journeys home. Private minibus fleets grew as the number of commuters increased, and this growth led to the founding of the South African Black Taxi Association (SABTA), which became the single most important black business organization in the country. SABTA developed revolving savings and loan funds, burial schemes, and food cooperatives.

Eventually, other black self-help organizations, including the Black Builders Organization and the National Black Consumers, joined SABTA to form FABCOS, and the Federation received valuable assistance from the U.S. Agency for International Development. By 1992, 14 national black business associations operated under the FABCOS umbrella, representing 1.5 million individual black businesses. The Secretary General said FABCOS confirmed the importance of organizing the informal sector, an essential breeding ground for black entrepreneurship in South Africa.

Mr. Mogale emphasized that FABCOS was not allied to any political party, that nonpartisanship made sense to its members, and that the organization was successful as an interest group. When FABCOS was denied observer status at CODESA, black business organizations established a "business CODESA" alongside the political CODESA, claiming that "business was too important to be left to politicians," a position with which Senator Cochran heartily agreed.

Inkatha Freedom Party

On April 23, the delegation, accompanied by Ambassador Swing and Durban Consul General Bismarck Myrick, visited with Mangosuthu Gatsha Buthelezi, KwaZulu Chief Minister and IFP President; M. M. September, KwaZulu Minister of Welfare and Pensions; L.P.H.M. Mtshali, KwaZulu Minister of Education and Culture; B.N. Mdletshe, KwaZulu Deputy Minister of Justice; and D. T. Michul, Secretary in the Office of the Chief Minister; in Ulundi, the KwaZulu capital.

The Chief Minister said that since "the great American dream excites me because it is my dream as well," he believed only democracy could free South Africa to become a gateway for development in the rest of southern Africa. He emphasized that CODESA's preoccupation with unitary government to the neglect of federalism was unwise, since only a political system close to the people at local and regional levels could produce the consensus necessary to establish and maintain a working democracy.

He said political consensus had to be achieved before, not after, elections. The widespread violence showed there was no consensus, and there could be no free elections so long as the ANC retained Umkhonto We Sizwe (MK), its military wing, and refused to reject mass action as a political tool. The IFP believed CODESA should take its time in reaching a final agreement "because we are positive about the future and we believe very sincerely that in establishing a democracy in South Africa, we must get it right the first time. We cannot afford to blunder."

Minister Mtshali regretted that effective action had not been taken to deal with the township violence which targeted IFP leaders for murder. "The IFP has done everything possible to extend a hand of friendship to the ANC" to no avail. He claimed the IFP long ago proposed joint meetings with ANC leaders in areas of unrest to restore peace,

but the ANC had resisted such meetings. In light of the violent situation and the absence of consensus on an interim government, Mr. Mtshali advised the delegation not to expect a settlement in the May meeting of CODESA II.

Senator Cochran reiterated his belief that Chief Minister Buthelezi and the IFP were important participants in the transition process to a multiparty democracy in South Africa.

Deputy Foreign Minister Renier Schoeman

In Cape Town, the delegation, accompanied by Ambassador Swing and Deputy Chief of Mission Marshall McCallie, met with Deputy Minister of Foreign Affairs Renier Schoeman and parliamentarians Frik Van Heerden and Pieter Steenkamp.

The Deputy Foreign Minister said the Government desired acknowledgment by the international community that South Africa is committed to a democratic solution. Any doubts on that score should have been resolved by the March 17 referendum confirming the State President's mandate to continue negotiations with black leaders. He cautioned that CODESA II should not be seen as a final "destination" and that actions must not be expected within a strict time frame: "We have to take enough time to create an agreement that will stand the test of time."

Mr. Van Heerden said the fact CODESA II would take place should be seen as a clear indication that negotiations are on track, although many specifics remain to be sorted out, including the characteristics of the transitional government that might take shape over the next year. Mr. Schoeman said the Government wanted to ensure that any interim government is inclusive and avoids the one-party dominance that other African transitions have experienced. This could be best ensured by power-sharing and an end to political violence, two essential elements for long-term stability and public confidence, as well as foreign investment.

The Deputy Foreign Minister emphasized that the United States should never feel it is being "interventionist" by taking an interest in South Africa, so long as it understands that decisions must ultimately be left to the people of South Africa. A mistake of the past was that actions by other countries had often "taken the character of being prescriptive."

Parliamentary Address by State President F.W. de Klerk

The delegation attended the speech by State President F.W. de Klerk in the Budget Vote Debate in the Chamber of Parliament. He said the overwhelmingly positive result of the March 17 referendum had shown the irreversibility of the process of change in South Africa. National debate no longer focused on whether a new order should replace the old, but rather upon the characteristics of the "new dispensation."

Other nations were changing their views of South Africa and reaching a new understanding of the complexity of the country's problems in building a new government based on such fundamental concepts as power-sharing without domination, constitutional checks and balances, protection of minorities and private property, and devolution of power to regions and to local government.

He warned that the political playing field in the new South Africa would look quite different from the Tricameral Parliament he was addressing. The old divisions would be replaced by two broad mainstreams based on economic orientation. The President said the National Party was fully prepared to lead one of those mainstreams, and he asserted the leadership of the other mainstream was beginning to emerge through pro-ANC elements in the Labor Party and the 5 Democratic Party parliamentarians who recently joined the ANC.

He urged Conservative Party members who disagreed with their party's racial orientation and its refusal to enter the CODESA negotiations to persuade their colleagues to adopt a fresh, realistic approach to the nation's problems.

The President then turned to ANC supporters, emphasizing that organization's great responsibility to adapt to new circumstances. He charged the ANC was "out of step with reality" in two ways. First the ANC continued to act as though apartheid were still the issue, regardless of what had been done already to abolish it and heedless of the hard work being undertaken to achieve a new constitutional dispensation devoid of racial discrimination: "Reconciliation and racial harmony are not promoted at all by an ANC that will not let apartheid die."

Second, the ANC was still failing to purge itself of communism, a political philosophy that wherever instituted had "placed power and financial privileges in the hands of the party elite, suppressed real democracy, and destroyed economic progress. It is a failed and antiquated political system that has landed on the junk heap throughout Africa as well."

Although repeatedly reminded of this by the international community, the ANC continued to permit itself to be used by a South African Community Party which had practically no popular support of its own. The ANC should have learned long ago that the foreign investment so essential to fulfillment of ANC promises would not be forthcoming unless investors were safeguarded from economic policies advocated by the communists.

Just as in the case of the Conservative Party, Mr. de Klerk said the interests of all South Africans demanded that the ANC adopt a fresh and innovative approach. National reconciliation and economic development were being retarded by its failure to do so.

Southern Air Force Command Post at Silvermine

The delegation, accompanied by Deputy Chief of Mission McCallie and U.S. Air Attache David Nowlin, travelled to the South African Southern Air Force Command Post at Silvermine, the headquarters for South Africa's land and sea search-and-rescue operations, for a briefing by the commanding officer, Brigadier T. de Munnink.

Although a separate unit like the U.S. Coast Guard is currently deemed too costly for South Africa, Silvermine activities resemble those of the Coast Guard and are performed over a search-and-rescue area of 4.8 million square miles. The commanding officer delivered a first-hand account of the rescue of the cruise ship *Oceanus* in August 1991, when all 571 passengers were rescued before the ship sank some 4 miles offshore. According to Lloyd's of London, nowhere else on the African continent could a ship have received the help *Oceanus* received.

Brigadier de Munnink noted that the declining communist threat had brought about a "rationalization process" of reduced spending for the South African Defense Force as other priorities, most notably socioeconomic problems, gained national attention. As relations improved with other nations, especially the United States, he hoped for training assistance and advanced equipment, including a long-distance marine aircraft like the P-3, which would probably be too costly for South Africa for some time to come.

Dinner at Ambassador's residence

Senator and Mrs. Cochran were guests of honor at a dinner hosted by Ambassador Swing and attended by the Mayor of Cape Town, members of the ANC and the Democratic Party, and leaders in education and business. Former Under Secretary of State John Whitehead and his wife, Nancy Dickerson, were also present.

Minister of Constitutional Development Tertius Delport

On April 24, the delegation, accompanied by Ambassador Swing and Deputy Chief of Mission McCallie, met with Deputy Minister of Constitutional Development Tertius Delport, who explained President de Klerk's proposal for an elected executive council which, if accepted, could be put into effect within 6 months.

Acknowledging the difficulties with consensus executives, ranging from ancient Rome to post-Tito Yugoslavia, the Deputy Minister stated that some form of power-sharing was crucial to the success of the New South Africa and pointed out there were prominent power-sharing features in the U.S. political system.

He said negotiations must not be rushed or pressured, since CODESA was actually "managing a revolution." The issue at stake was the reallocation of power, a very tricky process indeed, and election of a single executive from the start would undermine prospects for democratic power-sharing. The State President's proposal for an executive council of 3-5 persons, on the other hand, would allow representation of all important factions, none of which could outweigh any other.

When asked whether this proposal would be pressed at CODESA II, the Deputy Minister said the Government had given notice it would present "a comprehensive transitional constitution" providing this executive council, although there might be modifications. The question of regional devolution would also have to be negotiated, since the IFP had made it plain it would not agree to a national settlement without regionalism.

He said the Government would like to see an independent executive with separation of powers, in contrast to the British parliamentary system. To have an executive elected separately from parliament would show commitment to power-sharing from the start, which was essential if South Africa was to move forward economically to become "a free market with a social conscience."

When the Deputy Minister said the Government would not oppose a council composed of a president with 2 vice presidents, so long as the powers of each were clear and no one person or party had complete control, Senator Cochran noted the similarity of that arrangement to the commission form of local government in the United States.

Deputy Minister Delport emphasized the Government wished to avoid any suspension of the existing constitution during the interim government and prior to final agreement on a new constitution. He claimed suspending the constitution would be very dangerous, since failure of the constitution assembly to agree on a new constitution might lead to authoritarianism if the existing constitutional framework had been dismantled and the country was "up for grabs."

He said if South Africa could agree on a new constitution, a new government would

be possible, but the constitution was the essential prerequisite. It would be safer for CODESA to write a constitution than to set up a constituent assembly to write a constitution based on a vague "set of constitutional principles." The Government had to insist on this course because the ANC had been unwilling to go into specific detail on the meaning of certain of its "principles."

The Deputy Minister said these issues should be debated at CODESA II, and they would effect the time frame for the transition to democracy. The length of the process could only be determined after the issues of constitutional structure were resolved.

Deputy Defense Minister W.N. Breytenbach

The delegation, accompanied by Deputy Chief of Mission McCallie, next met with Deputy Defense Minister W.N. Breytenbach, who indicated the South African Defense Force was being scaled back to peacetime deterrent levels because of marked improvement in the security situation. Things were going well for South Africa as southern Africa moved toward greater regional cooperation, and although domestic violence, together with turmoil in Angola and Mozambique, still required a strong defense, the military had to be financed in light of the country's other needs and resources.

The Deputy Minister emphasized that although the outlook for cooperation in southern Africa was promising, more international attention should be focused on the region, especially by the United States. When he suggested South Africa would be interested in improved military collaboration with the United States, Senator Cochran responded that consideration of improved military relations would depend on progress in South Africa's political transition.

Turning to CODESA, the Deputy Defense Minister expressed confidence that the transition to nonracial democracy in South Africa would open the way for greater investment and trade. He emphasized, however, that lengthy constitutional discussions lay ahead and that violence would have to be controlled in any case if negotiations were to produce a stable and prosperous political system.

Despite the suspicions by the ANC and others, he emphasized that the military forces were apolitical and could be relied upon to serve and obey the legally-constituted government of the day. Personnel policies ensured a nonracial military, with about one-third white, one-third colored, and one-third black. More blacks were entering the military service academies, and military exchange programs with the United States and Britain were hoped for.

The military's role in maintaining law and order had been impugned during the ongoing domestic violence between ANC and IFP supporters, who blamed the military for not ending the conflicts but seemed unable to control their own violent elements. He was hopeful that the Goldstone Commission could determine the actual situation.

Deputy Minister of Finance J.A. van Wyck

Deputy Finance Minister J.A. van Wyck described the current drought, the most severe in many decades, as one of South Africa's biggest problems. The country would have to import approximately 5 million tons of maize, and another 5 million tons would be needed by neighboring countries. As many as 500,000 persons might leave the farms because of the disaster. The Government had budgeted R1 billion to assist farmers, but four times as much was called for, and foreign assistance was desperately needed.

The Deputy Minister said that many whites in South Africa had turned to commercial farming but that blacks tended to favor subsistence farming. The Government hoped to encourage this practice, since the small size of their farms made it impossible for large numbers of blacks to become successful commercial farmers. The distribution of land was an important aspect of this problem, and the land law provided a land restoration commission. The homelands were asserting their claim to the lands from which they were removed by apartheid, and that problem would have to be addressed.

Senator Cochran asked whether the economy was strong enough to meet the "rising expectations" for the New South Africa and whether there was an economic growth strategy for the transition to nonracial democracy. Mr. van Wyck responded that one of the biggest problems was achievement of parity in pensions, education, and housing. While South Africa would move in that direction, it could never meet all expectations. The Government housing budget of R2 billion, for example, could never meet expectations created by the ANC. He said ANC demands for redistribution of wealth ignored the fact that wealth must be created; otherwise "you're redistributing poverty." The Government position was that while it intended to remove all impediments to black advancement, individual black citizens would have to produce if they were to prosper.

The Deputy Finance Minister said South Africa's economic growth depended upon an infusion of foreign capital, but foreign banks had said they could not help until they knew they would get the legal safety and financial return they needed for their investments. While the country's trade was improving, long-term investment seemed likely to be constrained until the political situation stabilized.

When queried about that political situation, Mr. van Wyck favored the idea of a collective presidency to ensure that power would be shared, that no individual could dominate the executive, and that there would be checks and balances. While the collective presidency might not be permanent, it would be a good starting point and would give South Africa time to adjust to the changing dynamics of the political factions.

Independent Development Trust

The Independent Development Trust (IDT) began operations in August 1990, with R2 billion secured from the Government. The IDT objectives were "to break the cycle of poverty and promote self-reliance" by focusing on improvements in housing, health, and education.

The delegation and Deputy Chief of Mission McCallie met with IDT Chairman Jan Steyn, who said "your timing is immaculate" and expressed hope for a "generous response" from world donors now that apartheid was being dismantled. Economic success was necessary to political success, since "you can have development without democracy, but you cannot have democracy without development."

The Chairman said the South African social fabric was severely damaged in the last three years by sanctions, economic mismanagement, tribal violence, and rapid urbanization. This produced an environment in which radicals of the left and the right flourished. In such an environment, IDT's work was very important to give people hope for improvements in jobs, shelter, education, and health care, especially in rural areas.

In 1992, the IDT was funding land ownership programs at the rate of R5 million a week and underwriting R335 million in home loan guarantees in conjunction with private lending institutions. Judge Steyn said South Africa was blessed with two remarkable institutions, Nelson Mandela and F. W. de Klerk, both of whom needed support from the international community, the kind of support evidenced by the visit of Senator Cochran.

Chairman Steyn observed that while he enjoyed the support of both de Klerk and Mandela, he was less worried over black-white relations than he was over tribal conflict, which was generating violence and undermining the transition to nonradical democracy. Until domestic tranquillity was reestablished, the Government would be denied the "spark of legitimacy" with the World Bank and the International Monetary Fund so necessary to the restoration of South Africa's international economic relations.

Senator Cochran expressed the conviction that as soon as there was a visible presence of blacks in the Government, international investment would increase. When the IDT Chairman noted the difficulty of stimulating investment in light of ANC threats to nationalize industries and redistribute wealth, Mr. McCallie noted that the United States was working to expose ANC leaders to world economic realities and to the need for a free-market orientation to promote economic growth in South Africa.

Conservative Party

The delegation had lunch with Tom Langley, Conservative Party spokesman for foreign affairs, a member of Parliament, and a farmer. There was a lengthy discussion of agricultural issues, including the drought in southern Africa.

Mr. Langley warned that if whites were ever deprived of their rights, there would be massive violence in South Africa. He claimed that much land was available for blacks in the homelands, but that it was not being properly utilized under the tribal system of communal holding.

He said the Conservative Party would not participate in CODESA because it believed that convention was giving undue weight to the ANC and communists and did not recognize the right to self-determination. When he objected to U.S. Government involvement with construction of a new airport in Botswana, Mr. Langley was informed that allegations the United States was funding the facility were incorrect.

COTE D'IVOIRE

In a brief but productive April 25–26 visit to Abidjan, the delegation met with Foreign Minister Amara Essy and Prime Minister Alassane Ouattara, and Senator Cochran held discussions with Ivorian participants in the Cochran Agricultural Fellowship Program.

Foreign Minister Amara Essy

Senator Cochran expressed appreciation for Cote d'Ivoire's hosting of the USA-West Africa Expo-92 Trade Fair and for its close economic relationship with the United States. He also thanked the Foreign Minister for his country's strong leadership in regional affairs and for Ivorian support of U.S. positions at the United Nations, particularly in the Security Council during the Gulf Crisis.

The Foreign Minister thanked Senator Cochran, noting that "sometimes members of the Government complain that we receive few economic benefits in return for our strong support of the United States," but that Ivorian President Felix Houphouet-Boigny—who since independence in 1960 has

met every U.S. president except President Carter—responded that "friendship is not an accounting category."

Foreign Minister Essy discussed the situation in Liberia and said Cote d'Ivoire was considering various actions regarding rebel leader Charles Taylor, whose failure to live up to agreements made it necessary for Cote d'Ivoire to consider possible cross-border trade sanctions.

Noting Cote d'Ivoire's recent establishment of diplomatic relations with South Africa, Senator Cochran shared his impressions of the situation in that country. The Foreign Minister said Cote d'Ivoire hoped to establish economic links to South Africa and that it was in Africa's interest to encourage trade with Pretoria. He said he would soon return to Cape Town carrying a letter from another African country that intended to reestablish relations with South Africa.

He said when other African foreign ministers asked him to encourage South Africa to apply to join the Organization of African Unity, he answered "maybe you should establish diplomatic relations first." He also believed President Houphouet-Boigny was inclined to accede to the repeated requests of Inkatha leader Mangosuthu Gatsha Buthelezi for a meeting with him in Cote d'Ivoire.

Prime Minister Alassane Ouattara

The delegation met with Prime Minister Alassane Ouattara, who was joined by Foreign Minister Essy and Cabinet Director Sidya Toure.

The Prime Minister responded to Senator Cochran's question about the status of Ivorian economic reform by describing the $1 billion economic loss caused by the drop in coffee and cocoa prices. Although Cote d'Ivoire had begun difficult economic reform measures in 1990, these actions had been hampered by the accompanying move to multiparty democracy, a necessary reform which nevertheless made it harder for the Government to make unpopular moves.

Prime Minister Ouattara said although Cote d'Ivoire had reduced public spending by one-third in the last two years, further decreases would be difficult because of the unpopularity of reducing public sector wages, which account for two-thirds of Ivorian public expenditures. He asked for U.S. assistance with the World Bank and International Monetary Fund, who were "threatening to halt support." He noted Cote d'Ivoire had already paid $100 million of a total $300 million due to donors in 1992 and said that without continued international help his country's resources would be insufficient to meet its needs.

As an economist, the Prime Minister said he had no theoretical difficulties with devaluation of the Communaute Financiere Africaine (CFA) franc recommended by the Bretton Woods Institutions, but he noted two practical obstacles to such action: (1) other CFA countries would have to join Cote d'Ivoire in devaluation of the franc, and (2) the Ivorian population would have to be persuaded that devaluation would benefit more people in the long run than it would hurt in the short run. Both obstacles would take time to overcome.

The Prime Minister asked for Senator Cochran's support in reaching new coffee and cocoa agreements, since the United States is the largest market for these Ivorian commodities. He said cocoa and coffee had declined from two-thirds of total export value in 1989 to only 40 percent in 1991, and while exports other than cocoa and coffee were growing 7 to 10 percent per year, new international agreements would mitigate price fluctuations and help the Ivorian economy.

In response to the Prime Minister's interest, the Senator described the Cochran Agricultural Fellowship Program, administered by the U.S. Department of Agriculture and designed to bring persons from middle-income countries to the United States to study market oriented agricultural activities. The Senator said over 100 Ivorians have been Cochran Fellows, and he looked forward to meeting many of them at a reception later in the evening. He expressed the hope that Ivorians would continue their excellent participation.

Senator Cochran raised the question of negotiations in the General Agreement on Tariffs and Trade, emphasizing the benefits of a successful Uruguay Round to both Cote d'Ivoire and the United States. He noted that France had created negotiating difficulties, and asked the Prime Minister to "please help us with the French." Dr. Ouattara laughingly responded that he had just met with French Premier Pierre Beregovoy, who had asked him to "please help us with the Americans."

When the Senator asked about the progress of the Ivorian privatization program, the Prime Minister answered he anticipated more privatization in 1992 and said American companies would have a level playing field in Cote d'Ivoire. In light of Senator Cochran's just-completed visit to South Africa, Dr. Ouattara expressed the hope that Cote d'Ivoire's normalization of relations with that country would lead to increased economic cooperation, especially since this nation was beginning to develop its mining sector and could benefit from South African expertise.

Turning to domestic politics, the Prime Minister said street disturbances by opponents of his Government had slowed Cote d'Ivoire's progress toward greater democratization. He emphasized that although he had maintained a dialogue with opposition leader Laurent Gbagbo, the lawless destruction of property following a February 18 demonstration could not be ignored by the Government, and 30 persons were arrested and brought to trial. He expressed the hope that President Houphouet-Boigny could find a way to release the opposition leaders at an appropriate time.

The Prime Minister closed the conversation by thanking Senator Cochran for his visit and noting that he would be in Washington in two weeks for his daughter's graduation from George Washington University.

CONCLUSION

This is a period of profound and fundamental change in South Africa. It is marked by a determined effort on the part of many to reform the political system and bring about an end to apartheid and the beginning of nonracial democracy.

The challenges of political reform are enormous and are complicated by economic and social problems that require not only domestic but international cooperation and support to solve.

Many nations in Africa are responding in a positive way to the changes taking place in South Africa. Recognition of the legitimacy of the steps toward political reform and racial justice can be seen in the response of Nigeria to the recent visit of President de Klerk; the discussions of trade and economic issues with Zimbabwe, Senegal, Cote d'Ivoire, and others; and the resumption of international athletic competitions.

It is time for the United States to join more fully in the effort to support progress and reform in South Africa. The sanctions of the past are no longer necessary to demonstrate our government's commitment to a policy of democratic reform that ensures full participation by all South Africans. Economic growth and job opportunities are necessary to sustain the political progress that is being made, and prohibitions against trade and investment are serious impediments to economic progress.

The drought that has occurred throughout southern Africa is creating enormous stress and hardship in the region, and the United States should respond along with other nations to help deal with this crisis.

While the prospects for early agreement on a new constitutional system of government are uncertain and while violence continues to be a very serious threat to peace and stability in South Africa, it is clear that genuine, serious, and good faith efforts by well meaning citizens, government and political party leaders, and the business community are being made to succeed in meeting these challenges.

They all deserve the encouragement, support, and best wishes of all Americans.

COMMEMORATIVE CEREMONIES OF 50TH ANNIVERSARY OF THE ATTACK ON PEARL HARBOR

Mr. INOUYE. Mr. President, I rise today to share with you and my esteemed colleagues a message of appreciation and the final report from the headquarters of the commander in chief, U.S. Pacific Command, regarding the commemorative ceremonies of the 50th anniversary of the attack on Pearl Harbor. The ceremonies were a vehicle to honor those who lost their lives for their country, and to educate future generations about the mistakes of the past. I sincerely hope that a cataclysmic and devastating event such as World War II will never be repeated again in our Nation's, and our world's history. Mr. President, I respectfully request that the full text of the report be printed in the CONGRESSIONAL RECORD.

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

U.S. PACIFIC COMMAND COMMEMORATES 50TH ANNIVERSARY OF ATTACK ON PEARL HARBOR

During the period 2–9 December 1991, the U.S. Pacific Command completed a significant leadership role in a history making event, commemorative ceremonies observing the 50th Anniversary of the attack on Pearl Harbor, which plummeted the U.S. into World War II.

All Americans can take pride in the brilliant accomplishment of this enormous commemoration honoring our WWII veterans who sacrificed their lives defending our nation's liberty or who, as survivors, went on to defeat the enemy over the next four years, throughout the Pacific, ending World War II.

As the designated project officer for the Department of Defense, Admiral Charles R. Larson, USN, Commander in Chief, U.S. Pacific Command, delegated responsibility as the Program Manager, to his Directorate for Public and Governmental Affairs, under the Director, Mr. A. J. Lynn, and tasked him to develop plans that would honor all World War II veterans and the total attack on

Oahu, Hawaii. Working with Congress, DoD, and the Department of the Army, Mr. Lynn and his staff developed plans to commemorate the attack on Hawaii. At the direction of Admiral Larson, these plans would commemorate veterans and involve virtually all military services, island wide, as well as much of the local civilian community. As a result, a DoD joint working committee involving the State, City, the National Park Service, the Department of Veterans Affairs and the combined military services of the U.S. Pacific Command, was established. By working with this committee and the Congress, initial events involving the sunken battleship, USS *Arizona*, were expanded to include the sunken former battleship, USS *Utah*, as well as all ships of Battleship Row which suffered extensive damage from the attack. Working with veterans groups and with the advice of Lieutenant General Harold T. Fields, USA, the Deputy Commander and Chief of Staff of the U.S. Pacific Command and, Lieutenant General Claude M. Kicklighter, USA, (Ret), Director of the Secretary of the Army's Commemorations Committee, an all encompassing plan was developed to involve the Veterans Cemetery (Punchbowl), National Park sites and military facilities throughout the island, giving veterans an opportunity to participate in week long commemorative ceremonies that truly honored all involved in the total scope of the attack.

On December 7, commemorative ceremonies were held for affected survivors at Bellows Air Force Station, Hickam Air Force Base (formerly known as Hickam Field) and Schofield Barracks. The eyes of the nation, through some 1,686 international/national media, were on the major ceremonies involving the President of the United States at the National Memorial Cemetery of the Pacific (PUNCHBOWL), Pier Kilo 8 and at Pearl Harbor with the USS *Arizona* and USS *Missouri* on the morning of December 7, 1991. On the USS *Arizona*, the President of the United States, the Secretary of Defense, the Chairman, Joint Chiefs of Staff, selected members of Congress, and the survivors, families, and the families of those entombed in the USS *Arizona* and USS *Utah*, were present during the major presidential address and the minute of silence noting the time that the bombs began to fall on the ships in Pearl Harbor.

Goals of the World War II 50th Anniversary of the attack on Oahu were manyfold. The planning and execution were complex, involving extensive veteran, state, federal and military service resources. The following, however, reflects the major focus:

1. To honor American veterans of World War II and their fallen comrades.

2. To change the focus from looking only at Pearl Harbor, to include all military services and bases around the Island of Oahu, the civilian employees of the military, and the civilian community that were part of the attack on December 7, 1941.

3. To officially begin a series of programs to observe 50th Anniversary events of World War II extending through November 11, 1995.

4. To show that the U.S. was victorious in World War II.

5. To educate the public on the effectiveness of maintaining a credible and proficient military force structure—Peace through Strength.

6. To show the capability and drive of the American people, following the attack, to respond to the challenge laid on them and to repair and return the damaged ships and bases to action in the shortest amount of time.

7. To demonstrate the ability of the American people to rise to meet a challenge that engulfed the world.

8. To put animosity in proper perspective; and to look to the future as it concerns our former enemies—who are now our staunch allies.

From the beginning, the concept of the commemoration was to program Punchbowl and the USS Arizona Memorial as the sites for honoring the military personnel who gave their lives in support of America's World War II objectives. The Pier Kilo Eight ceremony established a program to honor the families of deceased World War II veterans, the living veteran and his family, the civilian employees of the military services and all veterans who have served and those now serving in the Department of Defense. It also established a platform to recognize an era of growth and development, a recognition of the frailties of mankind and the putting aside of animosity so that the nations of the world can move forward in an atmosphere of peace and harmony in a new world order. The impact engendered by the presence of the USS *Missouri*, where the surrender of Japan was signed, depicted the end of the war and the ultimate victory of the American people.

Considerable credit must go to the senior Senator from Hawaii, Daniel K. Inouye, for his support in ensuring that a significant part of the concept, the participation of the USS *Missouri*, would be available for the program. He and Secretary of the Navy, H. Lawrence Garrett, III, made it happen. Credit for final touches to each event in which the President participated, must go to The Honorable Sig Rogich, Assistant to the President for Public Events and Initiatives, whose adept support and assistance, paved the way for much of the success.

When the basic plan was approved, Admiral Larson went forward with the Operation Plan for "Operation Remembrance" and designated Event Managers among the military services for each of the programs. Events ranged from small, dignified wreath layings to official federally sponsored programs at the National Park Service facility, the USS *Arizona* Memorial Museum and Visitor Center; at the National Memorial Cemetery of the Pacific, known nationally as "Punchbowl"; at Hickam Air Force Base; Schofield Barracks; on the Arizona Memorial, and the Kilo Pier Eight at Pearl Harbor and numerous other sites around the island. On December 7, 1991, these programs served as commemorative events for more than 11,000 veterans, their families, and persons visiting from around the world. Some 1,686 representatives of the media covered the events which were carried live on major national and international television networks.

Lending the highest official credence to these activities, was the appearance and participation of the most senior officials of the United States. Heading the list was World War II veteran, President George Bush and Mrs. Bush. The President made keynote speeches at Punchbowl and at Pearl Harbor. The Pearl Harbor speeches were made on the USS *Arizona* Memorial and at Pier Kilo Eight. Secretary of Defense, Dick Cheney, served as viewing official for the Pearl Harbor Association parade through Waikiki and as speaker for raising of the Pearl Harbor Flag—the world's largest flag—at Fort DeRussy in Waikiki, and at Kilo Pier Eight. General Colin Powell, USA, Chairman of the Joint Chiefs of Staff, served as the reviewing officer for a Tattoo at Schofield Barracks, conducted by members of the Army's 25th Infantry Division in honor of the Pearl Harbor veterans; and as speaker for the Sunset Ceremony of the Pearl Harbor Survivors Association, at the USS *Arizona* Visitor Center.

A delegation of 10 Senators, led by Senator Daniel K. Inouye, and a House delegation of 20, led by Representative G.V. "Sonny" Montgomery, represented the U.S. Congress at all commemorative events. The key leaders of the delegations, Senator Inouye, Senator John S. McCain, III, and Representative Montgomery, gave commemorative remarks at the USS *Arizona* Memorial Ceremony on December 7. Members of the delegations also participated in the Pearl Harbor Survivors Parade through Waikiki on December 6.

Participation and speeches by the Secretary of Veterans Affairs, Edward Derwinski, at the Punchbowl Ceremony; Secretary of the Interior, Manuel Lujan, at the USS *Arizona* Visitor Center; and Navy Secretary, H. Lawrence Garrett, III, in numerous events at Pearl Harbor and in the civilian community, during the week long activities, rounded out the program.

Sharing the spotlight with the President was a series of introductions by veterans, women and minorities. At Punchbowl, native American Indian, and National President of the Pearl Harbor Survivors Assoc., Gerald Glaubitz, introduced the President. At the USS *Arizona* Memorial, similar honors were conducted by Medal of Honor recipient and survivor from the USS *Nevada*, Captain Donald K. Ross, USN (Ret). At Pier Kilo Eight, a former Navy Nurse, Mrs. Lenore Rickert, assigned at Hospital Point when the attack occurred, introduced the President to the assembled 4000 guests and the international television audience.

The successful completion of the seven days of commemorative programs at Pearl Harbor was a worthy tribute to the thousands who planned and executed the events, to all who participated, and to the thousands of veterans and citizens who attended events, either in person, or through television, radio or newspaper. This was a commemoration in which every American can take great pride.

GLOBAL FORUM: LEADERSHIP 2000

Mr. GORE. Mr. President, I would like to insert into the RECORD a copy of "A Strategic Approach to Global Environmental Partnership," an interim report by the working group on the global environment. The report represents a work in progress by the working group, which I chair with the Honorable Kazuo Aichi of the Japanese Diet.

This effort is part of the "Global Forum: Leadership 2000" initiative that is taking place under the auspices of the Center for Strategic and International Studies and the Japan Forum on International Relations. I want to welcome interested colleagues to review the report and pass on any comments they may have.

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

A STRATEGIC APPROACH TO GLOBAL ENVIRONMENTAL PARTNERSHIP

PREFACE

In June 1992, the international community has the opportunity to begin a new chapter in environmental awareness by agreeing at the UN Conference on Environment and De-

velopment (UNCED) on a "Rio Declaration" of principles underlying the integration of environment and development, the Agenda 21 action plan, framework conventions on climate change and biodiversity, and principles for the protection of global forests.

The United States and Japan have a special responsibility to work both together and with other countries in moving this emerging global environmental partnership forward. This is the general conclusion of a Working Group on the Global Environment, which we have chaired. The working group has been organized under the "Global Forum: Leadership 2000" initiative, a joint undertaking of the Washington-based Center for Strategic and International Studies (CSIS) and the Tokyo-based Japan Forum on International Relations (JFIR), which has the objective of encouraging dialogue and making a concrete statement on the U.S.-Japan role in supporting a global partnership. The group met three times in April and May 1992.

This interim statement of the working group reviews a number of ways in which our two countries can develop common policy approaches and begin joint ventures to protect the global environment that build on the international agreements, action plans, and other activities in existence or soon forthcoming. It argues for a strategic approach to global partnership that can assist governments, the private sector, and citizens in the implementation of concrete action steps. A final report will be released in October 1992.

In undertaking this initiative, and in participating in others, we have detected a profound sense of concern over the environment that pervades all sectors of society equally—government officials, business leaders, academics, and concerned citizens—across the world. The way forward must be through dialogue, analysis, and cooperation. We hope that this statement reflects some of these qualities.

KAZUO AICHI,
Member, Japan Diet.
AL GORE,
U.S. Senate.

EXECUTIVE SUMMARY

The protection of the global environment and the intersecting issue of sustainable development present a crucial international challenge for the coming decades. The UN Conference on Environment and Development's Agenda 21 action plan, the framework convention on climate change, and the other multilateral and regional environmental agreements and activities are important first steps in the effort to forge a global environmental partnership.

The extensive new demands—economic, political and social—that environmental initiatives place on the international community makes a strategic approach to partnership necessary. As characterized here, a strategic approach would (1) focus initially on a range of feasible action steps that reflect priority concerns and can serve as building blocks for more extensive future actions, (2) harness the dynamic forces of the global marketplace to move capital and technology, and (3) build international partnerships for mobilization of resources and policy implementation. As a reference point for such an approach, the methods of coupling economic assistance to responsible, long-term economic planning and democratic governance used in the Marshall Plan—conceived of in this case more broadly as a "Global Marshall Plan"—have relevance to these new imperatives of sustainable development and environmental protection.

The United States, Japan, and other countries should begin immediately to implement strategic options in the context of Agenda 21 and the other multilateral and regional environmental agreements. This interim statement recommends a number of such options that can be undertaken through existing governmental and nongovernmental channels. These include both specific partnership ventures for the United States and Japan, and general policy recommendations for governments, and international organizations, and the private sector. Three partnership ventures stand out for immediate consideration:

The accelerated development of regional environmental centers, which can act as concrete building blocks for international cooperation.

An energy efficiency initiative, which can assist in transferring the latest policy approaches and technologies to developing countries.

A sustainable development foundation, which would provide support through governmental and non-governmental channels for demonstration/prototype projects and other mechanisms to support sustainable development.

More generally, the statement highlights the need to:

Take measures in industrialized countries to adapt production and consumption patterns to bring about greater sustainability of economic growth;

Adopt sustainable development as an organizing principle for bilateral and multilateral development assistance;

Ensure an open framework for international trade, finance and investment through which to facilitate policies for environmental protection/sustainable development;

Accelerate research and development of key energy and environmental technologies;

Build international private sector partnerships for inter alia technology cooperation-including the integration of clean technologies into key products—and the dissemination of environmental management expertise.

INTRODUCTION

The international community has entered an era of global environmental change. Dramatic transformations within the Earth's natural systems due to human activity are under way or are forecast for coming decades, including notably the major "global" problems of ozone layer depletion, climate change, marine pollution, deforestation, and the accelerating loss of plant and animal species (biodiversity). There are also a host of local and regional problems that often have adverse implications for ecosystem survival and human welfare, such as acid rain and urban air pollution, shrinking and polluted fresh water resources, the accumulation of industrial and household wastes, and land degradation.

Slowing and reversing these global environmental changes will require an unprecedented degree of international cooperation. Important steps forward in the effort to forge a new global environmental partnership can be found in the comprehensive and ambitious Agenda 21 action plan proposed at the UN Conference on Environment and Development (UNCED) in June 1992, the framework convention on climate change, and other completed or forthcoming international agreements on protection of the ozone layer, biodiversity, and global forests (as well as in a host of regional and bilateral programs).

The prospects for these agreements and action plans have been improved by the recognition that the need to alleviate poverty and the general imperative for higher living standards and economic security in all countries makes it necessary to confront environmental problems in the context of economic growth, development, and expanded trade. The concept of "sustainable development" describes broadly the objective of attaining an integration of economy and the environment in a way that meets today's needs without compromising the needs of future generations.[1]

But these are as yet only first steps in a long-term process. The United States and Japan should now work together and in concert with other countries to develop a strategic approach to global environmental initiatives through which governments, business, and citizens can be mobilized and initial concrete steps taken. This interim statement focuses on a preliminary definition of this strategic approach and the ways in which it could shape a global partnership. It is not comprehensive, but rather covers issues and options within three broad areas that relate to key international concerns: environment and development, energy and climate change, and environmental technologies and markets. The recommendations that follow are the product of three preliminary rounds of dialogue and debate between governmental and nongovernmental (including business and academic) leaders, primarily in the United States and Japan but also including representatives from other countries, on key priorities and near term opportunities for partnership (see participants list, pgs. 10 and 11).

A STRATEGIC APPROACH TO THE PROTECTION OF THE GLOBAL ENVIRONMENT

The Agenda 21 action plan and the other environmental agreements before the international community outline ambitious ends and means for a global environmental partnership, covering a range of substantive environmental and development areas and including the allocation of major financial resources, the much greater movement of key technologies, and significant changes to economic planning around the world.[2] These extensive new demands on the international community will take time to fulfill. Financing will be limited, for the foreseeable future, at least compared to some expecta-

[1] The seminal discussion of sustainable development can be found in The World Commission on Environment and Development, Our Common Future (Oxford: Oxford University Press, 1987). It is widely recognized that the concept requires much additional clarification and research, and it is likely that there will be disagreements over its meaning and usage for quite some time. For discussion of these issues, see the articles in Joel Darmstadter (ed.), Special Issue on "Environment and Development," Resources, Winter 1992, No. 106; and The World Bank, World Development Report 1992: Development and the Environment (Oxford University Press, 1992).

[2] As discussed in Agenda 21 and elsewhere, the means to protection of the global environment typically include some combination of:

International agreements/regimes and other institutional changes;
economic instruments for environmental policy;
technology development and cooperation;
capacity building/human resource development;
financial resources;
population stabilization;
poverty alleviation;
information systems.

See also Senator Al Gore's strategic plan for the environment, the "Global Marshall Plan," in his recent book Earth in the Balance (Houghton Mifflin, 1992).

tions.[3] The large number of countries involved also increases the complexity of effective cooperation, which requires bringing together nations, groups, and individuals in very different circumstances and with very different interests and cultures.

In recognition of these complicating factors, a strategic approach to a global environmental partnership would have several dimensions. First, initial priorities must reflect feasible, near-term actions toward the long-term ends. It is important that such actions serve as building blocks for more extensive international cooperation and in particular assist in defining and refining policy approaches.[4]

Second, a strategic approach must attempt to harness the dynamic forces of the expanding global marketplace. Although we need further understanding of how to reconcile trade and capital regimes with new multilateral requirements of environmental protection, open global markets will promote efficiency and provide much greater access to technologies and finance. To channel these forces, countries must begin through various mechanisms—such as the "polluter pays principle" and other policy instruments appropriate to each setting—to bring about a greater reflection of the costs of pollution into market transactions and private incentives for environmental protection.

Third, a strategic approach must seek to develop specific collaborative endeavors at the international level, involving both governmental and nongovernmental actors, in the context of the overall global partnership. Countries must intensify their work together in ventures designed to draw on each others' strengths.

A useful referent in thinking about a strategic approach to global environmental partnership is the Marshall Plan, in which economic assistance was explicitly coupled with responsible, long-term economic planning and recovery as well as democratic governance. The lessons of this experience—conceived more broadly as a "Global Marshall Plan"—are germane to the requirements of sustainable development and environmental protection in a global context.[5]

THE U.S. AND JAPANESE ROLE IN SUPPORT OF A GLOBAL PARTNERSHIP

The United States and Japan, along with the countries of Western Europe (and particularly the European Community), must take a strong and responsible role in supporting a global partnership and in devising and implementing a strategic approach. This partnership role would include both domestic measures to reduce the industrialized world's contribution to global environmental threats and new foreign aid initiatives and commercial ventures to assist developing countries and economies in transition.[6]

On the domestic front, there are numerous opportunities for beginning a transition to sustainable industrial societies that can enjoy robust levels of economic growth while limiting environmental impacts. Both Japan and the United States have much experience with environmental protection, and the path to further gains in environmental quality at reasonable (or even lower) cost—through pollution prevention, new technologies, and new economic instruments—is better understood all the time. The experience of Japan over the past 20 years has forcefully demonstrated that high levels of economic growth can coexist with dramatic improvements in environmental quality and gains in energy efficiency. The responsibility in the United States and Japan ultimately lies equally with government, the private sector, and the public to make an effort to adapt production and consumption patterns and be willing to bear their share of the costs for an environmentally sustainable economy.

The demonstration effect of beginning the transition to sustainable economies in the developed world is essential to building confidence in a global partnership. On the international front, both the United States and Japan are also leaders in environmental policy-making and technology as well as being the top two sources of foreign aid. Both countries thus have much to offer developing countries, and should foster sustainable patterns of development internationally.

A partnership between the United States and Japan, as one component of a broader international strategy, could bring the two countries' combined resources and expertise to bear on many specific, priority global environmental problems. In some cases, partnership will consist of coordination and consultation; in other cases, joint ventures can combine each country's skills to move global environmental initiatives forward more rapidly. The remainder of this statement examines general policy approaches in the context of a strategic approach as well as specific project options.

ENVIRONMENT AND DEVELOPMENT

UNCED has alerted the international community to the enormous task of integrating environment and development. The economic development paths taken over the coming decades by the developing countries and the economies in transition could have a huge impact on local and global environments. In some areas, poverty and population pressures are already severely degrading natural environments and undermining the basis for human sustenance; in others, high levels of economic growth coupled with soaring energy needs, explosive urbanization, and other factors (such as the adverse environmental legacies of years of central planning) will require major investments to overcome environmental and health effects.

As the World Bank has pointed out, immediate environmental priorities in most developing countries are the local problems of unsanitary water, poor air quality, and land degradation.[7] The global transboundary concerns of greenhouse gases, deforestation, biodiversity, and marine pollution can only be dealt with effectively in the near term insofar as solutions coincide with these immediate priorities, are economic in themselves, or are funded through new and additional aid.

A strategic approach to these challenges entails, in the first instance, identifying concrete, practical steps that can be taken in the context of Agenda 21. At the governmental level, these steps should emphasize new and additional bilateral and multilateral assistance as well as changes in existing programs to reflect principles of sustainable development. The expanding financial, trade, and investment flows between developed and developing countries will be the major source of capital and technology for sustainable development and should be shaped in this fashion through appropriate incentives from governments. Much of the initiative must come from the developing countries themselves, in the recognition that long-term economic growth and human welfare is linked to the protection of natural environments.

Bilateral and Multilateral Aid Programs

Official development aid, whether through bilateral or multilateral channels, is an important vehicle for influencing and legitimizing the transition to sustainable development.

U.S. and Japanese bilateral aid programs should increasingly be organized around the principle of sustainable development, a process that will require major institutional and program adjustments. In identifying new aid priorities, particular strategic consideration should be given to developing countries whose growth in population, economic output, and energy consumption is most likely to have a major impact on the global environment.

The World Bank has a key role in implementing sustainable development programs and in providing financing. The International Development Association (IDA), the "soft loan" window of the Bank, should have significant additional environmental funds for low-income countries. To meet its growing responsibility in addressing global environmental problems, the Global Environmental Facility (GEF) should increasingly become a transparent and open organization.[8] Projects funded through the GEF should be based on a sound and objective scientific analysis. The GEF's mandate to fund only projects with "global" benefits could also be interpreted more broadly, to include problems such as land degradation.

Bilateral and multilateral aid programs should continue to expand cooperation with nongovernmental organizations, particularly at the grassroots and including business and labor groups. Incorporating the experience and needs of local populations is essential to the success of sustainable development.

This new focus on environment and development should include more aid but also greater responsibility on the part of aid recipients. Japan and the United States should take a leading role, through both bilateral and multilateral aid programs, in cooperating with developing countries to develop and implement appropriate environmental standards and priorities, economically sensible environmental policies, and policy reforms to encourage more rational and efficient energy use and natural resource management.

[3] For example, Agenda 21 includes estimates of annual requirements of $125 billion in new and additional financing from the developed countries. This would be matched by investments of $550 billion in developing countries.

[4] Ultimately, a successful global environmental strategy and its core conceptual components, such as sustainable development, should be underpinned by an analytical policy framework that identifies (1) priorities on the basis of the long-term risks to human health, ecosystems, and economic well-being posed by different types of environmental problems; (2) the particular types of sustainable development required by countries with different economies, energy sectors, demographic trends, and natural resource endowments; and (3) differences within and between countries regarding the appropriate tradeoffs between environmental quality and economic growth as different stages of sustainable development are reached. See again Darmstadter (ed.), Special Issue on "Environment and Development," Resources, and The World Bank, World Development Report 1992: Development and the Environment.

[5] For a detailed discussion of such a "Global Marshall Plan," see Al Gore, Earth in the Balance.

[6] "Economies in transition" will be used to designate the former communist planned economies of Eastern Europe and the former Soviet Union. China will be considered a developing country.

[7] The World Bank, World Development Report 1992: Development and the Environment.

[8] The Global Environmental Facility is jointly run by the World Bank, UN Development Programme, and UN Environment Programme.

Finance, Trade, and Investment for Sustainable Development

The growing financial, trade, and investment flows between developed countries and certain developing countries and economies in transition must also be harnessed toward sustainable development. When associated with sound environmental policies, open economies can promote economic efficiency and technology transfer in a manner that improves environmental quality. When firms invest, they often import modern manufacturing processes and pollution control equipment (whether as corporate policy or not). Many developing countries, particularly those undergoing rapid industrialization, are also beginning to make major investments in environmental goods and services.

Global partnership requires that countries work more actively to accelerate the integration of environmental and trade policy within the context of an open international trade regime under the General Agreement on Tariffs and Trade (GATT). The United States and Japan should also continue to expand bilateral financing and insurance mechanisms, in harmony with other industrialized countries, to support export and foreign investment by companies that supply environmental and energy goods and services.

Ways to increase private sector involvement in projects funded through multilateral development institutions, through co-financing or other appropriate means, should be explored more intensively. The GEF, the International Finance Corporation (IFC), and other such institutions should review project procedures to determine how better to tap expertise in the private sector and leverage private investment capital.

Opportunities for Partnership

To effectively marshall resources, the United States, Japan, and other countries should begin planning joint environmental initiatives with developing countries. These could include—

Regional Environmental Centers.—The United States and Japan should work closely in advancing the establishment of regional environmental centers across the developing world and in providing an appropriate network to facilitate the transfer of expertise and data among them.[9] Regional centers could serve as key building blocks in developing international environmental cooperation, assisting in accumulating much needed data on the technology and policy needs of developing countries, and in capacity building. Regional organizations such as the Organization of American States (OAS) and the Association of Southeast Asian Nations (ASEAN) could serve in some cases as an appropriate organizational framework. There is also great strategic value in establishing such centers in the former Soviet republics, where environmental problems are often particularly acute and which have a surplus of unemployed scientists and engineers, many formerly employed in military research.

Energy Efficiency Initiatives.—Energy-related pollution, and the gap between energy demand and supply that is projected for much of the developing world (and that is now being experienced in some countries), can be lessened by a strong emphasis on energy efficiency. Both Japan and the United States have extensive domestic experience with energy efficiency that can underpin an ambitious energy efficiency initiative for developing countries and economies in transition—building on current activities in development agencies and international organizations. Through this initiative, trends in energy efficiency policy, such as demand-side management of electricity use, would enter much more extensively into energy planning in developing countries.

Sustainable Development Foundation.—The achievement of sustainable development is a long-term task, which would benefit greatly from demonstration or pilot projects. The Sustainable Development Foundation would be a quasi-governmental organization that supports grassroots development projects. It would not be an operating agency, but would provide funding on a competitive basis for programs to be carried out by international organizations and U.S., Japanese, and developing country nongovernmental organizations, including business firms. It would assist in experimentation with different models of sustainable development, the incorporation of skills from the private sector, the development of marketing skills, the undertaking of field work, grant making, and project evaluation.[10] The results of this work could also assist bilateral aid agencies and multilateral development banks in restructuring their own programs.

There are many other areas of potential cooperation and joint work that merit consideration, including sustainable forestry, population planning, and researching and strengthening protection of biodiversity.[11]

ENERGY AND CLIMATE CHANGE

Energy use is among the most complex dimensions of the global environmental challenge, as economic growth across the world will depend on using more energy, much of which is currently forecast to be derived from the fossil fuels that produce greenhouse gases and other atmospheric pollutants. The framework convention on climate change is a first, important step toward the long-term process of modifying global energy paths in support of sustainable development. The industrialized countries should now begin domestic strategies for reductions of greenhouse gas emissions, with a focus on achieving stabilization by the year 2000 and assessing contingencies for more rapid reductions thereafter. The developing countries, particularly those projected to rapidly increase use of fossil fuels, must also begin immediately to improve the efficiency of energy use and expand use of energy sources that emit less greenhouse gases, such as natural gas and renewables.

The energy efficiency initiative mentioned above is one way in which Japan and the United States could work together in developing response strategies for the developing countries. A further step could be more extensive joint development and transfer of key technologies, such as renewable energy technologies and new process technologies to improve efficiency. To assist in capturing the global environmental benefits and cost savings from low-cost greenhouse gas reductions in developing countries, both countries could also experiment with new policy instruments, such as greenhouse gas offset or permit trading systems, in which utilities and companies that seek cost-effective greenhouse gas reductions in developing countries are offered credit in the country of origin.

TECHNOLOGIES AND MARKETS

Technological innovation and commercialization will be a key component in the success of sustainable economies as well as in boosting the competitiveness of those countries that emerge as leaders in energy and environmental goods and services. New, and often more efficient, energy and environmental technologies will increasingly become integrated into energy supply systems, manufacturing processes, buildings, and transportation around the world. Companies that can anticipate environmental management requirements, high product standards, and consumer demand for "greener" products could gain competitive advantage. Markets for energy and environmental technologies, products, and services continue to grow rapidly in industrialized countries and should also provide a growing proportion of investment in the developing countries.

Opportunities for Business Partnership

The business communities in the United States, Japan, and other developed countries should continue to pursue the opportunities in the environmental area. Many firms have individually or collectively adopted environmental principles, undertaken anticipatory environmental management, and begun developing positions and options on technology cooperation.[12]

The business communities should expand initiatives to share experience and help develop approaches to technology cooperation. New technology partnerships between companies would be particularly fruitful environmentally as well as economically. Firms could cooperate in setting industry goals internationally for incorporating cleaner technologies into key products. While focused on developing countries, technology cooperation could also include expanding trade in state-of-the-art technologies between industrialized countries.

Support for Research and Development

Government and private sector support for research and development (R&D) is also critical. Both Japan and the United States have begun expanding the R&D of key environmental and energy technologies of the future, Japan through its "New Earth 21" programs and the United States through R&D budgets in proposed legislation and a number of public-private initiatives (such as new en-

[9] The Regional Environmental Center for Central and Eastern Europe in Budapest is a model for such centers. New centers under way or proposed in the United States, Japan, and Europe could serve as focal points in the industrialized countries for training and R&D.

[10] For further discussion of this concept see John W. Sewell and W. Patrick Murphy, "The United States and Japan in Southeast Asia: Is a Shared Development Agenda Possible?" In Kaoru Okuizumi, Kent E. Calder, and Gerrit W. Gong, The U.S.-Japan Economic Relationship in East and Southeast Asia: A Policy Framework for Asia-Pacific Economic Cooperation, APA/CSIS Significant Issues Series, Volume XIV, No. 1., p. 135.

[11] It should also be noted that several specific proposals for U.S.-Japan partnership were put forward at the Tokyo Summit of January 1992. These included closer consultation on UNCED and cooperation on projects on centers for sustainable development, the reduction of natural hazards, the conservation of world forests, strengthening liaison between the Japan Overseas Cooperation Volunteers and the U.S. Peace Corps, cooperation in the transfer of environmental technologies, and the encouragement of the participation of nongovernmental organizations.

[12] In Japan, Keidanren had adopted a "Global Environment Charter," which promulgates guidelines for domestic and overseas corporate environmental policy. The International Chamber of Commerce has developed a "Business Charter for Sustainable Development" and recently released an account of firms' activities in support of the charter, The Greening of Business 1992: From Ideas to Action (ICC Publishing: 1992). The Business Council for Sustainable Development has prepared an extensive analysis of new business views on the environment, Changing Course (MIT Press, 1992).

vironmental missions for national labs). Both countries must go much further in technology development, mobilizing both new research funds and the scientific and technical community.

The competition for new environmental technologies will help stimulate technology development and the growth of new markets, but there are also a number of technologies that could benefit from U.S.-Japan cooperation. These include the development of solar power, renewable energy sources, technologies for pollution remediation, manufacturing process changes for pollution prevention and energy efficiency, second generation nuclear power, nuclear fusion, superconductivity, and the fixation and effective utilization of carbon dioxide (CO_2). They also could include the application of robotics to nuclear waste clean-up and the decommissioning of nuclear power plants in Russia, the republics, and in Eastern Europe.

Finally, Japan and the United States should begin supporting the growth of indigenous environmental technology industries in developing countries and economies in transition. For example, clean coal technologies that improve the efficiency of and reduce the emissions associated with coal-fired energy production must become readily and cheaply available in those countries that will expand the use of coal.

TOWARD A GLOBAL ENVIRONMENTAL PARTNERSHIP

This interim statement has proposed some initial components of what must eventually be a much more extensive global partnership for the environment, as reflected in comprehensive action plans such as UNCED's Agenda 21. There are many opportunities for the United States, Japan, and other countries to cooperate in giving concrete structure to this partnership, by beginning some of the collaborative ventures discussed above and by jointly examining strategic options generally for expanding both domestic and international efforts.

As the product of a dialogue between the United States, Japan, and other countries, this statement reflects how the various sectors of our societies—public and private—can work together to develop innovative and viable approaches to building global partnership. The global environment is one area of international affairs where the opportunities for mutual gain and the need for understanding are particularly great, and hence can be explored in the true spirit of cooperation.

WORKING GROUP PARTICIPANTS

Executive Committee

Kazuo Aichi, Member, Japan Diet (cochair).

Albert Gore, U.S. Senate (cochair).

Takeshi Abiru, Managing Director, Tokyo Electric Power Co., Inc.; Chairman, Subcommittee on the Environment, Keidanren.

Richard Gardner, Henry L. Moses Professor of International Organization and Law, Columbia University Law School.

Shafiqul Islam, Senior Fellow, International Finance, Council on Foreign Relations.

Abraham Katz, President, U.S. Council for International Business.[13]

Yoichi Kaya, Professor of Electrical Engineering, Tokyo University.

Heraldo Muñoz, Ambassador from Chile, Organization of American States.

[13] The views in this paper do not necessarily reflect the views of the U.S. Council for International Business.

Participants at Working Group Meetings

Washington meetings (April 3 and May 6, 1992)[14]

Takeshi Abiru, Managing Director, Tokyo Electric Power Co., Inc.; Chairman, Subcommittee on the Environment, Keidanren.

Timothy Atkeson, Assistant Administrator, Office of International Activities, U.S. Environmental Protection Agency.

Richard Bissell, Assistant Administrator, U.S. Agency for International Development.

Peter Blair, Program Manager, Energy and Materials Program, Office of Technology Assessment.

F. Scott Bush, Visiting Fellow, Environmental Affairs, CSIS.

Joel Darmstadter, Senior Fellow, Resources for the Future.

Robert Driscoll, President, U.S.-ASEAN Council.

Charles K. Ebinger, CSIS Senior Associate, Vice President, International Resources Group.

J. Mark Elliot, President, ERC International.

Leon Fuerth, Legislative Assistant, Office of Senator Gore.

Ernest Graves, Senior Advisor, CSIS.

Udi Helman, Coordinator/Research Associate, Environmental Programs, CSIS (rapporteur).

David Hitchcock, Director, East Asian and Pacific Affairs, U.S. Information Agency.

Abraham Katz, President, U.S. Council for International Business.

Yoichi Kaya, Professor, Department of Electrical Engineering, Tokyo University.

Diana MacArthur, Chair and CEO, Dynamac.

Joan Martin-Brown, Special Advisor to the Executive Director and Chief, Washington Office, U.N. Environment Programme.

James McClatchey, Environment and Safety Engineering Affairs, AT&T.

Katie McGinty, Legislative Assistant, Office of Senator Gore.

Helen McKee, Japan Desk Officer, U.S. Information Agency.

Alan Miller, Executive Director, Center for Global Change, University of Maryland.

Heraldo Muñoz, Ambassador from Chile, Organization of American States.

Jim Murphy, Senior Policy Advisor, Office of the U.S. Trade Representative.

Melvin Peterson, Director, Ocean Policy Institute, CSIS Pacific Forum.

Sam R. Petrocilli, Director, Chemical Risk Management, Dynamic.

Irv Pikus, Director, Science and Technology Programs, CSIS.

Walter Reid, Vice President for Programs, World Resources Institute.

Robert Reinstein, Deputy Assistant Secretary for Environment, Health and Natural Resources, U.S. Department of State.

Clifford S. Russell, Director, Vanderbilt Institute for Public Policy Studies, Vanderbilt University.

Robert Rycroft, Associate Professor of Political Science and International Affairs, Center for International Science and Technology Policy, George Washington University.

John Sewell, President, Overseas Development Council.

Roger Stone, Visiting Fellow, Council on Foreign Relations.

Jim Sullivan, Director, Office of Energy and Infrastructure, U.S. Agency for International Development.

Kazu Takemoto, Environment Department, World Bank.

[14] Not all participants attended both meetings.

Sandy Vogelgesang, Principal Deputy, Office of International Activities, U.S. Environmental Protection Agency.

David Wendt, Acting Director of Studies and Coordinator, Program on International Social and Economic Development, CSIS.

David Wheeler, Environmental Economist, Environment Department, The World Bank.

Edward Wonder, Manager, International Branch, Ogden Environmental and Energy Services Corp.

Tokyo meeting (April 14, 1992)

Takeshi Abiru, Managing Director, Tokyo Electric Power Co., Inc.; Chairman, Subcommittee on the Environment, Keidanren.

Udi Helman, Coordinator/Research Associate, Environmental Programs, CSIS.

Yoichi Kaya, Professor, Department of Electrical Engineering, Tokyo University.

Takashi Kosugi, Member, House of Representatives.

Hikaru Oka, Vice President, Japan Forum on International Relations.

Akira Tanabe, Assistant Manager, Tokyo Electric Power Co.

Yoshinori Usui, General Manager, Corporate Planning Division, Toyota Motor Corporation.

David Wendt, Acting Director of Studies and Coordinator, Program on International Social and Economic Development, CSIS.

Bunroku Yoshino, Chairman, Institute for International Economic Studies.

SERIOUS FLAWS IN THE BALANCED BUDGET CONSTITUTIONAL AMENDMENT

Mr. KENNEDY. Mr. President, as the Senate and the House of Representatives enter the final stages of our consideration of the balanced budget constitutional amendment, the flaws of that misguided approach to our serious economic problems are becoming increasingly clear, and I am very hopeful that the amendment will be rejected.

This past weekend, in an excellent op-ed article in the Philadelphia Inquirer, John Douglas, whom many of us know as a thoughtful, well-informed and articulate expert on public policy issues, summarized the numerous substantive flaws in the proposed constitutional amendment. I believe that Mr. Douglas' article will be of interest for all of us considering this issue, and I ask unanimous consent that it may be printed in the RECORD.

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

[From the Philadelphia Inquirer, June 7, 1992]

IN PASSING A BALANCED-BUDGET AMENDMENT, CONGRESS HAD BETTER OUTLAW LOOPHOLES, TOO

(By John W. Douglas)

Congress—with President Bush's encouragement—seems poised to precipitate a radical transformation of our governmental arrangements by passing the balanced budget amendment. That amendment would cripple the legislative branch, strengthen the executive branch and erode respect for the rule of law. Is this what the country desires?

Strict observance of balanced budgets would be devastating. In the absence of specific planning, this economic straitjacket

would entail, by the target year 1997, spending cuts and tax increases of hundreds of billions of dollars. Depressions would be more likely; recessions, more prolonged. Citizens would rail at the Congress.

The amendment restricts legislative flexibility in balancing the budget by favoring spending cuts over tax increases. Congress could continue to cut spending with simple majorities of members actually voting. But it could increase taxes only with a majority of all members in each house.

The amendment will confront the Congress with three dangerous operations. Congress could adhere rigidly to the balanced budget principle; it could use the "super majority exception" in the amendment for deficit financing; or it could attempt the time-honored techniques for off-budget financing, which removes certain spending from the budget. Any one of these choices, or any combination of them, would weaken both Congress's power of the purse and its standing with the country.

The super majority exception, by which 60 percent of both houses could authorize unbalanced budgets, is more of a trap than a safety valve. It would allow a minority in Congress to decide much of the nation's fiscal policy. The difficulty in rounding up and last few votes needed for a super majority would put a premium on unsavory side deals. Further, congressional use of the clause would discredit the amendment as a disciplinary tool and cast doubt on the legislators' good faith in enacting it.

The fear of criticism for passing unbalanced budgets will push legislators toward the off-budget gimmicks.

Former Budget Director Charles Schultze has noted that a roomful of former Hill and White House staffers could quickly come up with effective methods of evasion. For example, congressional planners could sell assets or move some financing into a loan category; traditionally, some loans do not become "outlays" until there is a default. In turn, the amendment would give the president a new rationale for issuing orders to freeze congressionally-approved spending.

The precise role of the courts must await Supreme Court decisions. But there will surely be some spending and tax cases which will be deemed to present issues appropriate for judicial review—a point conceded by Rep. Charles Stenholm (D., Texas), the principal House and advocate for the amendment. Ironically, a judicial roll-back of tax increases and of contract cancellations would increase the deficits. Sen. Paul Simon (D., Ill.), the Senate sponsor, has stated that individual members of Congress and the attorney general may also have standing to file suits. Any congressional resort to off-budget stratagems will increase calls for judicial intervention, perhaps by a statute which expressly confers jurisdiction on the federal courts.

Some state courts have been active in cases involving state prohibitions of unbalanced budgets. These courts have not declared all such matters to be off-limits to the judiciary; they have not held that all aggressived taxpayers or parties to cancelled contracts lacked proper standing to sue.

Initially, a transfer of key budget decisions from Congress to the courts would have some popular appeal. Controversial choices would then reside with the ostensibly independent branch of government. But budget matters have a high political and economic content, it would be repugnant to our democratic traditions to have decisions of this kind made by appointed, lifetime judges.

Moreover, the judiciary does not have the structure, the personnel, or the competence to carry out an oversight function in a timely and coherent fashion. At best, judicial review in the fast-moving budgetary arena would be spasmodic and uncertain; at worst, chaotic. Respect for the rule of law would soon evaporate.

It is unlikely that the prospect of judicial intervention would impel political leaders to achieve a long-overdue consensus on deficit control. The competing electoral groups, which have intimidated those leaders, will still be pressing their claims. Indeed, the mere possibility of court review will enable the same leaders to point to a new player, the judiciary, to whom ultimate responsibility for the tough choices could be assigned. The target date of 1997, when the balanced budget would presumably kick in, will encourage just such temporizing.

Thus, rather than forcing an end to deficits, the amendment is likely to prolong them. In the process, Congress will take a permanent back seat to the President and public disenchantment with all governmental institutions will reach a new high.

CHARLESTON NAVAL SHIPYARD: AWARD WINNER AND BEST IN THE BUSINESS

Mr. HOLLINGS. Mr. President, the Charleston Navy Yard is a fighting shipyard. It takes justifiable pride in its record of service to the Nation, both in war and peace.

During World War II, Charleston Navy Yard worked at a ferocious tempo, turning out one Liberty ship a week at the height of the war. More recently, it has won an extraordinary array of Navy commendations for excellence in its operations.

The latest honor, however, comes not from the Navy but from the Institute of Industrial Engineers, which bestowed on the Charleston Navy Yard its prestigious 1992 Award for Excellence in Productivity Improvement. Each year there is a vigorous national competition for this award, which has been won in past years by top-flight corporations including Black & Decker, Ford, Boeing, and Texas Instruments. This year, the award committee selected Charleston Navy Yard on the basis of its major advances in cost reduction and method improvement as well as safety and environmental improvements.

Mr. President, this latest award is just one more reason why we Charlestonians take such tremendous pride in our shipyard. Charleston Navy Yard is the best in the business—public or private, bar none. I salute the shipyard commander, Capt. Thomas J. Porter as well as Chief Staff Officer Jim Fralix and all the 5,700 men and women of the yard. They serve the Nation with exceptional dedication and distinction.

TRIBUTE TO DR. C. NELSON GROTE

Mr. McCONNELL. Mr. President, I rise today to recognize an outstanding Kentucky educator, who has dedicated 32 years to improving higher education. Dr. C. Nelson Grote will retire from his post as Morehead State University president June 30, ending a successful tenure as the school's 11th president.

Dr. Grote began his presidency at Morehead State University July 1, 1987. Since then, MSU's enrollment has reached recordbreaking heights, a multimillion-dollar renovation to the utility tunnel has been completed, a new telecommunications network has been installed, and several residence halls have been remodeled. Other milestones during his tenure included adoption of a campus master plan and implementation of a strategic planning process which is also linked to the budget process. However, Dr. Grote's commitment to education began at Morehead three decades earlier, and extends far beyond the university.

Dr. Grote joined the Kentucky Department of Education in 1956. Four years later, he became an associate professor and Chair of the division of applied arts at Morehead State College. He eventually became dean of the College of Applied Science and Technology at Morehead, before leaving Kentucky to accept the presidency of Schoolcraft College in Michigan. In 1981, Dr. Grote was named chancellor of the Community Colleges of Spokane, WA, where he remained until he returned to Morehead in 1987.

In addition to education, Dr. Grote has long been immensely interested in economic development, and has worked to incorporate the two fields. He has served on economic development commissions at the national, State, and local level, and has participated in trade missions to China, Japan, and Germany. Dr. Grote also has taken several leadership roles in education consortia, and has worked to encourage partnerships between business and education. During his presidency at MSU, he has worked to internationalize the school's curriculum; he also has a longstanding interest in sister city relationships. Dr. Grote is currently serving a 3-year term as Kentucky's representative to the American Association of State Colleges and Universities [AASCU]; he also serves on the Committee on International Programs for that organization.

Dr. Grote is also very involved in community activities. He is an exofficio member of the Morehead-Rowan County Chamber of Commerce Board of Directors and was named the chamber's 1991 "Man of the Year." He is also a member of the executive committee of the Kentucky Council on Economic Education and serves on the Kentucky Advisory Council of the U.S. Small Business Administration. Dr. Grote is a member of the boards of Jesse Stuart Foundation and the Blue Grass Council of the Boy Scouts of America, as well as on the endowment committee for

the Appalachian Ministries Education Resource Center.

Dr. C. Nelson Grote has certainly made an enormous contribution to the students, faculty, administration, and staff at Morehead State University, as well as to the surrounding community. He is a dedicated professional who will undoubtedly continue to have a significant presence in Kentucky long after his official retirement. I congratulate Dr. Grote on his many years of educational and community service, and wish him all the best in future endeavors.

RETIREMENT OF JOE KRAUTH

Mr. HARKIN. Mr. President, after a long and distinguished career with the U.S. Department of Labor's, Employment and Training Administration, Joseph A. Krauth is retiring with 36 years of service.

Mr. Krauth was born in 1932 in McKees Rocks, PA. He served in the U.S. Army from 1953 through 1956 in which he spent a tour in Germany. After his military service, Mr. Krauth attended Duquesne University in Pittsburgh, PA, where he graduated in 1960 with a degree in business administration.

Mr. Krauth's first Federal civilian employment was in 1960 with the Federal Power Commission as an auditor. In 1962, Mr. Krauth joined the Department of Labor working with the Bureau of Employment Security as an auditor. Mr. Krauth then joined the Manpower Administration, which is now the Employment and Training Administration, in the Division of Budget as a budget analyst. Since that time Mr. Krauth has held various supervisory positions within the division, including directing the development of multibillion-dollar budgets for the Job Training Partnership Act, the Unemployment Insurance Program, and the Employment Service.

Mr. Krauth has received several performance awards. In 1991, he received the Distinguished Career Service Award in recognition of career service marked by sustained high quality and efficiency.

Mr. Krauth has been married to his wife Carol for 29 years, and they have four children. The Krauths reside in Arlington, VA.

As chairman of the Labor-HHS-Education Appropriations Subcommittee, my staff and I are aware of Joe's many valuable contributions over the years to budgetary materials vital to the subcommittee. Joe, we wish you and your family all the best in the years ahead.

RICHARD C. DARLING: WASHINGTON INSIDER IN THE BEST SENSE

Mr. HOLLINGS. Mr. President, Richard C. Darling is a good friend to so many of us in the Senate. With his retirement last month as J.C. Penney's manager of Federal Government relations, he brought to an end a remarkable career in and out of Government here in Washington.

Dick Darling first went to work for the Senate as a page in 1945, and he continued to work here in various capacities until 1964. In that year, he left to serve at the Post Office Department as Deputy Postmaster General to Larry O'Brien, and to do occasional advance work for President Lyndon Johnson. In 1969, he left Government for J.C. Penney.

During his 23 years at J.C. Penney, Dick Darling became all but universally known and respected in this town. He was a lobbyist in the very best sense of the word: Authoritative on the issues, trusted by Members of Congress, and an unfailingly effective advocate for his client.

Mr. President, over the decades, Members ranging from John Kennedy to Richard Russell to ROBERT BYRD came to know and respect Dick Darling as a standout staffer, as an exceptionally effective corporate advocate, and—simply—as a wonderful man. And I certainly include myself among Dick's admirers.

Mr. President, for 23 years Dick Darling was a superb lobbyist and he will always be a very special friend. I know I speak for the entire Senate in wishing Dick and Rita Darling the very best.

HAPPY BIRTHDAY, SENATOR METZENBAUM

Mr. BYRD. Mr. President, last Thursday was the 4th of June.

Looking back in time, I find that several significant events occurred on that date in history.

For example, on that day in 1940, more than 200,000 British and 140,000 French troops were finally and successfully evacuated from the beaches at Dunkerque, thus denying to Hitler the quick victory that he had hoped to win at the outset of World War II.

On June 4, 1940, Prime Minister Winston Churchill delivered in the House of Commons the stirring words:

> * * * We shall fight on the seas and oceans, * * * we shall fight on the beaches, * * * we shall fight in the fields and in the streets, * * * we shall fight in the hills, * * * we shall never surrender.

Earlier, on the 4th of June in 1800, architect James Hoban put the finishing touches on the White House in order that President John Adams and his wife, Abigail, might move into the new "Executive Mansion."

On June 4, 1896, Henry Ford rolled the first Ford automobile out of a warehouse in Detroit.

And on June 4, 1942, the fateful and decisive Battle of Midway began between elements of the United States Navy and the Imperial Navy of Japan.

But for our purposes here in the Senate, Mr. President, on June 4, 1917, our good friend and colleague Senator HOWARD METZENBAUM was born in Cleveland, OH.

I submit, Mr. President, that that was a momentous day for the Metzenbaum family, for Senator METZENBAUM's friends here in the Senate, and for our whole country.

HOWARD METZENBAUM went on to earn his undergraduate and law degrees at Ohio State University, and to carve out for himself a successful business career in his home State.

More to the point, HOWARD METZENBAUM went on to become a vital, dynamic, and dedicated citizen of Ohio and of America, and we are all the beneficiaries of his earnest and committed defense of democracy and decency in this country and around the world.

Mr. President, I cherish my friendship with Senator METZENBAUM and I have enjoyed our association here in the Senate. Even if belatedly, I also know that I speak for all of our colleagues in sincerely hoping that the distinguished junior Senator from Ohio enjoyed the happiest of all possible birthdays last Thursday, and in wishing for him many, many more years of service here in our ranks.

Mr. BURNS. Mr. President, might I inquire, are we in morning business?

The ACTING PRESIDENT pro tempore. The Senator is correct. Under the previous order, the Senate is in morning business until 9:30 a.m.

Mr. BURNS. I ask unanimous consent that I be allowed 5 minutes to speak as in morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

BILLINGS, MT—THE ALL-AMERICAN CITY

Mr. BURNS. Mr. President, over the weekend, I was very proud to learn that my hometown, Billings, MT, was designated as the all-American city in a competition with 140 cities across the country. That competition was held on June 6 in Charlotte, NC. We are very proud of the effort that Billings and the State of Montana have put forth in this regard. This is the second city in the State of Montana designated the all-American city, Butte being the first.

They are to be commended for their strategic plan for economic development, for involving hundreds of citizens and hundreds and hundreds of hours to make this presentation to bring together all of the assets that one area has and put them forth in competition with 140 other municipalities, and I am sure that those people are very proud of what they had to offer and to come out a winner.

Zoo Montana, a new project undertaken in the town of Billings and in

Yellowstone County, will be one of the landmark features, and the dirt is flying, and what it will offer to that area will be terrific. That is just part of an extensive outlook and overall plan of my hometown of Billings, MT.

They began to clean up their air a long time ago. We have had tougher air standards in the State of Montana than the rest of the Nation for a long time. We just completed a $140 million project at the Conoco refinery, a plan creating hundreds of jobs, stimulating the economy and providing new opportunities for new jobs all along.

These are just a couple of examples of what effort is being put forth in Billings, MT. But I want to take that just a step further. We understand that our inner cities are facing great stress right now, and I am wondering if Congress—those of us who represent those cities—is listening to the local officials whenever we sit down and start talking about and trying to solve some of our problems. We need to learn to listen, and then we need to learn to listen to learn.

I think that there is a very positive thing coming out of programs such as this that can address some of the problems that we are facing in the inner city, because there is a very positive energy and direction that is happening in our local communities, and most times it is headed up by the people who live in those communities.

So these cities are working with a new energy. They are coming up with creative ideas on the problems of homelessness, of drug abuse, of crime prevention, of air pollution, of unemployment—all of those items that we talk about on the floor of this body everyday, but we fail to come up with solutions.

Local governments and local communities have the solution because they want to put a positive face on their locale. And by doing that, solutions just happen to pop up. And the solution is not from more money, including those moneys from taxes, but from ideas of people who live in and on American streets in our communities, cities, and our rural areas.

These 10 cities that were designated all-American cities have proven throughout this process that America is OK; there are some positive things happening. And those answers are coming from local communities. They have a tremendous opportunity to solve all of those problems.

So, Billings is just an example of what can happen in communities. Congress must learn to listen, to be involved as part of the solution, rather than a part of the problem. And I suggest to this group that we start developing liaison terms to be started with Members of the Senate and Members of the House of Representatives in a nonpartisan fashion to interface with the National Civic League, in order for us to solve the problems that this Nation really needs solved, through real authentic partnerships with our local communities. Together we can serve this country.

I do not know how many people in this body have served in local government before coming to this body, but there is an opportunity that no person should turn down to serve as a county commissioner, on the board of advisers, on the city council—not the State legislature, but I mean at ground level. Because if there is anything that helps one make decisions in this body and for this Nation, it is not only to observe the Nation from a very lofty perch but to think ground level, because local governments are charged with the delivery of all those programs and all those masterful ideas that we seem to come up with in this body, and then we still do not solve the problem. So the real responsibility of America falls on local government. They should be properly recognized at this time.

I congratulate my hometown of Billings, MT, for this great award and all of those people who volunteered hours and hours and hours to make the presentation, but also congratulate all those people that are involved in making our cities and our urban areas a great place to live and to tackle some problems up front, to solve some of those problems. I have been a part of that and I am very proud of that heritage.

Mr. President, I yield the floor.

Mr. HEFLIN addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Alabama is recognized.

THE BALANCED BUDGET AMENDMENT

Mr. HEFLIN. Mr. President, the discussion in recent weeks surrounding the proposed amendment to require a Federal balanced budget has been intense, with pundits and politicians on all sides of the issue evaluating its merit. We have heard its pros and cons from the left and right, Democrats and Republicans, legislative branch and executive. And all this has come before the bill has even reached the floors of Congress for formal debate.

But all punditry and pontification aside, what this debate boils down to is the very future of this country. As I and others have said many times over, a constitutional amendment to balance the budget—as embodied in Senator SIMON'S Senate Joint Resolution 18—is the only way in which we can, once and for all, control spending and eliminate record high deficits.

Many Senators who are now arguing against this proposed amendment say that Congress and the President should voluntarily control spending. I strongly agree that Congress and the President should be able to control spending, but we must look at this issue as our friend, Senator PAUL SIMON, has: "In an ideal world, a balanced budget amendment would be unnecessary. In the real world, it is."

We cannot continue to play the blame game, with the two parties and branches of Government simply hurling accusations back and forth, while continuing to allow this country to sink deeper into its fiscal and economic quagmire. We have to admit that simple collective will power will not solve this dilemma, regardless of who is most responsible for the state of affairs as it now stands. It is time to take decisive action, rather than continue devisive rhetoric.

Another argument currently being waged in opposition to this proposal is that it would alter the balance of power between the executive and legislative branches. But, as Bill Frenzel, a guest scholar at the Brookings Institution and former Congressman asserts:

> * * * The amendment would relieve the stalemate in fiscal policy without significant change in the balance of power between Congress and the President. Each branch will retain its constitutional powers. The amendment will merely ratchet down the deficit.

Other naysayers argue that the amendment would result in economic policy by court decree, significantly higher taxes, and severe cuts in important programs. The provisions within this resolution address these arguments and provide mechanisms by which they will be avoided. The bottom line is that such an amendment would impose upon us the discipline to set priorities.

It is important that we understand what will happen if we do not get our national deficits and debt under control. Increased debts leaves smaller safety margins which are necessary to deal with any possible economic adversity. This poses a certain threat to our economy, leaving it highly vulnerable to increases in interest rates or shortfalls in income.

Should interest rates rise during this period of extraordinarily high personal and corporate debt, many individuals and businesses would be unable to maintain the high interest payments to follow. Bankruptcy and economic instability could become widespread.

Indeed, the steadfast refusal of the White House and Congress to take seriously the mounting Federal deficit is one reason the American economy is suffering right now. As our national savings pool has shrunk, our rate of gross investment has been too low, our interest rates too high, and now our job creation too slow.

We should not fear the States' approval of an amendment to balance the Federal budget, as over 30 have already signaled a willingness to do. That is where the debate should be, since 49 out of 50 have already learned to live within laws requiring balanced books.

Yes, to reach a balance, major changes will be required, but we cannot run from reality any longer. We must work with the President to fully inform the people of its consequences and then move forward to begin restoring our financial solvency.

Quoting from the committee report accompanying Senate Joint Resolution 18:

> A balanced budget amendment steers a self-disciplined course which protects our future economic strength and standard of living. A constitutional balanced budget amendment can serve as a moral and legal beacon to guide the Nation in the fundamental choices of governance.

Indeed, we have already exhausted a wealth of different options to bring our finances under control, but they remain out of kilter. The right thing to do is to amend the Constitution so that Congress and the President are required to balance the budget.

I admonish my colleagues—whether you agree with the thrust of this proposed amendment or not—to allow it to be sent to the States for their consideration. The American people deserve to have their say about the kind of future they want for their children and grandchildren.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, morning business is closed.

ADAMHA REORGANIZATION ACT—CONFERENCE REPORT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the conference report accompanying S. 1306.

The Senate resumed consideration of the conference report.

Pending: Graham motion to recommit the conference report with instructions.

Mr. KENNEDY. Mr. President, as I understand it, there is a time agreement, is that correct?

The ACTING PRESIDENT pro tempore. The Senator is correct. Under the previous order there are 3 hours of debate on the Graham motion to recommit allocated in the usual form with the Senator from Massachusetts controlling 90 minutes and the Senator from Florida [Mr. GRAHAM] 90 minutes.

Mr. KENNEDY. Mr. President, I yield myself such time as I might use.

Mr. President, this morning the Senate begins consideration of the conference report on S. 1306, the reorganization of the Alcohol, Drug Abuse and Mental Health Administration.

In a few moments, we will have an opportunity to debate the only significant remaining controversy in the bill, a proposed change in the block grant formula. But the formula is only one aspect of this omnibus bill. Before we begin the formula discussion, I would like to describe for the Senate the other parts of this important legislation.

S. 1306 is a comprehensive, bipartisan initiative to improve the Federal Government's efforts to combat mental illness and substance abuse. These are two of the most vexing public health problems facing the Nation, and the Federal effort must be designed to achieve maximum impact in researching, treating, and preventing these diseases.

Mental and addictive disorders result in nearly $300 billion in lost productivity, medical expenditures and social spending each year. But the human costs of these epidemics are immeasurable. The bill before the Senate today represents the most ambitious legislative response to these afflictions in nearly a decade.

In preparing the conference report, I have worked closely with the ranking member of the Labor Committee, Senator HATCH, as well as with the other Senate and House conferees. The conference report has the support of every member of the conference committee, both Democrat and Republican. It has also benefited from the substantial input of the Department of Health and Human Services and is strongly supported by the Bush administration. I commend Secretary Sullivan and Dr. James Mason, the Assistant Secretary of Health, for their valuable assistance in developing this measure.

The centerpiece of the conference report is the reorganization of the research and service arms of the current Alcohol, Drug Abuse and Mental Health Administration. The three research institutes now housed in ADAMHA will be transferred to the National Institutes of Health, and ADAMHA will be reconstituted as a services administration.

This change, which Secretary Sullivan, Senator HATCH, and I proposed last year, will strengthen both the research and the service missions of the Federal Government. After much discussion, the House has now agreed to the reorganization, and we can move forward to implement this plan.

The reorganization will enhance the quality and prestige of research conducted by the three research institutes of ADAMHA—the National Institute on Drug Abuse, the National Institute on Alcohol Abuse and Alcoholism, and the National Institute of Mental Health. As our colleague, Senator DOMENICI, eloquently argued last week, these scientific disciplines deserve their rightful seat at the NIH table.

The creation of the Services Administration under the reorganization is also significant. It will reaffirm the Federal role in treating and preventing these diseases by establishing an agency with the explicit charter or providing and improving needed services.

In addition to reorganization, the bill contains new proposals to improve state accountability under the block grant. It codifies the State planning requirement proposed by the administration. Existing block grant requirements have been refined so that the program will not place undue burdens on the States.

The conference report reauthorizes and improves existing categorical grant programs, such as the Grants of National Significance Program and the High Risk Youth Program. For the first time, it authorizes programs to encourage drug treatment in the criminal justice system and to develop small business employee assistance programs.

The bill also contains important provisions to combat one of the Nation's most serious health problems, underage tobacco use. As a condition of receiving block grant funds, each State must enact and enforce a law prohibiting the sale or distribution of tobacco products to individuals under 18 years of age. In addition, Federal drug abuse prevention programs must include efforts to discourage underage tobacco use.

Finally, the conference report includes other important initiatives advanced by many different members of the Senate:

The Pharmacotherapy Development Act, sponsored by Senator BIDEN and myself, will provide broad authority to the National Institute on Drug Abuse to encourage the development of antiaddiction medications.

The Children of Substance Abusers Act, sponsored by Senator DODD, will provide comprehensive social services, including home-visiting, to at-risk families.

The trauma center revitalization title of the bill, sponsored by Senators BENTSEN, GORE, LEVIN, RIEGLE, SIMON, CRANSTON, GRAHAM, and others will enable the Department of Health and Human Services to award grants to hospitals for uncompensated trauma care.

The childhood mental health initiative, sponsored by Senator JEFFORDS and myself and cosponsored by 20 of our colleagues, will authorize the Center for Mental Health Services to fund programs that care for children with severe emotional disturbance.

The National Capital Area Treatment Demonstration Program will establish a model drug abuse treatment system in the District of Columbia metropolitan area, including the city of Washington and the Maryland and Virginia suburbs. There is a vital need for this important project. Drug treatment is one of the most effective, and least expensive, ways to reduce crime in our communities.

Finally, the conference report includes language from the Senate bill banning the use of block grant funds for needle exchange programs.

The ADAMHA Reorganization Act is comprehensive and important bipartisan legislation that deals effectively with all aspects of these challenges. I commend the conference report to the Senate, and I urge its approval.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. KENNEDY. I yield such time as the Senator from Utah desires.

The ACTING PRESIDENT pro tempore. The Senator from Utah [Mr. HATCH] is recognized.

Mr. HATCH. Mr. President, this is a very important bill. It does not please everybody, but by and large it pleases the vast majority of Senators in the U.S. Senate.

Today we have the opportunity to help Americans everywhere who suffer from mental illnesses and addictions to drugs and alcohol. The purpose of this bill is to more effectively marshal our resources that are devoted to this cause. There is much at stake in this bill for the millions of Americans, and their families, who are struggling to cope with these problems.

The passage of this conference report will strengthen our Nation's capacity for research into better treatments for individuals who suffer from mental illnesses and substance abuse and for prevention of these conditions. The transfer of three stellar research institutes from ADAMHA into NIH will strengthen the capacity of these institutes, and the NIH itself, to help us meet the challenges we face in this decade and into the 21st century.

Equally important, passage of this conference report will strengthen the Nation's capacity to provide treatment and prevention services to those with mental illnesses and addictions. With the organization of ADAMHA, a new agency will be born. The Substance Abuse and Mental Health Service Agency will provide a stronger and more clearly focused mandate for service.

I am pleased to acknowledge the support that this bill has received on both sides of the aisle. My colleague, Senator KENNEDY, and his staff have worked hard on this bill. And my staff has worked very hard on it as well.

And, we have had good support from our colleagues in the House on this conference report. I particularly want to acknowledge the cooperation of Congressmen DINGELL, LENT, and BLILEY, as well as their staff members.

I want to recognize the administration's support for this conference report. I ask unanimous consent to have printed in the RECORD a letter from Dr. Louis Sullivan, Secretary of the Department of Health and Human Services, in which he very clearly states his support for this report.

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

THE SECRETARY OF HEALTH AND HUMAN SERVICES,
Washington, DC, June 2, 1992.

DEAR CONFEREE: We understand that you will soon have under reconsideration the conference report to accompany S. 1306, the ADAMHA Reorganization Act.

We are pleased that the conferees chose to include as the centerpiece of the legislation the reorganization of the Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA). We also support the other provisions that are consistent with the Administration's proposals to establish a substance abuse capacity expansion program and to require statewide substance abuse treatment and prevention plans.

The Administration has voiced its strong objection to the conferees' removal of the prohibition against the use of State block grant funds for clean needle exchange programs. We will support the conference report if it includes language consistent with the House instructions to continue the needle exchange prohibition.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

LOUIS W. SULLIVAN, M.D.

Mr. HATCH. I know that the Assistant Secretary for Health, Dr. James Mason, believes that this reorganization will enable him to more effectively manage our public health efforts in the areas of mental health, alcoholism, and drug abuse.

I also am pleased to give a special word of thanks to Dr. Fred Goodwin for his support over a long period of time while this legislation has been in development. Fred is a talented scientist and a valued friend.

The Nation owes its thanks to these three dedicated public health officials, and all of the people who work at ADAMHA and NIH. We are fortunate to have such outstanding scientists and advocates in these areas. They have worked long and hard to make these programs the best they can be given the resources we have.

This conference report recognizes that the public health needs of States vary depending on the mix of urban and rural populations, as well as the relative burdens of mental illnesses and substance abuse. This report provides flexibility—in the form of waivers—for States which may not require the full amount of funds set aside for special programs. To me, this makes very good policy sense.

Adoption of this report will benefit all Americans; but, I am particularly pleased to say that it pays special attention to the needs of women, especially pregnant women, and children. This continues an emphasis that originated with legislation I first introduced in 1983 and that was incorporated in the ADAMHA authorization in 1984.

This is a balanced bill. It is a fair bill. It makes good sense to adopt it.

This ADAMHA conference report is an historic and critical piece of legislation. I want everybody to understand what these programs can do to help the millions of Americans who suffer from mental illnesses and addiction to alcohol and other drugs.

REORGANIZATION

RESEARCH AND TRAINING

Reorganization will strengthen fundamental research into treatments and prevention for mental illnesses and addiction to alcohol and other drugs.

Health services research will provide knowledge about the impact of the organization, financing, and management of health services on the quality, cost, access to, and outcomes of mental health care and addiction treatment.

Behavioral research and research training are vital and wise investments in our Nation's future. Many of the leading causes of death in the United States, from violence and injuries to cardiovascular diseases, cancers, and AIDS, can be avoided or postponed by changes in behavior. So we need to know how to achieve such voluntary behavior choices.

SERVICES

Treatment and preventive services for addictive and emotional diseases also will be strengthened by reorganization. The creation of a new Substance Abuse and Mental Health Services Administration will provide a nationally and internationally recognized services agency as mentioned by Senator KENNEDY. We must make sure that the fruits of research are brought to those who are most in need of these services.

INITIATIVES

The block grant is split into community mental health services and substance abuse prevention and treatment block grants. During the transition period covered by this legislation through fiscal year 1994, the chief executive officer of the State may transfer funds from one block grant to the other, to minimize any disruption. I will watch this transition carefully to determine if this provision presents States an undue hardship in achieving the provision goal of 20 percent block grant funding for mental health needs and whether this issue should be reexamined during reauthorization in fiscal year 1995.

Childhood mental health will be strengthened by a 10-percent set-aside for services for children with severe emotional disturbances. A waiver of this setaside is granted for any State demonstrating to the Secretary of the Department of HHS that adequate services are available without these set-aside funds.

Services for pregnant and postpartum women and their infants will be increased with a 5-percent set-aside, again with the presence of a waiver for those States already meeting their needs without these funds. Residential and outpatient services will be given priority for these women and their children.

Development of pharmacotherapies will be enhanced by this legislation, so that new drugs can be developed for the treatment of those who are addicted to drugs.

Capacity expansion programs will be established to target substance abuse treatments in those States with the greatest needs.

Grants of national significance provide authorization for demonstration projects for the assessment of treatment services provided in settings that require participants to contribute to the community through public service.

Employee assistance programs provide for grants to encourage the development of new worksite-based programs in small businesses to assist employees with substance abuse and, of course, their families.

This legislation recognizes the increased burden placed on trauma care centers by individuals with substance abuse problems and authorizes funding to those trauma care centers disproportionately affected by demands for uncompensated care related to drug abuse. Trauma care centers play an important role in our communities, and their financial stability is threatened when compassionate care is provided without adequate reimbursement to the trauma centers. This legislation gives preference for funding to trauma care centers in border States that serve a disproportionate share of undocumented aliens who have entered the country illegally.

Children of substance abusers need and deserve special attention, and this legislation provides for a new program of comprehensive services for children and other family members affected by parents who abuse drugs and alcohol.

Tuberculosis is an increasing problem among drug abusers and the homeless, many of whom have mental illnesses. This legislation requires that States receiving substance abuse block grant funds routinely make available TB services to those who are treated for substance abuse.

The incidence of HIV infection continues to increase among those who inject drugs and share needles and syringes. The epidemic of crack cocaine also creates an increased risk of HIV infection because sex is often bartered for drugs. Therefore, a 2- to 5-percent set-aside is created to support early HIV intervention services for individuals who are in outpatient substance abuse treatment in those States with the greatest incidence of AIDS.

I want to complement my distinguished colleague from Massachusetts for his sensitivity and concern about people with all of these difficulties and with all of these problems that this bill will directly help and especially those who suffer from AIDS because AIDS is becoming the modern plague and we have to do something about it. It takes cooperation on both sides of this aisle, cooperation between liberals and conservatives, cooperation among States and the Federal Government and between everybody in this country to help to resolve the difficulties and dilemmas that come from this. It takes compassion to understand that some of these people have mental illnesses and may not be able to help themselves. That is why the Federal Government can play a significant and noble role in this area.

I have enjoyed working with my friend and colleague from Massachusetts in all of these areas. He is sensitive and compassionate and decent, and he has done a great job on the public health programs in this country as well as the national health concerns that all of us are concerned about. I hope that we can get together when it comes to national health problems and the national health bill that we are going to have to pass, I presume, by the end of next year. I hope that we can get together so that we can put a wide consensus, a wide bipartisan impetus behind solving our health care problems in this society.

I know that everyone who has had the opportunity to study this conference report in detail will agree that there is a great deal here that is worthy of our collective support. I personally feel sorry that we cannot solve everyone's problems and that there are approximately 10 States that do not fare as well under this conference report as they might have under prior law. But there are many States under current law who do not fare as well as they do under this particular agreement. We have tried to do the very best we could under the circumstances.

I want my colleagues to know that this legislation is supported by a broad range of national and community advocacy groups, such as the National Association of State Alcohol and Drug Abuse Directors, the National Alliance for the Mentally Ill, the National Association of State Mental Health Program Directors, and many, many other organizations that would take too long to list at this time.

I am also pleased to mention that this conference report has the endorsement and support of the Department of Health and Human Services, led by a great Secretary, one who I have gained more and more respect for every day that he has served and for whom I had an inestimable respect in the beginning. I gain more and more respect for Secretary Louis Sullivan, and he has had noble help from his Assistant Secretary, James Mason. The Director of the Office of National Drug Control Policy, Governor Martinez, also supports this legislation, and I am happy for that.

It only remains for us today to repeat the resounding endorsement that the Senate gave last August 2 when we all voted unanimous support of S. 1306.

So I hope we will have that type of support today. I believe this is the best we can do. I believe it is a very, very farsighted, intelligent, decent, compassionate, thoughtful conference report, and I am happy to say that our colleagues in the House worked very hard, as did we, to try to bring it about.

Mr. President, I appreciate all concerned. I appreciate all who worked on this bill, and I hope we can adopt the conference report with an overwhelming margin today. I yield the floor.

Mr. KENNEDY addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I thank again my friend and colleague from Utah for his kind words, and, as he mentioned earlier, this is purely a reflection of the best judgment of the members of the committee, as well as the administration, and I daresay with the overwhelming professional individuals, groups, associations that have spent a great deal of time in helping to guide a responsible national policy.

Just for the benefit of the membership, Mr. President, I want to review very briefly how this legislation effectively divides up the resources which are authorized in this legislation.

There are the provisions dealing with the block grant which we will have an opportunity to discuss further. Those are the mental health and the substance abuse programs. There are two different programs under the block grant, and that represents about $2 billion of the $4 billion program. We will have the opportunity to probably debate that later in the morning.

Then you have the research programs which are mental health, alcohol and drug abuse, which represents about $1.4 billion. Those are the programs that are going to be targeted into the National Institutes of Health with the restructuring, the organization that I mentioned briefly in my opening comments, which will give that a new prestige, a new standing in terms of the research community. Through the various intermural research capabilities, the NIH hopefully will be enhanced in an important way that can then reach out to benefit citizens across the country.

Then there are the series of categorical grant programs which my friend and colleague, Senator HATCH, has mentioned. I will just highlight them very briefly.

First is the capacity expansion program. There is a very considerable need in this country for treatment in terms of detoxification and for comprehensive services. In my own State of Massachusetts, to qualify for detoxification one has to wait about a month, and to gain entry into a comprehensive program one has to wait about four months.

One can understand what the impact of that message is to an individual who

finally gets to the point where they are reaching out for help and then told well, you cannot participate in the program for four months until there is some opening for you to be able to free yourself from the scourge of substance abuse.

That is an enormously powerful disincentive factor on all those individuals, with all the implications that it has in terms of human tragedy and violence in our society, because of, as we all know, increasing jail populations that are associated with violence or associated with substance abuse. That is another issue we have tried to address in our categorical program.

So we have an expansion capacity program, a very limited one but nonetheless one that we think begins to reflect a greater focus and attention on the demand side of substance abuse.

Second, the high-risk youth programs. There are a number of different high-risk youth programs that are being developed, and this is complementary to the efforts the administration is making in terms of the weed and seed program, the other kinds of efforts that the Justice Department is making. It is particularly sensitive to the problems of gang and youth involvement.

From the recent Los Angeles disturbances of a few weeks ago, the reports are that 100,000 Los Angeles youth are involved in some kind of gang activities on which we have to really focus. It is not just Los Angeles; it is most of the urban areas of this country and increasing in rural areas. If we are really going to come to grips with the issue of violence in our communities, there has to be a targeted program on high-risk youth.

Third is the treatment in the criminal justice system, a limited program. We are doing less at the Federal level than are the States. Nonetheless, it is an interesting fact that individuals who are actually compelled to involve themselves in substance abuse programs, their record of freeing themselves from this kind of disorder is almost equal to those who take the program voluntarily.

With scarce resources, we can understand the public policy consideration saying why are you dealing with those that are in jail when we do not have enough resources for those who are out of jail. That is a pretty powerful argument and it is one that has been persuasive. But if we are interested in reaching the problems of recidivism of our criminal population, trying to do something in terms of rehabilitation of those who are involved in the criminal justice system, it is absolutely essential.

I will not elaborate on this particular issue, although I would refer those who are interested in this to the testimony in the hearings where you find those individuals who go through this kind of program have dramatically less incidents of recidivism, about 60, 65 percent, as compared to those who did not participate in that program.

It is again a limited program, but we are trying to give focus and attention to that issue.

The childhood mental health challenges, we are finding increasing anxiety, hopelessness, frustation, and distress among children in many of our not only urban but rural areas as well, some very special needs. Some reports estimate that anywhere from 20 to 30 percent of the children in many of the urban areas are suffering significant kinds of mental trauma. We have tried to address that problem with a targeted program.

The children of substance abusers, the most innocent of all those involved in this whole tragedy of substance abuse, have particular needs. We have had an opportunity to visit a number of the medical centers that are attempting to deal with those children. It is absolutely one of the most moving, saddening experiences. It is extraordinary that the behavioral patterns of many of these children, depending upon what particular substance the mother has abused. They will have one particular kind of course of conduct if it has been heroin; a different one if it is crack cocaine; a different one if it is speed or other kinds of abuses. We are just beginning to understand the complexity that we face in terms of trying to provide some help and assistance to the children of substance abusers. This is a relatively new phenomenon, and we are trying to bring some attention and focus on that.

On pregnant and postpartum women, we are talking about 375,000 children, babies born each year to some extent or other that have been touched by substance abuse and are exposed to one degree or another. The numbers are not going down. They are going up. They are escalating dramatically. We know fearfully little about both how to treat those infants and how we can best deal with another enormously tragic situation.

There are employee assistance programs to try to help the smallest companies in this country that are interested in developing and fashioning substance abuse programs. Many of our larger corporations have very sophisticated systems of both information to employees and also treatment of employees. There has been far too little attention given to assistance to smaller businesses. We try a very limited program of that nature.

We have the grants of national significance. There have been a number of innovative and creative programs in terms of holistic treatments of substance abusers; the relationship between substance abusers, particularly mothers who are in the path of reform, with their children, to what extent these kinds of support make a difference in terms of the recovery of individuals. There are interesting programs all over the country. We need to learn a great deal more.

And then, finally, the trauma center revitalization. There are many centers in this country which are treating substance abusers, and the substance abusers do not have any kind of health insurance or any other visual way of being able to compensate for their care.

That burden falls on a number of identifiable communities. We have tried to provide some help and assistance in that particular area.

Those cumulatively are about $700 million. Any State, any community, can make application for those programs. They do not fall within the formula. Not quite a quarter of the total programming is outside the formula. In any of these areas, communities, State programs, they can make application. A number of them are involved in some of these programs at the present time. But that is not restricted in any way by any kind of formula. That is about $700 million. We have about $1.4 billion that is outside the formula that is the NIH, and approximately the $2 billion, which is about half, falls within the formula.

As we have stated previously, many of the communities, the cities, urban areas, increasingly rural communities are getting together in terms of application in those areas. We certainly hope there would be the broadest kind of distribution focused on need to try to deal with what are identifiable problems.

Mr. President, finally, I just want to mention to some extent how we have gotten ourselves where we are today with regards to the formula. We will have a better opportunity later to argue in particular detail.

When this legislation was initially drafted back in 1988, it was really as a result of the national focus and attention on the explosion of the substance abuse issue problem primarily focused on drugs. At that time it was perceived, and I think accurately so, that the principal problems were in the urban areas of this country. It also included provisions dealing with mental health and alcoholism that are not directly targeted necessarily on urban areas although urban areas have their problems with that.

Through 1989, as a result of the hearings we can see that with the urban weight, so to speak, proportion in the formula that targeted these resources into the urban areas, there were increasing problems in terms of mental illness, alcoholism, and substance abuse that were affecting not only the hard-core urban areas but also rural communities as well.

In 1989 we saw some expansion of the amounts of moneys in this legislation

primarily in the research areas as a result of the Byrd amendment—about $600 or $700 million, some of which was targeted in terms of the research programs. We saw a beef-up in terms of the research activities.

But in 1989 we went to the conference to make a more equitable formula, and in that particular conference we were unable to carry the conference itself. We were one short of a majority of the members because we at that time were trying to broaden the formula to take into consideration where the greatest needs were on alcohol, on substance abuse, and also with regards to mental illness.

We came back in 1990 with a changed formula to try to make it more equitable and effectively ran out of time. There were those Members who were disturbed about the winners and losers argument. We were unable to bring about the measure at that particular time.

Now in 1992, we passed the legislation last year unanimously. We were able to do that with the increasing resources that were provided by the Appropriations Committee with the clear understanding that we were going to move towards moving away from the urban weight and moving into the areas of need. The formula was devised with the health and assistance of a number of studies, and also with the General Accounting Office.

So we have been attempting to try to assure as equitable distribution as we could. But as all of us know, some States go up, some States are stabilized and are held harmless as we have attempted to do and as we have done in this particular formula.

So we have appreciated all of the understanding of the Members on this issue. We wish we were able to get additional resources in this whole area.

I have been one right from the time that I was a member of the Task Force on Substance Abuse to fight for 50–50 allocation in terms of the demand side and supply side. I quite frankly personally think it ought to be higher. It ought to be reversed. But we were facing at the particular time about a 72–28 distribution; one or two point difference perhaps, but heavily weighted in the supply side. Until we really come to grips with the demand side, if we were ever at a point where we had a 50–50 distribution, I think all of the States would be in the enhanced position. I yield to no one here in addressing that issue and pursuing it.

We have worked very closely as members of the Judiciary Committee that deals with the prosecution and the penalty aspects of the prosecution of the war on crime, and have worked very closely with Senator Biden in those areas. As the chairman of the Labor and Human Resources Committee, we have the primary responsibilities in education and rehabilitation. And as a member of the Armed Services Committee, we review the interdiction aspects of our combined effort. As one who sits on all three, a few members sit on all three, I have been convinced increasingly that our priorities are basically skewed in the wrong direction, and that we ought to be doing a great deal more both in the research and also in the treatment of individuals.

But nonetheless, I respect our colleagues' views on these issues. We are where we are. I think unfortunately without the ability, we have incorporated into this legislation really the best that we have been able to accumulate over the period of the last 4 years. If we do not act, we are not able to implement these programs. There is no way that we can move ahead from what has been recommended to us by parents in terms of the reorganization of the National Institutes of Health, by local community leaders who are living with this issue day in and day out, is really the reason that we have been able to have a strong bipartisan support and the strong support of the administration.

There really is a recognition about what really needs to be done. I believe this legislation reflects the best judgment in terms of policy consideration. I think it really reflects a series of additional recommendations, even that we did not have a year ago which are the result of the real experience of a number of our colleagues. We are seeing innovative and creative programs that are working effectively at the local level. That could be shared in other parts of the country.

I think it is a strong piece of legislation that has been reviewed and rereviewed. It is a delicate legislation in terms of both the formula issue primarily and some of the other difficult issues, the methadone maintenance issue, which is of concern to a number of the Members over in the House; the issue on needle exchange. This legislation was recommitted in the House on the questions providing flexibility on needle exchange in local communities. We have prohibited that in the current conference report, and we have provided an elaborate process which I am glad to describe to the Members in terms of methadone maintenance to try to address some of the concerns. But I think we have a very, very responsible recommendation that reflects the best judgment of those in the profession and also the families that are involved.

Mr. President, I withhold the remainder of my time.

The PRESIDING OFFICER (Mr. ROBB). Who yields time?

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida [Mr. GRAHAM], is recognized.

Mr. GRAHAM. Mr. President, I yield myself such time as is necessary.

Mr. President, the Senate today is considering the conference report on S. 1306, the Alcohol, Drug Abuse, and Mental Health Reorganization Act.

The specific matter before the Senate at this time is a motion to recommit this bill to conference for purposes of delaying the effective date of the new formula until the commencement of the next fiscal year, that is, until October 1, 1992.

Mr. President, there are many provisions in this bill which have my unqualified support. The distinguished chairman of the committee has outlined many of the important reforms in this bill, on which he and the members of his committee and colleagues in the House deserve our full recognition and credit. The bill reorganizes and improves the Federal Government's efforts at prevention and treatment of substance abuse and mental illness. The bill includes a unique grant program to assist hospitals that are impacted by a high incidence of trauma patients, often the victims of drug-related violence.

I wish to commend Senator BENTSEN and Senator GORE for having joined in the introduction of this legislation. The bill provides new grants to States for services to children with serious emotional disturbances. I commend Senators KENNEDY and HATCH for the development of those provisions.

However, Mr. President, I regrettably am unable to support the conference report in its final form. In fact, I must oppose it vigorously. I expect that many Senators would also oppose this legislation if they realized the implication of the precedent that Congress will be setting by passing this legislation. The formula for their distribution of block grant funds for substance abuse and mental health treatment and prevention services in the conference report differ significantly from current law.

Mr. President, I will be discussing those differences in some detail later. The change results in a loss to nine States of their share of the block grant. Mr. President, I will point out that those nine States represent over 30 percent of the population of the United States of America. Just to list some of the States on that list, they include the States of California, Nevada, Maryland, Virginia, Colorado, Texas, Arizona, and Florida. If that sounds like a familiar list, it should, because it essentially is the same list of States hammered last year in the transportation bill that used the 1980 census as the basis of distributing transportation funds up until 1997. It represents largely the same group of States that are being hammered this year in the distribution of chapter 1 education funds by the use of the 1980 census to distribute funds for the 1993 fiscal year. Again, we have a formula which potentially, or by accident, se-

lects those States in America representing a substantial part of the population of the country and representing a significant number of those States that are experiencing a high rate of growth.

So while the bill's aim is purportedly to expand and improve services, it will actually cut services in States serving over 30 percent of the population of America. But what is most troublesome, Mr. President, is that those losses must be absorbed in the last few months of the current fiscal year. I objected to the formula provisions in S. 1306 last August when the bill was before the Senate, and I agreed to allow the bill to proceed to final passage based on several assumptions and guarantees.

Mr. President, one of the assumptions was that the legislation would move quickly through the conference, be signed into law early in fiscal year 1992, allowing the States time to adjust their budgets if a change in the formula were enacted.

The fact that we are holding this debate on June 9, 1992, indicates that clearly this did not happen. As the conference dragged on through the winter and spring, States were still being sent quarterly checks according to the current law, but were being told that the future was unclear. At one point, several Senate offices were assured that if the conference report were not passed by April 15 of this year, there was very little chance of enactment of a formula change this year.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter dated February 20, 1992, from Dr. Frederick K. Goodwin, who is the Administrator of the Alcohol, Drug Abuse, and Mental Health Administration.

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

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION,
Rockville, MD, February 20, 1992.

Hon. BOB GRAHAM,
U.S. Senate, Washington, DC.

DEAR SENATOR GRAHAM: I am writing in response to your letter of January 22, inquiring about the distribution of FY 1992 Alcohol, Drug Abuse, and Mental Health Services (ADMS) Block Grant funds.

The Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA) is responsible for the distribution and monitoring of the ADMS Block Grant. The distribution of the funds is carried out under the provisions of Title XIX of the Public Health Service Act. Upon the approval of a State's application, it receives its allocation in quarterly allotments, made available the first day of each quarter.

States have been informed of what their allocations are from the Block Grant for FY 1992. They have also been informed that there is currently legislation pending in Congress that, if enacted, would change the formula for distribution.

If the legislation is enacted during FY 1992, ADAMHA will implement the new formula according to the instructions of the new law. If the formula change is made effective October 1, 1991, ADAMHA will recalculate State allocations using the new formula and make any necessary adjustments in State allocations during the third and fourth quarter awards.

I want to thank you for your interest in ADAMHA's programs. If I may be of further assistance please feel free to contact me.

Sincerely yours,

FREDERICK K. GOODWIN, M.D.,
Administrator.

Mr. GRAHAM. Mr. President, if I could read portions of this letter:

The Alcohol, Drug Abuse, and Mental Health Administration is responsible for the distribution and monitoring of the ADMS block grant. The distribution of funds is carried out under the provision of title XIX of the Public Health Service Act. Upon the approval of the State's application, it receives its allocation in quarterly allotments, made available on the first day of each quarter.

States have been informed of what their allocations are for the block grant for fiscal year 1992. They have also been informed that there is currently legislation pending in Congress that, if enacted, would change the formula for distribution.

If the legislation is enacted during FY 1992, ADAMHA will implement the new formula according to the instructions of the new law. If the formula change is made effective October 1, 1991, ADAMHA will recalculate State allocations using the new formula and make any necessary adjustments in State allocations during the third and fourth quarter awards.

Mr. President, it is clear that Dr. Goodwin was anticipating that this would at least be enacted in time to be adjusted during the third and fourth quarter of this year, not as is now proposed to be targeted into a single quarter of a fiscal year, with the extreme disruption that that will entail, a disruption that I will detail later.

All of the dates, including April 15, the beginning of the third quarter of the fiscal year, came and went. The third quarter payments to the States were made. The conferees continued to fail to report a bill. Then, on May 14, after much secrecy and mixed signals about what was being decided in the conference, a bill was reported. Since that report, Mr. President, the bill was brought before the House and defeated. The bill came before the House a second time and was referred back to the conference committee. And it is for that reason that we are considering the conference report today.

We are now three quarters through the fiscal year, and conferees are asking us to enact the formula change immediately and make it retroactive to October 1, 1991.

This bill, in effect, sends a message to State legislators: Do not count on promised levels of funding from the Federal Government when you write your budgets. Congress just may come along, long after the fiscal year has started and take your money away.

Mr. President, this will wreak havoc on the States' ability to budget responsibly. This will wreak havoc on the fundamental respect that is necessary in a federal system of government between the National Government and State government.

For my State, which budgeted based on the statutory formula for fiscal 1992, this conference bill spells disaster. The conference bill results in a $16.5 million immediate reduction in funds to Florida, which must all be absorbed in the fourth quarter. Under current law, Florida would receive $19.7 million per quarter for substance abuse and mental health services. That is what it expects to receive on July 1, 1992, as the final fourth installment for this current fiscal year. This bill will result in a reduction in the fourth quarter to about $3 million.

I know the chairman has worked hard to balance his formula among competing interests. The aim was to create a fairer formula. However, this bill does not achieve fairness. The formula itself is based on questionable measures of need for substance abuse and mental health services. By double weighting each State's population of urban 18- to 24-year-olds, the formula excludes significant populations that have very real substance abuse and mental health needs.

The cost of providing services data incorporated into S. 1306 is based on outdated information and it is untested for relevancy.

In fact, Mr. President, the conferees recognize these questions about the fairness of the formula—their report includes a provision requiring a study be conducted within 6 months by the National Academy of Sciences to determine if the formula measures appropriate indicators.

The proponents of the conference bill say that this study will give us an opportunity to look at the whole issue again in 6 months.

Mr. President, let us talk about what happens in the meantime.

Florida will lose $16.5 million it would have otherwise received in Federal funds this July for substance abuse and mental health services.

In the area of substance abuse, what does this mean?

It means 202 slots for short- and long-term inpatient residential treatment slots for substance abuse will be eliminated.

Approximately 2,416 outpatient client slots for similar treatment will be eliminated.

The waiting list for these substance abuse inpatient and outpatient services—now at 3,000 names—will increase by over 100 percent as a result of the cut in Florida's allocation.

Enactment of this conference report will result in termination of the only State-run program in Florida for substance abusers with mental health problems which currently cares for 450 clients.

Of those 450 clients, 64 percent already have a criminal record and with-

out treatment are likely to end up in trouble with the law again.

Approximately 32 percent of all substance abuse patients in Florida are at risk for HIV as a direct result of their substance abuse.

Due to the immediate loss of funds, 1,360 Floridians at high risk of HIV will not receive needed substance abuse treatment this summer.

In the area of mental health, the potential devastation to services is alarming.

An estimated 3,436 individuals will lose access to mental health inpatient and outpatient services.

Mr. President, the State of Florida has clear, documented substance abuse and mental illness needs.

In fact, the chairman himself presented alarming statistics about Florida's unmet substance abuse needs during the confirmation hearings of Gov. Bob Martinez to the directorship of the Office of National Drug Control Policy.

Only 1 out of every 4 citizens of Florida who needs substance abuse treatment receives services.

The average wait for drug treatment in Florida in 1990 was 61 days.

Over 45,000 women in Florida need substance abuse treatment but only 7,500 receive services.

Only 1,500 of the 10,000 pregnant women in Florida in need of treatment receive services.

How can the proposed formula which calls for an immediate reduction in funds be properly accounting for these unmet needs?

At this point, I would like to take a closer look at the formula itself.

Under current law, formula awards to States are made based primarily on population factors with special weight given to high urban density States.

Age demographics within the State are also given special weights in the formula.

The age group factors are designed to capture an estimate of extent of need for services.

A November 1990 study by GAO suggested that the weight given in the formula for urban populations was too high.

The new formula eliminates the urban weight factor and shifts that weight to two other factors.

First, the number of individuals aged 18–24 in urban areas is double weighted. Second, a factor is included for the cost of delivering services.

As to that first factor, the number of individuals aged 18 to 24, the assumption made here is that this is a high-risk category for substance abuse.

However, data I have seen suggests otherwise.

Admissions to Florida's drug abuse treatment programs show that only 23 percent of Florida's treatment admissions are in the 18 to 24 age bracket.

Forty-eight percent of Florida's drug abuse clients are between the ages of 25 and 34.

The National Drug and Alcoholism Treatment Unit Survey shows more than 70 percent of all alcohol and drug abuse clients in treatment are over 25 years of age. Let me repeat that. While the formula has as one of its driving factors a double weighting of individuals aged 18 to 24 in urban areas, the National Drug and Alcoholism Treatment Unit Survey shows that more than 70 percent of all alcohol and drug abuse clients in treatment are over the age of 25.

The national survey also showed that less than 20 percent of clients are in the 18–24 age group.

The proposed formula totally ignores the known need for alcohol and other drug abuse treatment among the elderly population, despite studies that show that two-thirds of Americans over age 65 use between 5 and 12 medications daily.

Alcohol is also widely misused by this population.

The second factor introduced in the new formula is a measure of the costs of providing substance abuse and mental health services in each State.

I am puzzled, Mr. President, as there is no reference in the bill or the report as to how these costs are determined.

The bill does provide that the costs of services factor is to be updated before allocation of fiscal year 1993 funds. I assume this is another admission of the inadequacy of current statistical information.

With the new emphasis on the urban 18–24 are weight and the costs of services factor, it is easy to see why Florida and the other nine States representing over 30 percent of the population of America lose.

We are essentially being punished because of the concentration of older individuals in our urban areas and our ability to deliver treatment at relatively low costs.

As I mentioned earlier, the conference bill does include a provision similar to an amendment I offered which requires the National Academy of Sciences to assess the degree to which the formula allocates funds according to the respective needs of the States.

The provision also requires the National Academy of Sciences to identify factors not included in the formula that are reliable predictors of the incidence of substance abuse and mental illness and assess the validity and relevance of factors currently included in the formula such as age, urban population, and costs to deliver services.

The goal of the provision is clearly to determine the appropriateness of the current formula.

I repeat, if there are questions about the formula—why the rush to implement the formula in the last quarter of this fiscal year?

Before eliminating much-needed services to individuals, should not Congress be a little more certain of its actions?

I realize that very rarely are all parties satisfied with a funding formula.

But for that reason, formulas must be justified by scientific evidence, impartial recommendations, and the most accurate indicators.

I do not believe this bill meets that test.

I recognize, Mr. President, that an effort to get the formula changed at this stage of the legislative process is going to be very difficult.

But I ask my colleagues, is it fair to change the ball game in the last inning?

What is the sound public policy reason for taking a significant amount of money from a small handfull of States representing 30 percent of the population of America so that a large number of States can get a very small increase in funding in the last 90 days of the year?

If our aim is the improvement in the availability and quality of substance abuse and mental health services nationally, we must oppose a sudden change in the law which will seriously jeopardize areas where substance abuse treatment and prevention is critically needed in this country.

I urge my colleagues to think of what is in the best interests of all individuals in need of these services, and not make a judgment based strictly on geographical lines.

When local governments are crying out for help, this is not the time to begin changing Federal funding rules midstream.

Do not send a message home that the Federal Government cannot be counted on to keep its commitments.

Mr. President, I hope that we will adopt the motion to recommit this bill to the conference for the purpose of deferring implementation of the new formula until the beginning of the next fiscal year.

Thank you, Mr. President.

The PRESIDING OFFICER. Who yields time?

The Chair recognizes the Senator from Florida [Mr. MACK].

Who yields time?

Mr. GRAHAM. Mr. President, I yield the Senator from Florida what time he requires.

The PRESIDING OFFICER. The Senator from Florida [Mr. MACK] is recognized, the time chargeable to Senator GRAHAM.

Mr. MACK. Thank you, Mr. President, and I thank Senator GRAHAM for yielding the time.

Mr. President, I strongly oppose the adoption of the conference report to accompany S. 1306, the ADAMHA Reorganization Act. Of particular concern to me and to my constituents is section 205, which provides provisions for block grant funding. The proposed revisions will have a serious and irreparable ef-

fect on access to desperately needed alcohol and drug abuse treatment in Florida and in a number of other States.

Under section 205, Florida's allocation for the fourth quarter of fiscal year 1992 will be suddenly reduced from approximately $19.75 million, the amount it has received for each of the first three quarters of this year, to roughly $3 million—an unexpected loss of approximately $16 million. This reduction is a result of the formula being retroactive to October 1, 1991. In other words, section 205 of the ADAMHA Reorganization Act changes the rules in the middle of the game.

In my home State, the results will be tragic. Recently, the Florida Alcohol and Drug Abuse Association reported that at least an additional $500 million is needed in Florida to provide treatment to those in need.

Florida has planned to provide services to an estimated 3,436 mental health patients and 1,300 alcohol and substance abuse patients in the fourth quarter. Florida currently has a waiting list of more than 3,000 for these services. As a result of the effective date of this formula, this already long waiting list is projected to increase by over 100 percent.

The human element of this legislation is immeasurable. Yes, I am arguing for money for Florida, but what I am really arguing for is access to the system for the 21-year-old crack cocaine-addicted pregnant woman who statistics say will more than likely have additional substance-exposed newborns if she does not get treatment. And, I am here advocating for the 61-year-old alcoholic father who can no longer manage a job day-to-day.

Mr. President, several years ago, before I came to the Congress, one of the community activities in which I was involved was acting as chairman of the Palmer Drug Abuse Program, Lee County's first drug rehabilitation program. It was not supported by the Federal Government but instead was a community-supported drug rehabilitation program.

One of the things that I would do, when I was not out in the community raising money to keep the program going, was to sit in on meetings of the youngsters involved in drug abuse. I believed it was important for me to have an understanding of what it meant to these individuals, and how I could relay that message to the community as to the importance of these kinds of activities.

I can remember sitting in a circle with a group of, say, 15 or so individuals, and I remember turning to the youngster that was seated at my right and asking him: Was this program of any value; what did it really mean?

His response, basically, was as follows: "I can tell you very simply what it means. I am here trying to deal with my substance abuse problem. And by being here, I am not out on the road where I could run into a school bus carrying your children and possibly kill them. So if someone really wants to know whether it is worthwhile to be investing these kinds of dollars, just tell them that story, because I could be whacked out of my mind on a highway somewhere, and could kill your kid."

So while I am here talking about Florida, about taxpayers' dollars and statistics, what I am really saying is it is people that are being affected; it is lives that could be impacted—lives that could be lost by our coming up with programs or formulas that do not provide the resources to those who really need it. That is what it is really all about.

Mr. President, I have worked with a number of my colleagues to achieve what, in my opinion, would be both a more equitable ADAMHA block grant allocation formula and a fairer effective date for that formula. It is inconceivable to me that a State which is one of the largest growth States in the country, with a population of more than 12,000,000, and a projected population far exceeding that number, should be asked to give back moneys already spent for much needed mental health and drug abuse services in Florida. It is unconscionable to place a retroactive effective date of October 1, 1991, for implementation of a public law in June 1992. In short, I believe this not only sets a dangerous precedent, but it is also a recipe for disaster for State budgets.

As a result, I will oppose the motion to table the motion to recommit the conference report to accompany S. 1306. I will continue my fight for Florida's fair share of Federal funding for ADAMHA grant moneys.

I thank you, Mr. President, and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. Will the Senator from Florida yield me 5 minutes?

Mr. GRAHAM. Mr. President, I yield the Senator what time he may require.

The PRESIDING OFFICER. The Senator from Alaska [Mr. STEVENS] is recognized, with the time charged to the Senator from Florida.

Mr. STEVENS. Thank you, Mr. President.

I am indebted to my friend from Florida.

Mr. President, I rise in opposition to the conference report to S. 1306 because of its failure to account for the higher relative costs that are sustained by smaller States in administering a program such as the mental health and substance abuse block grants. The Senate-passed bill would not have eliminated the small State minimum for States such as Alaska.

While I understand that the State office of alcohol and drug abuse is limited to 5 percent of its allocation for administrative costs, I must tell you that without a greater allocation envisioned by a small State minimum, the administration of this block grant in Alaska cannot adequately perform the functions required of it by the agencies involved.

In Alaska, unfortunately, we have the dubious distinction of having the highest rate of fetal alcohol syndrome in the country, and some of the highest rates of suicide and teen pregnancy among our native youth.

The Anchorage Daily News reported in 1988, in its series "A People in Peril," that the suicide rate among Alaska Native high school students is 10 times that of non-Native students. Less than 15 percent of the State population is Alaska Native, but more than 40 percent of Alaska's prison population is Alaska Native.

From Alaska area native health service data, those most at risk for suicide are youth and young adults from ages 15 to 24. Men are five times more likely to commit suicide in Alaska than women, and between 1980 and 1985, suicide rose from the eighth most frequent cause of death among Alaska Natives, to the fourth most frequent cause of death for Alaska Natives. Sadly, I report to the Senate, one out of seven of Alaska's young men will commit suicide before they are 21.

While I was pleased to see that S. 1306 included initiatives to reduce underage tobacco use, I must tell the Senate that in one of Alaska's Native villages, more than one out of every five preschoolers was found to be using smokeless tobacco—that is preschoolers, kindergarten kids—apparently because their older brothers and sisters were giving it to them. The parents were completely unaware of the use of this smokeless tobacco by these children enrolled in Head Start classes.

In Alaska, alcohol abuse has taken its toll, with extremely high rates of diseases of the liver and kidney, and very difficult data that we must face in terms of child abuse and neglect. Our death rate as a result of injury is extremely high, and many of the drownings and suicides in our State are directly attributable to misuse of alcohol. Education has been similarly impacted.

Dr. Dennis Demmert of the University of Alaska at Fairbanks has reported that while Alaska Native children's educational scores are approximately equal to non-Native children until about the fourth grade, the disparity in achievement begins and grows. Dr. Demmert is an Alaskan native. The Alaska Federation of Natives' 1989 report, "A Call for Action," stated that in most village schools, Native students test between the 25th and 30th percentiles, a level far below the national norm.

Alaska has the highest percentage of high school graduates of all the States

in the Nation at 82.5 percent, and is second to Colorado in the percentage of college graduates. Colorado has 23 percent, and Alaska has 21.3 percent. But if Native and non-Native differentials were factored in, non-Native Alaskans would certainly rank above Colorado, but Natives would be near or at the bottom of the rankings.

Mr. President, this is a sad thing to report about our Native population.

ANCSA 2(c) report places the average educational achievement level of Alaska Native adults at 5 years below that of non-Native Alaskans. Sadly, no formula I am aware of addresses the high transportation costs in my State, nor the fact that Alaska is the largest State in terms of surface area. The 1990 census data tells us that Alaska has less than one person per square mile—and yet we are told by this bill that Alaska does not qualify for a small State minimum under it.

Alaska, like many others in similar circumstances, has had to reduce its budget for a number of programs because of declining revenues, and the State office of alcohol and drug abuse has lost $1.5 million in State funding in the Governor's budget.

I must vote against the conference report to S. 1306 because of its failure to account for these strains upon my State's ability to provide these services under these programs. As many Members of the Senate know who have visited Alaska, the transportation costs from Washington, DC, to Anchorage are exceeded only by transportation costs within the State, and that means that services the conference report would have us provide are not accessible to many of Alaska's more remote communities without some recognition of the costs involved—and those are administrative costs.

A few days ago, I spoke about the need for public broadcasting in unserved and underserved communities. I told you about unemployment rates in our villages exceeding 85 percent. If commercial broadcasters will not invest in these communities, I assure you that private alcohol and drug treatment facilities will not locate there, either. When this Congress produces a bill which provides resources to unserved and underserved communities before going to a formula approach, then I believe we will truly know the meaning of a "small State minimum."

This bill does not satisfy those needs and, therefore, I oppose it, sadly.

The PRESIDING OFFICER. Who yields time? The Chair recognizes the Senator from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY. Mr. President, I am disappointed we will not have the support of our good friend from Alaska. I can say from personal experience, I know he has been tireless in pursuing the interests—and the human condition—of the native populations, the Indian populations as well. I was chairman of the Indian Education Subcommittee in 1969 and traveled to Alaska and was guided through, for a period of, I believe, about 4½ days, by the Senator from Alaska. I can still remember visiting an Arctic village and reading on a bulletin board there, probably nine essays by seventh graders, talking about their family life, and two-thirds of them referred to the parents and alcoholism. These are junior high schoolchildren. I still remember very clearly, then, the reports that have demonstrated such human tragedy to those affected populations.

I want to give him the assurance that even though we are not able to provide all of the kinds of resources that we would like, to deal with those issues, we are very sensitive to the problems of native Americans, tribal groups, and other underserved communities in the country, and we will continue to try to find ways of getting additional resources there.

I thank the Senator for raising this issue and speaking.

Mr. STEVENS. Will the Senator yield for just one moment?

Mr. KENNEDY. Surely.

Mr. STEVENS. I thank the Senator from Massachusetts for his comments. We have worked together on many issues. I remember well the Clean Water Act, which was so essential to life in our villages. I remember so well that trip that we took in the late 1960's.

I, sadly, must tell my friend from Massachusetts that the problem is, if you go to those villages now, notwithstanding the fact that the Nation has progressed substantially, they have reverted back to the Stone Age. The primary problem out there is substance abuse—alcohol, tobacco, drugs. As I stated in my remarks, when you can find preschoolers with smokeless tobacco, and have to talk to a village council about pregnancies in grade school, and crack in the first, second, and third grades, you realize that their problems are just as acute as those in the inner city, but worse because of the isolation and because of the cost of getting any assistance to them.

It is with deep regret I have to oppose the Senator's bill because I know he has worked very hard on it—and I do not think we will defeat it. But I want to make a statement to the House that it cannot go to this concept of per capita allocation of funds when you are dealing with problems such as alcohol, drugs—substance abuse. It just will not work. We have to go where the problems are with the money and try to stop it.

I think if we can stop the abuse of drugs out there on the tentacles of our society, the very far reaches of our country, we can stop it anywhere. But, unfortunately, we are not willing to really deal with the problem in terms of its basic concept of just isolation, boredom, unemployment, total despair. And what it is leading to eventually, I have to tell my friend, is we will spend more than $1 million apiece on these crack babies and these fetal alcohol syndrome babies. But we cannot get a few thousand dollars out there right now to develop alternative programs so they will not turn to the abuse of those substances.

But I do recognize the history of his work with our State, and I thank him for his comments.

Mr. KENNEDY. The Senator is correct. It is now about $250,000 for a low-weight baby in any of the urban areas of this country and probably considerably more for Alaska.

Let me give some assurance. I mentioned very briefly about $700 million in categorical grant programs that any of these groups would be eligible for. I have listed those programs. We would be glad to work with the Senator's staff and work very closely with him, fashioning and shaping applications in these programs which, I think, hopefully, would have a benefit, or make a difference. Alaska would still be eligible for these programs, both the capacity expansion, the problems of high risk youth—there is a good deal in here in terms of substance abuse and pregnant women. We also have a more general provision in here for grants for national significance.

I think, clearly, given the particular needs in those areas, hopefully, we might be able to find some way of trying to deal with some of those problems.

I appreciate the comments, and I just want to give assurance to the Senator from Alaska that, if there are requests in these areas, we will certainly want to work with him and try to urge resources for those particular programs.

Mr. STEVENS. Mr. President, I thank the Senator from Massachusetts for his offer of assistance. I assure him we shall accept it.

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

The PRESIDING OFFICER. The Senator controls 45 minutes and 11 seconds.

Mr. KENNEDY. I yield myself 4 minutes.

The PRESIDING OFFICER. The Senator is recognized accordingly.

Mr. KENNEDY. Mr. President, I strongly urge my colleagues to reject this motion to recommit the ADAMHA bill to conference.

A vote to recommit is a vote to kill this important legislation. It has taken us 3 long years of careful negotiation on many issues to get to this point, and if we are sent back to conference, I have every reason to expect that the critical compromises will unravel and the bill will be shelved for the remainder of the year.

I want to begin with a brief description of the protracted history of this

legislation. The 1988 drug bill revised the ADAMHA block grant formula in a manner that seriously and erroneously understated the need for resources in rural and smaller States. Each fiscal year since then, those States have received less than the amount they deserve, according to an impartial review by the GAO. The Labor Committee has been working with Senators HOLLINGS, HARKIN, BUMPERS, and other Senators from rural and smaller States since then to correct this mistake. These States should not have to wait yet another year before equity is restored to this formula. They have waited now for over 3½ years as we have tried to address this inequity and the serious needs which these States have.

Senator HATCH and I tried hard to move legislation to fix the formula and improve the demand side of the Federal anti-drug effort in 1989. We got to conference that year, but fell one vote short of a majority of Senate conferees due to the formula controversy.

In 1990, at the very end of the 101st Congress, we finally got that bill out of conference, but it was too late to debate it in the Senate and we could not get unanimous consent for a formula change. The Senator from Florida was one of those who prevented the formula change from going into effect in 1990, and he is making the same effort in 1992.

Last year, I promised Senator HARKIN and other key members of the Appropriations Committee that if new money is added to the block grant for fiscal year 1992 to ease the disruption of a formula change on the States, I would do my best to see that the formula change takes effect in that fiscal year.

Based on this assurance, Senator HARKIN worked hard in a difficult appropriations year and successfully added $92 million to the block grant in fiscal year 1992, for a total appropriation of $1.36 billion.

With the promise of new money, we were able to pass this bill by unanimous consent in the Senate last year—only to see it become bogged down in unrelated controversies in the House.

This year, we finally got into conference, but it was a long and difficult conference because of the formula change and many other issues. We finally reported a bill from conference 3 weeks ago, but the House voted to recommit the conference report to include a prohibition on the use of block grant funds for needle exchange programs.

We have now made that change, but if we go back to conference again to modify the formula, the result will be more debate and new acrimony—and yet another Congress will adjourn without this much-needed legislation.

Recommittal will prevent the long overdue formula change. It will also prevent the reorganization that Secretary Sullivan has told us is one of the administration's highest legislative priorities. It will prevent the targeting of new drug treatment resources to pregnant women. It will prevent the enactment of legislation to improve childhood mental health and revitalize the Nation's trauma centers.

The Senator from Florida himself recognized the importance of the many new initiatives in this bill when it passed last August without his objection. At that time he said: "My displeasure with the ADMS formula, though strong, cannot prevent me from supporting the reauthorization of the important mental health and substance abuse programs that the Alcohol, Drug Abuse, and Mental Health Administration oversees."

The motion to recommit is an attempt to change the effective date of the new formula. The Senator from Florida describes this change as though it were a technical issue that had nothing to do with who wins and who loses money.

In fact, 37 States want this formula to be effective in the current fiscal year. If the motion to recommit is successful, all of those States will lose money in this fiscal year. Make no mistake—a vote to recommit is a vote to take funds away from nearly three-quarters of the States.

If the formula becomes effective in fiscal year 1993 rather than fiscal year 1992, as is proposed in the motion to recommit, 37 States will lose mental health and substance abuse funds this year that they are entitled to receive on the merits. In fact, the smaller and rural States should have received higher block grant allotments in each of the last 3 fiscal years, let alone the current year. So making the new formula effective immediately is only partial compensation for past injustices in the formula.

The Senator from Florida also claims that the conference report cuts mental health and substance abuse services. That is not accurate. This is a bill designed to improve and expand services. It is not as though the money that Florida loses will be unavailable to others. Those funds will be reallocated under a more equitable formula to other States with an obvious need for these services.

Every State needs mental health and substance abuse services, and every State could use more money. This conference report proposes a fair formula for dividing among the 50 States the $1.3 billion in Federal services funds so that the resources are finally targeted most fairly.

The process of changing this formula has not been unfair to Florida. The conference report gives Florida $63.1 million in fiscal year 1992. That is precisely the same amount that Florida was due to receive under the Senate bill, which passed unanimously last year after specific discussions with both Senators from Florida.

When the Senate bill passed the Senate last August, Senator GRAHAM bargained for concessions, including a study of the formula, a requirement that the new cost index be updated before fiscal year 1993, and a promise to hold all States harmless at the fiscal year 1991 level. All of these requests are included in the conference report.

Without the fiscal year 1991 hold harmless provision, Florida would receive $59 million under the new formula. With the provision, Florida cannot fall lower than $63 million for the life of the bill. In fact, Florida is likely to gain funds as soon as appropriations increase. But appropriations will not increase unless we reauthorize the program and fix the formula.

That has been the fact over the period of the last 3 years. Unless we are going to do it, we are not going to have the support in this body for any kind of increases. We are just not going to have it. That is the legislative reality.

The Department of Health and Human Services notified every State last year that its block grant allotment was subject to change. Florida knew that it was likely to receive $63 million, since that was its amount under the bill that passed the Senate on August 2, 1991.

In fact, on June 6, 1991, 2 months before the passage of S. 1306, Senator GRAHAM made the following statement on the Senate floor:

> One of the changes that I expect to come out of this year's reauthorization will likely reduce Florida's share of the block grant by millions of dollars.

So nobody has been blind-sided here. Everyone—the Senators from Florida and the 98 other Senators—were well aware that this process was underway, and that the formula would change. The conference report is no surprise to any Member of the Senate.

There are many important initiatives in this omnibus bill. Many are categorical grant programs offering funds that Florida will be well situated to compete for. But if we are sent back to conference, these programs will fail and yet another Congress will adjourn without this much-needed legislation.

For all of these reasons, I urge the Senate to table the motion to recommit, invoke cloture, and adopt the conference report.

Mr. President, just finally, in response to earlier points that were made, when we revised this formula, there was no intention to shortchange any of the particular States. I read into the RECORD, that I will just mention here, the report of the General Accounting Office.

After 1988 when we had the principal focus and attention on the issues of substance abuse, after that period of time when there was brought to our attention the increasing problems of

rural America, particularly with regard to mental health and alcoholism, we tried to work with various groups in devising a formula that would target those particular needs. We worked with the General Accounting Office, not that they are the end all of all wisdom in terms of formulas, but at least they do not have a real ax to grind with regard to winners and losers on this particular issue. When we had asked the help of the GAO in terms of fashioning and shaping a formula, this is what Mr. Thompson indicated in his testimony before our committee:

Mr. Chairman, I am pleased to come and give you a pretty good stamp of approval. This is referring to the formula. I will not take very long.

You are right, we looked at the formula to distribute block grant money among the States. We think the formula you included in S. 1306 is a major improvement over the current law and I say there are three reasons for that. First, it is an improvement in that it adopts a better measure of the relative needs of each State's population. Second, it introduces an explicit adjustment for differences in the cost of labor, office space among the States. Third, by doing those first two things it restores the principle that those States that have lower fiscal capacity should have somewhat greater Federal aid per capita. That principle has been sort of eroded because of the way the current formula works.

So for those three reasons, we think the formula that you have included is in fact a major improvement. I would be happy to elaborate on any aspect of it.

Then we can get into the greater elaboration of that particular issue.

Mr. President, the Senator from Florida believes that that formula ought to be rereviewed and I am glad to support the recommendation, the legislation that was put in by the Senator from Florida, S. 1238, to require the Secretary of Health and Human Services to report to Congress the validity of utilizing certain criteria.

We are interested in trying to get a formula that is going to do the best for the American people. I certainly think that anyone who reviewed the record of what we have attempted to do would believe that was our objective when we brought in the GAO, who had been working on this and had done an analysis of the existing formula and who we worked with, plus the other studies that I referenced last week.

The Senator's part of this bill is to review that and report back. We will have a chance on this reauthorization to revisit it. I doubt if we are going to have any quieter debate on it. Once we move on in adjusting these measures, the Members all too often respond to just the bottom line dollar figure rather than the focus of the legislation.

The Senator will have no trouble with me in trying to constantly review and upgrade the considerations, evaluation of the formula. We are glad we included that.

Finally, Mr. President, I want to just to make sure the membership understands, on the question of retroactivity, the opponents of the bill have suggested that the new block grant formula is being imposed retroactively. That is not an accurate statement. The formula is effective in the current year, fiscal 1992. No one is talking about going back to 1989 funds, 1990 funds, 1991 funds. The formula was flawed for those years and that is history. None of the proponents of the new formula suggest going back to rectify the misallocation of resources in those years.

The charge of retroactivity suggests that we are taking money back from the States. This is untrue. No State is so affected by the new formula that they would be required to give back money. Every State will receive a block grant check from the Federal Government in the fourth quarter. Beneficiaries of the formula change will receive a larger check than they had hoped and the others will receive a smaller check but no State will have to give back existing funds.

I have talked to Senators, as a matter of fact, the Senators from a State that "would be a loser State" under the formula, and they indicated once they got the notification from HHS they acted in a way that was going to be consistent not to disadvantage them over a longer period of time in terms of their State administration. They just did not go for the additional kind of spending until they found out what was going to be the final judgment on that issue.

But no State will have to give back existing funds. States that choose to ignore the reauthorization process and the warnings from HHS the formula would change basically do so at their peril.

So, Mr. President, I hope that for those reasons the motion by the Senator would not be successful.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. LIEBERMAN). Who yields time?

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. I yield such time as is required.

Mr. President, the issue before us this morning and that we will vote on early this afternoon is an issue of whether this conference report should be resubmitted for purposes of adjusting the effective date of the formula to commence October 1, 1992, rather than as is proposed in this formula which is to have the fourth quarter payments in this fiscal year be adjusted in such a way as to implement the formula in the current fiscal year.

To use the figures from my own State, we have been receiving under the formula, under the level of appropriation approved by this Congress for the current fiscal year and a formula and allocation which was taken into account by our State leaders at the legislative and executive level in terms of preparing an appropriate partnership State-Federal program for alcohol, drug and mental health services, what is being suggested now is that in the last quarter, the last 90 days of this year there will be an adjustment to insert this new Federal formula without regard to its impact on other State decisions that have been made, without much consideration of its impact on individual citizens, to make it effective immediately and to cause all of the readjustment in the last quarter of the year. As to the impact on Florida, we have been receiving approximately $19 million per quarter. If this formula goes into effect, we will receive approximately $3 million for the last 90 days of this year, with tremendous disruption, reduction, and denial of services. That is the issue.

I have some strong questions and disagreements about the fairness of the formula itself which I have discussed earlier and will discuss subsequently in somewhat greater detail. But the issue before us today is whatever we think about this formula, is it fair, is it rational, does it do justice to our federal system of Government to make such a dramatic change in the last quarter of the year and have it retroactive to the beginning of the fiscal year?

Mr. President, I would like at this point to move from the issue of numbers to what is really important, which is the impact on human beings. We are clearly here not just talking about a mathematical exercise but, rather, what will be the significance of making this wrenching adjustment in the last quarter of the year, what will the significance be on men and women, on children, and what will the significance be on elderly citizens in need of these services?

Mr. President, if you happened to fall into the unfortunate status of a drug addict and you were trying to put your life back together in Key West, FL, and you did not have much money, what do you think the closest treatment facility would be? What would be the closest place at which you could get some inpatient drug and substance abuse service? The answer is 90 miles away in Havana, Cuba.

I learned about this terrible situation from a concerned constituent. She called my office the other day. Miss Theresa Westerfield is the director of pretrial services for Monroe County, the county of which Key West is the county seat. Pretrial services works with indigent clients who have been accused of a crime. Her office is responsible for interviewing, investigating and making recommendations to the judge at the defendant's bond hearing. If the client is released prior to trial, pretrial services supervises the individual until the case has been closed. The

mission of their substance abuse program is to prevent individuals from falling further into the criminal justice system and into the trap of addiction. If there is reason to believe that a client has a drug abuse problem, based on the pending charges, legal history of the defendant, self-admission or family verification, the office can provide two options: random drug testing, which can act as a deterrent, and supportive drug counseling.

In supportive drug counseling, a trained substance abuse counselor works with the client, helping him or her realize the problem, referring to Alcoholics Anonymous, but this is not treatment. If the client has a drug problem, such as an addiction to crack, there are very few options available. The only inpatient treatment facility in Monroe County costs $10,000 a month. Mr. President, how many Americans can afford this treatment, however necessary it is, in these financially troubled times?

According to Miss Westerfield, a few outpatient slots do exist with local mental health providers as well as openings in a 5-day detoxification program in Monroe County. However, the District 11 Department of the State Department of Health and Human Services recently announced that it will be reducing the level of funding for adult substance abusers because of the State's budget crisis. How will this affect these outpatient slots is unclear, but the prospects are not hopeful. And a 5-day detoxification program is not treatment, especially for a crack addict. Basically, there is no inpatient treatment for indigent people, and fewer and fewer outpatient treatment positions.

The ironic part of this story is that if you are convicted of a crime and then placed on probation, the department of corrections contracts for inpatient treatment beds and outpatient services. You can get the proper treatment only when you have been convicted of a crime, instead of before an individual commits a criminal offense.

Mr. President, does this sound like a sensible, sound public policy? Obviously, the answer is it does not.

Miss Westerfield is interested in including treatment services as part of her program so that her clients can get back in recovery and get their lives back on track. Yet if this conference report is passed, if this formula goes into effect today, if this conference report forces a reallocation in the last 90 days of this fiscal year to October 1, 1991, what will be the reality for Miss Westerfield and the pretrial services? Will you and I hear more stories about people wanting to make changes in their lives who will be unable to find the appropriate services?

If I could share another example, there is a stellar substance abuse program in Jacksonville, FL, called River Region Human Services.

This program has developed a street outreach program which literally reaches out to individuals on the streets of downtown Jacksonville at high risk of substance abuse and HIV. Its staff head out each morning to walk the streets, mingle with individuals in soup kitchen lines, in crack houses, on park benches. Its goal is to talk one on one with individuals and encourage them to check into their clinics for AIDS testing and substance abuse counseling.

Currently, the staff is seeing about 3,000 individuals a month, half of whom have never been tested for AIDS or had any sort of counseling despite their high risk of contracting HIV and high risk of being a drug or alcohol addict.

Mr. President, this program like so many others is struggling to survive. Cuts in State and Federal funds have already resulted in massive layoffs and significantly hindered its ability to provide services. If this conference report becomes law, I expect this outreach program may have to fold altogether.

The combination of cuts this bill imposes on Florida and other States representing over 30 percent of the population of America immediately will decrease and the decrease in the future funds that will result from the formula change make for a bleak picture.

Again, Mr. President, I ask, does this bill meet its stated goal of improving and expanding services? It does not. It discriminates against those who need services based on where they live.

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

Mr. President, the issue I think has been fairly posed by the Senator from Florida, and that is the issue of equity and fairness. The increases that we have experienced this year, the $92 million which has been added by the Appropriations Committee, was added for the sole purpose of a changed formula.

Over the period of three quarters of the year, the State of Florida has taken advantage of that increase while the conference was working out the differences with the House on other substantive provisions of the legislation which I referenced in the earlier presentation.

So what has happened is, basically, Florida has had a three-quarters windfall over the period of the last year because the money was only added in there to deal with the formula. Now that we have resolved the substantive issues and resolved the formula issues, we are being asked to continue what has been basically found as an unfair disposition of the resources which. I daresay, are equally needed in the other States. We are put in the position where the other States, which have been waiting over the period of the last 3 years, finally have come to the point where they can participate and address their needs in the States, and they are being asked to defer that action for the last part of the year.

These other States are not saying to Florida give us back what has already been distributed to you under the formula that was supposed to benefit us. They are not asking that. This bill does not suggest that. All it says is now that we have reached our final conclusion on this measure, let us just provide the formula allocation as was agreed to, and as was basically in the legislation that was considered by the Senate last year.

Mr. President, we do not have a dog in this fight in terms of my State of Massachusetts. We are not a winner or a loser. Effectively what we have tried to do is devise a program that would be more effective in dealing with the real problems of substance abuse, alcoholism and mental health.

So I respect my friend and colleague from Florida. I think all of us know that these programs are inadequately funded, in Florida, in my State, and across this country. I for one would welcome the opportunity to join with those who have expressed their real concerns about the failure to deal adequately with these programs, particularly in the areas of treatment, rehabilitation, education programs and to see if we can get some additional kinds of focus.

Finally, I would just say that I am hopeful that we would be able to get an increase in the appropriations next year because of the increased recognition of the fairness of the formula, and the need which exists in the States. We have been unable to do that in recent years because many in this body feel they should not add additional funding to a formula that is not really related to the particular needs of that State.

Now that we are able to answer that issue, then the State of Florida will be one of those that can benefit most. There will be other States that will not go up as high or will be as eligible because of the way this formula would be available.

Finally, as I mentioned earlier in the debate, we have about $700 million. Granted it is just an authorization of categorical programs and Florida would be well suited to take advantage of those.

I am glad to work with the Senator from Florida in terms of gaining support for worthwhile programs so we can build increasing confidence in those programs, and build momentum in terms of increased appropriations.

Mr. President, I withhold the remainder of my time.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. GRAHAM. Mr. President, I yield such time as is required to the Senator from Nevada.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. I extend my appreciation to my friend from Florida.

Mr. President, in listening to the debate this morning, I heard the ranking member, by friend from the State of Utah, talk about himself and the chairman of the committee trying to be fair in the allocation of resources in this legislation.

I have no doubt that both the Senator from Massachusetts and the Senator from Utah tried to be fair. The fact of the matter is, for this year, it becomes very unfair.

Money that has been promised to the State of Nevada—and the State of Nevada has budgeted pursuant to what they believe, and rightfully so, the Federal Government would give to the State of Nevada, they put in their budget certain moneys for alcohol, drug abuse, and mental health. Suddenly from Washington will come an edict saying, no, we cannot extend those moneys to you because those funding allocations have been changed by Congress.

These funds for the State of Nevada, Mr. President, have been obligated by the State of Nevada. This will take money away all within the last quarter in the State of Nevada, and that is unfair.

The reason these moneys are so important to the State of Nevada is that the State of Nevada is first in per capita alcohol consumption of any State in the Union. Nevada has the highest suicide rate of any State in the Union. Nevada has the second highest per capita hard core cocaine addicts of any State in the Union. Nevada has the highest rate of adult incarceration of any State in the Union. Nevada has the highest rate of teenage incarceration related to drug use than any place in the United States.

Is there any reason that the State of Nevada should not be alarmed, concerned, agitated and frightened by a result of what is taking place in Washington?

The State of Nevada had to balance its budget. They have a 2-year budgeting cycle. They found during last year that they were going to be far in the hole, and as a result of that, the Governor had to make certain changes.

One of the things that happened is there were layoffs throughout all State government. In mental health, because of this budget crisis, people were laid off. In parts of rural Nevada, there is no mental health help. It is without any. Employees have been laid off. But that will be small compared to what is going to take place as a result of this legislation.

The State of Nevada will have to lay off employees, cut back programs, literally turn away sick people.

Mr. President, that is wrong. Under this bill, the loss to Nevada in substance abuse programs will exceed $400,000. That does not sound like much if you are from a real large State. But the State of Nevada is not a very large State, and a loss in excess of $400,000 is a lot of money. This will mean that 200 Nevadans will not be able to access alcohol and drug treatment services, and there are over a thousand who will be denied alcohol and drug prevention services.

This will add to the highest per capita alcohol consumption in the country. It will add to the highest suicide rate in the country, and to the second highest cocaine addiction any place in the country. It will increase the highest rate of adult incarceration, and the highest rate of teenage incarceration related to drug use.

These are real people we are dealing with. This should not take place. We must place a high priority to early treatment and prevention. In Nevada, it costs about $1,600 per person on a average for early treatment and prevention of alcohol and drug abuse. If they do not get this early treatment and prevention, it can go up to $18,000 for in-patient care for the late stages of treatment of an abuser; from $1,600 to over $18,000, $1,600 to $18,000.

The cost of ignoring the benefits of treatment are seen in increasing family violence and child abuse, increased costs of health care, diminished public safety, decline of social and moral values, AIDS, crime, and increased prison populations, decreased learning in schools, and decreased productivity in the workplace, all of which adversely affect society, from infants to adults.

Mr. President, following the Rodney King verdict in Los Angeles, parts of Las Vegas were destroyed. They were burned to ashes. Part of the destruction related to three State-funded alcohol and drug abuse programs. They, in effect, fell victim to the destruction. So not only now do we have no physical facilities, now these people are being told, in addition to that, that treatment in effect will be cut back, in addition to the capital facility that they could go to at one time. Nevada needs these funds to restore these services.

One of the programs assisted pregnant women and their children. These at-risk women and children need this support system to help overcome their addiction. We cannot ignore the desperation of our children. What is happening in Nevada will have an effect around the country. These people are not going to stay in Nevada. Some will go other places, causing problems in other places.

In Nevada, we have significant problems which are more complex than anyplace in the country. In Nevada, over 50 percent of sixth graders report use of alcohol or other drugs, over 50 percent of sixth graders, before they go to junior high school. By the 12th grade, 90 percent of students admit to some degree of alcohol or drug use. I have already indicated that Nevada has the highest rate of teenage incarceration relating to drug use. Further, children are being harmed by substance-abusing parents. In 1990, 48 percent of substantiated cases of child abuse in Nevada involved drugs.

So, Mr. President, I really urge this body to take a look at this motion to recommit. I urge this body to reconsider the effect of this legislation on not only Nevada, this vague abstract State that we are talking about, or the vague abstract State of Florida, but the people that live in these States.

Nevada has planned and budgeted for these programs to help abusers. Prevention and early treatment are proven success strategies, not only to the individuals involved—and it is important to try to get their lives straightened out—but also to the State in saving sums of money. It affects the entire population of the State of Nevada.

Prevention and early treatment are proven success strategies, and within these proven success strategies are success stories of individuals being helped by these programs.

As a result of what is happening here, individuals will not get the help that they should have. Let us not revoke promised funds so desperately needed for effective intervention programs only to incur greater costs later.

Mr. KENNEDY. Mr. President, I yield myself 1 minute.

I want to express admiration for the Senator from Nevada in identifying many of those programs which can make a very important difference in terms of human needs. I would obviously welcome the opportunity to work with him, as a member of the Appropriations Committee, to see if we can get enhanced support for those kinds of programs. The fact remains, just with regard to the formula, Nevada's allocation is 23 percent, the highest amount that any State is permitted to gain from 1991 to 1992, under the new formula. Only four States in addition to Nevada gained 23 percent.

So while Nevada is hoping for an even larger percentage, under the current law, 23 percent gained from 1992 to 1993 is a substantial amount.

I agree that I would like to see it even more than that. But I do not want our colleagues and friends to think that Nevada has been left out completely on that measure.

Mr. REID. If my friend will yield for a brief question and statement, I acknowledge the formula, but some of the things not taken into consideration is the fact that we are the most rapidly growing State in the Union, and even though this 23 percent sounds like a lot, when you consider the tremendous growth that is taking place in Nevada, it really does not meet the demands.

The real problem that the State has is—this has been discussed earlier on, and we need not go into more detail

perhaps—but the real problem we have in the State of Nevada is that they were told at the beginning of the year that they would have certain sums of money and, as a result of that, they budgeted. Now they are told in the last quarter of the year they are going to have to cut those funds back.

Mr. KENNEDY. Well, I appreciate the statement and the position taken. We have included in the current legislation a commission, at the urging of the Senator from Florida, that will do another kind of study. So the next time we reauthorize, we will be able to take into consideration a number of these other elements. I am not sure that there still will not be those who feel their States have been disadvantaged.

As far as those of us on the committee, we want to try to present to the Senate a formula that is going to target scarce resources in the most effective way, considering a wide variety, as the Senator pointed out, and as the Senator from Alaska pointed out, complicating costing issues. But I appreciate the position.

I hope also that Nevada might take into consideration the various categorical programs. We have provided flexibility. Nevada has no limitation in any of the categorical programs, and we are urging colleagues to bring to our attention good programs that have developed at the State level and get support for those so that we can build on that kind of support in the development of national policy.

Mr. REID. If my friend will again yield, I hope with all the talk about a balanced budget and things of that nature, the budget crisis we are in, that someday, somehow, we get past the idea that we are only concerned about this year, that we can look down the road, because I am convinced that in these programs, a few dollars spent now will save us tens of thousands of dollars down the road, as indicated in some of the programs that I have talked about in Nevada; and I think if we spent a few dollars now we would save money in law enforcement, welfare, education costs, which we do not save as a result of our dealing only with this year's budget.

Mr. KENNEDY. Finally, what I would hope, and what we are trying to do in the Labor and Human Resources Committee is an authorization of the authorizing legislation of what would be really saved in investing in people. For example, in the Head Start program, the WIC Program, immunization programs, to have other committees do the same so we will find out what is investment and what is consumption in terms of the future. The suggestion is an excellent point.

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

The PRESIDING OFFICER. The Senator has 22 minutes and 34 seconds remaining.

Mr. KENNEDY. How much time does the Senator from Arkansas wish?

Mr. BUMPERS. I think I can do it in 3 minutes.

Mr. KENNEDY. I yield 3 minutes to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. I thank the Senator for yielding.

Mr. President, I want to reaffirm my strong support for the conference report on S. 1306, the Alcohol, Drug Abuse, and Mental Health Services Reorganization Act. This is a strong reauthorization bill, which reorganizes the Alcohol, Drug Abuse and Mental Health Administration, proposes important new programs, and strengthens existing efforts in alcohol and drug abuse prevention and treatment.

However, I am most interested in the new formula which is included in the bill. The formula, which would revise the distribution of the alcohol, drug abuse, and mental health services block grant, corrects a bias in the formula that has disadvantaged rural States like Arkansas since 1988.

Since 1988, Congress has dramatically increased funding for the alcohol, drug abuse, and mental health services block grant. Under the formula in current law, which favors urban States, Arkansas' share of the ADMS block grant has declined steadily. Needless to say, it has been difficult to explain to Arkansans why their share of a growing pot is shrinking. In fact, if the formula in current law is not changed, not only will Arkansas' percentage share of the block grant continue to decline, the State will lose in real terms.

That would mean the closure of treatment facilities in Arkansas, and rural residents turned away without receiving the services they need. I am very concerned about waiting lists for services in urban areas, but am equally concerned about rural residents getting a fair shake in securing the drug and alcohol treatment services they need.

Several years ago when my colleagues from rural States tried to convince our urban neighbors that the rural drug abuse problem was being underestimated, we got blank stares. So we first asked the General Accounting Office to examine the nature and extent of the drug crisis in the rural parts of America. The GAO reported in September 1990 that total substance abuse rates in rural States are about as high as in urban States, and that the rural and nonrural drug abuse problems are just slightly different in character—for example, the prevalence rate for cocaine abuse is lower in rural areas, while the prevalence rate for abuse of other drugs such as inhalants is higher.

The GAO also concluded that rural areas have arrest rates for substance abuse violations that are as high as those in nonrural areas; that most prison inmates in rural States have abused alcohol, other drugs or both; and that the prevalence of substance abuse among inmates completely overwhelms available treatment services. In other words, the problems caused by alcohol and drug abuse are as serious in rural areas as in urban areas.

Then, in November 1990, the GAO reported to the Senate Appropriations Subcommittee on Labor, Health and Human Services, and Education about the alcohol and drug abuse and mental health services block grant to the States. I might note that the subcommittee had a keen interest in the block grant because it had worked so hard to increase total Federal funding for drug and alcohol treatment. Many of the Members of the Senate subcommittee were from rural States and were seeking equity for their States.

GAO concluded that, while the urban population factor is an appropriate indicator of the prevalence of drug use, its influence in the block grant formula overstates the magnitude of drug use in urban area as compared with rural areas. The GAO studies suggested that the urban drug abuse rates are somewhat less than 3 times higher than rural rates, but the block grant formula assumed a difference of over 15 to 1 between urban and rural drug abuse incidence. GAO recommended changes in the formula.

I am pleased that the Senate Labor and Human Resources Committee seriously considered the GAO reports and included in S. 1306 a new formula which corrects the rural/urban imbalance. More important, the Senate conferees held firm in representing the needs of the rural States during a tough conference with the House, and they have brought back to the Senate a strong bill which reflects the needs of the citizens of rural States like Arkansas.

Any formula change yields losers, and I understand the strong objections of the losers. As a matter of fact, I know exactly how it feels. But I am convinced that this formula is a fair one, and its immediate adoption is necessary to correct the inequities suffered by Arkansas and other rural States since 1988.

Several years ago when my colleagues from rural States tried to convince our urban neighbors that the rural drug abuse problem was being underestimated, quite frankly, we got blank stares. So the junior Senator from Arkansas and I asked the General Accounting Office to do the study to determine the difference between the rural and urban drug problems.

In September 1990 they reported that total substance abuse rates in rural states are about as high in urban States, and the rural and the nonrural drug abuse problems are just slightly different in character. The prevalence rate for cocaine abuse is lower in rural areas, but the prevalence rate for abuse

of other drugs such as inhalants is higher.

The GAO also concluded that rural areas have arrest rates for substance abuse that are as high as those in nonrural areas; that most prison inmates in rural States have abused alcohol and other drugs or both; and that the prevalence of substance abuse among inmates completely overwhelms available treatment services.

In other words, Mr. President, the problems caused by alcohol and drug abuse are as serious in rural areas as they are in urban areas. There are always winners and losers in these formulas.

I squealed like a pig under a gate in 1988 when this formula was changed that so totally favored urban areas. Arkansas has 1 percent of the Nation's population. Obviously, if drug abuse and the need for treatment is as bad in rural areas as it is in urban areas, we ought to be getting 1 percent of the money. And in 1988, we got 1.2 percent. And then under the 1988 formula, it started downhill. If you used the 1988 formula in 1993, we would get .59 of 1 percent. Some of our best treatment facilities would have to close.

In short, I want to applaud our conferees for bringing this conference report back, because it has recognized what the GAO has said. This is not subject to dispute. They did the study; they had the numbers. We have drug problems in rural areas, and this conference report recognizes it; not as much as I would like, but it is infinitely better than what we have been having.

I compliment the chairman of the committee and our conferees for holding fast with the House and coming back with a formula. I certainly empathize with the distinguished Senator from Florida. I have been in that position many times, where my State is a loser. We all stand here and argue for our respective rights, and there are always a few losers, and I expect there are about eight States.

I wish we could find a formula that would make everybody happy, but we never do.

I thank Senator KENNEDY.

Mr. KENNEDY. I thank the Senator for his comments.

The PRESIDING OFFICER. Who yields time?

The Senator from South Carolina [Mr. HOLLINGS].

Mr. HOLLINGS. Mr. President, I rise in support of the conference report for S. 1306.

Two years ago, I held hearings in South Carolina to learn from educators, law enforcement officers, community leaders, and treatment experts on the front line how to best fight the war on drugs. I heard one overriding and consistent message: we will never win this war without increased Federal support for demand reduction. Mr. President, the conference report before us represents the lion's share of the Federal substance abuse demand reduction effort. It should be passed quickly to aid our States and communities.

I should go into greater detail about the message from substance abuse experts in my State. Our Nation's urban centers are facing a clear drug-related emergency. This emergency is reflected in TV coverage, Presidential press conferences, legislation and statements in Congress, and the sad state of our streets here in the District of Columbia.

However, someone also must articulate the emergency faced by rural citizens. I have seen a mountain of evidence on this point. The Office of Substance Abuse Prevention reports that "total alcohol and other drug abuse rates in rural States are about as high as those found in nonrural States." South Carolina experts reported in my hearings that crack is worst in our rural areas. This testimony was reinforced by an unsolicited letter that arrived in my office last month. The joint Commission on Alcohol and Drug Abuse for Marion and Dillon Counties—populations about 30,000 each—wrote to me to let me know about their new management information system that keeps track of data for future planning. Their statistics show that "crack is our fastest rising drug of abuse." Also, a statewide survey found that Chesterfield County—population 38,000—leads the State in illicit drug use among 7–12 graders. Another survey found that cocaine use among pregnant mothers was highest in the rural Pee Dee area of the State.

While the substance abuse is there, the tools to fight it often are not. In rural areas, undercover law enforcement is most difficult and treatment facilities are scarce. In both Dillon and Marion Counties, which I mentioned before, the poverty rate is 28 percent; the national average is 13.1 percent.

Federal funds play a critical role amidst this lack of resources. Federal increases in ADAMHA block grant funds in the past 2 years have allowed South Carolina to establish four new detoxification facilities for rural counties. These new facilities—built on an inexpensive model with 6 beds and physician oversight rather than full medical staff—bring the total number of detoxes to 10 for our 46 counties. We need at least half again this number. Also, intensive outpatient treatment is being extended to rural counties; now some rural residents are able to move beyond the traditional treatment that could provide as little as 3 hours of treatment every 2 weeks to much more effective treatments of 3–4 hours 4 days a week. These basic building blocks of a modern treatment system need to be brought to rural areas. Citizens there pay taxes for these services, their communities need these services, and they and their children should not be shortchanged.

The excitement of TV and drugs also should not overshadow our Nation's No. 1 substance of abuse: Alcohol. The South Carolina system sees three times as many alcohol abuse clients as clients for all other drugs combined. A 1992 National Foundation for Brain Research Study Report estimates that alcohol abuse incurred $90.2 billion in direct and indirect costs in America in 1991. This figure compares to $71.2 billion for substance abuse. Alcohol abuse is estimated to be responsible for up to 15 percent of the Nation's health care costs. I would add that the June 1991 Prevention Resource Guide from the U.S. Office of Substance Abuse Prevention reports that "alcohol abuse treatment and arrests are higher in rural areas than in nonrural areas."

The conference report before the Senate addresses the need for rural treatment and for alcohol treatment by eliminating a current-law funding bias in favor of urban illicit drug abuse. I am very thankful to the conferees for their hard work on this provision and to Chairman KENNEDY for his perseverance. It has taken a long time and hard work to put together a compromise, but the final result is fair. It complies with GAO findings and moves funding in the direction recommended by every independent study I have seen on the subject.

Finally, I wish to express my strong support of mental health services authorized through this legislation. I would highlight the new authority to establish community-based childrens' mental health services. The current lack of these services represents a historic, tragic gap in our mental health system. Although the South Carolina Department of Mental Health served a record 15,000 children in 1990, a great number of children went without needed services. Eleven counties in South Carolina lack a full-time trained child mental health professional. The larger pool of children needing services is suggested by the 37,524 cases of child abuse were reported in fiscal year 1990, the 5,678 students who dropped out of school, and the 7,676 children in foster care. Simply put, a huge number of children need greatly underfunded or nonexistent services. The new law will allow State systems to respond by providing cheaper and more appropriate community-based services. It will reduce the emotional and fiscal strain of inappropriate institutional care for many families and require common sense coordination among State and local agencies.

Again, Mr. President, I urge quick passage of this conference report. The conferees have done good work, and our communities are waiting to see its benefits.

Mr. President, this problem, as has already been pointed out, germinates

from the authorization bill back in 1988, when conferees included an urban weight of 40 percent. This weight effectively counts urban-State citizens 15 times more for alcohol, drug abuse, and mental health treatment than rural-State citizens.

And necessarily, this is a gross injustice. Because everyone knows, every study shows and everything else, when you suffer from these ailments, whether you are in rural or urban States has no relation whatsoever. The suffering, the need, and everything else is greater, in fact, incidentally, in rural States, which have a lower per-capita income. And, as a result, they lack the concentration of resources, they lack the income to bring treatment facilities to bear against these particular ailments.

Last year, the distinguished Senator from Iowa [Mr. HARKIN], and myself and others, put in a bill to eliminate this urban weight. We had 34 cosponsors from 24 States, so we could have gotten 48 votes; I think we could get over half. And in the meantime, on the Appropriations Subcommittee, for what we call ADAMHA, the Alcohol, Drug Abuse, and Mental Health Administration, we included 91 million additional dollars, over the objections of the House side.

These funds were provided to help reconcile this unfair formula and reauthorize it as fairly as we could—and now, the distinguished Senator from Massachusetts has struggled for 3 years trying to bring it back in. I know his problems with his own committee because they are large States represented on that committee. But more than that, over on the House side, it is an almost stonewall reception that you receive.

But the fact of the matter is that the Senator from Massachusetts, the chairman of the committee—and the conference itself moves in the right direction, and reconciles it to some extent. But not nearly as much as what we deserve in this particular injustice.

And right to the point: Those who are complaining are receiving far more than those who have to go along, trying to get the best we can. It is always a proposition that the rich are getting richer and the poor are getting poorer. And in South Carolina, we still receive less than the national average. We receive 16 percent below the national average, to be specific. Right now, we are receiving, without the conference report, 26 below the national average percentage.

Those States who lose—Connecticut, it has 81 percent more income, per capita income; more capability to treat the particular problem. And yet, they receive 14 percent more from the Federal Government than South Carolina does. And Delaware is 36 percent, larger income, per capita income, and they receive both from the Federal Government, 13 percent. So you can see those with the capability.

And I can get on the floor and talk about need, as the distinguished Senator from Florida does, and others. It is not a question about need. What we are trying to do is take care of that need in an equitable fashion.

Florida, for example, has 29 percent greater per capita income than my State, and receives from the Federal Government 10 percent more assistance in order to cope with this particular problem.

Why do we poorer States go along? Because we have to. All Government is a compromise, and they have worked long and hard on this. At least I would like to fix this in, and rather than the conference report going back and continuing. Because, you see, when nothing happens, that is exactly the advantage that the Senator from Florida and others have. They continue to get under the old formula. And they say: Oh, Lord, we will could getting more; if we can just bollix this up and kill this conference report, we will continue to get an inequitable amount.

So I want to commend the distinguished chairman of the committee on the work he has done. I am not satisfied. All the studies report that the poorer States need to get more money than the richer States are receiving. And here we are, having the richer States saying: I have more money. I am richer, and I am getting more money. And by cracky, I want to continue to get more.

The PRESIDING OFFICER. The time yielded to the Senator has expired.

Mr. HOLLINGS. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

The Senator from Florida has 38 minutes and 25 seconds remaining.

Mr. GRAHAM. Mr. President, I yield such time as he may require to Senator BROWN of Colorado.

Mr. BROWN. Mr. President, I rise today to support the Graham motion to recommit the conference report on S. 1306 with instructions to the conferees to hold States harmless for formula changes in fiscal year 1992.

Unlike the Federal Government, many States have balanced budget requirements. To reduce anticipated Federal funding for such necessary programs such as drug abuse treatment and mental health services in the fourth Federal fiscal quarter would be devastating to Colorado.

Money is tight at every level of government. The least we can do at the Federal level is play by the rules and not change Federal funding commitments to States three-quarters of the way into the year.

I urge my colleagues to join with Senators GRAHAM, MACK, BENTSEN, BRYAN, REID, and myself and vote against the motion to table this important motion to recommit the conference report on S. 1306.

Mr. GRAHAM. Mr. President, as I have said several times, our principal issue there today is the unfairness of changing this formula in the last 90 days of the fiscal year, and the tremendous disruptions that will entail.

If we were making this change for a formula that was demonstrably superior to the status quo, the case to support that disruption and the reduction and elimination of services in the States representing 30 percent of the population of America that are to be affected might be justified.

So let us look at the formula itself and see if it does warrant that level of confidence and support.

The basic criticism of the current formula is that it provides an extra weight for urban populations. The GAO study had indicated that that extra weight was excessive, and, Mr. President, I am prepared to accept that and to support some modifications that more appropriately allocates Federal funds to those area that have the predictors of the greatest need for alcohol, drug, and mental health services.

Does the formula that has been presented to us from the conference committee engender that confidence? There are basically two factors which drive the allocation of funds under the new block grant program for alcohol and drug abuse. They are, first, the number of people in urban areas of the State who are between the ages of 18 and 24 years of age, and second, the relevant cause of delivering drug and alcohol abuse services to the population of that State.

Let us look at both of those factors. In the report of the General Accounting Office, which has been cited repeatedly, the report discusses the 1986 study of the Institute of Health and Aging at the University of California at San Francisco which was largely the basis of this new formula. The institute reported, according to the GAO, that drug abuse was more prevalent among 18- to 24-year-old groups, mental health disorders among 25- to 44-year age groups, and alcohol abuse among 25 to 64-year-olds.

So even the 1986 study, Mr. President, does not support the conference report, which focuses only on the 18- to 24-year-olds in urban areas.

One of the consequences of this age factor is that, if you happen to be over the age of 64, you do not count at all, you are not part of the formula, in spite of the fact that we know that two out of every three Americans over the age of 65 are using, on average, more than five medications per day and we know that there are high rates of alcohol abuse and mental health concerns among the elderly population. But, for the purpose of this formula, for some inexplicable reason, that whole segment of the American population, representing about 11 percent of all Americans, and happens to represent almost

19 percent of all Floridians, does not count. They are anonymous, inconsequential Americans.

As I stated in my earlier remarks, Mr. President, the facts are that the current evidence does not support the focus on the 18- to 24-year-olds which this conference committee will provide. In fact, the highest incidents of drug and alcohol treatment services are rendered to persons over the age of 25. Seventy percent of those services rendered are to persons older than those who receive the special weighting under this conference committee report.

That is the first element of the formula.

The second element of the formula is the cost to delivery service. How is that cost determined? According to the General Accounting Office, the cost index contained in this conference committee is constructed from a wage index and a rental index. The wage index is based on the median hourly earnings of all nonmanufacturing workers from the 1980 census. The rental index is based on the fair market apartment rents, date unspecified.

Mr. President, I thought many of us, when we saw the phrase "cost to deliver services," thought we were talking about the cost to deliver drug and alcohol abuse treatment services, that we were working from a data base that allowed us to allocate Federal funds in a manner that would distribute them to the individual States based on that State's peculiar circumstances in terms of delivering alcohol and drug abuse services. No, that is not in fact what we are doing. We are using as the cost factor the wage index based on median hourly earnings of all nonmanufacturing workers from the 1980 census, a census that is now 12 years old, and rental index based on fair market apartment rents.

I might suggest, Mr. President, that it is a difficult bit of intellectual gymnastics to figure out how fair market apartment rents and hourly wages of all nonmanufacturing workers from the 1980 census constitute a rational basis for determining what the relative cost of delivering services for alcohol and drug treatment in 1992 and beyond should be.

Mr. President, I think we have a seriously flawed formula, certainly a seriously flawed formula for purposes of making the change in the last quarter of this fiscal year. It is a seriously flawed formula that particularly adversely affects States that have the following characteristics: That of fast growth States, where calculations of earnings by all nonmanufacturing workers from the 1980 census are no longer even vaguely relevant to the cost of delivering 1992 alcohol and drug treatment services. This formula is unfair to States that have a large number of elderly Americans, Americans who are as much in need of and deserving of Federal support for programs that provide them with alcohol and drug treatment as any other Americans. And yet, they are the forgotten population under this formula.

It is also an unfair formula, Mr. President, for those States that happen to be low cost, a State like the State of the Senator from Arkansas, who just spoke. Arkansas happens to have a cost index of .815. Therefore, it has to fall under the category of the minimum allocation States with a .900 cost floor. But what we are saying here is that, for the citizens of Arkansas, they can receive mental health services at a level that is 20 percent below what citizens from States such as New York, California, other States, which, under this formula, are considered to be high cost because they had a high nonmanufacturing wage in the 1980 census or a high fair market apartment rent, neither of which properly distinguishes what it costs to deliver mental health services to a citizen of Hot Springs, AR, as opposed to what it costs to deliver mental health services to a citizen of Salinas, CA, or Syracuse, NY.

Mr. President, I think we have a seriously flawed formula. There is no basis to justify the rush to implement this deformed formula in the last quarter of 1992. I urge the Senate to adopt the motion that I offer, which is to resubmit this to conference committee for purposes of delaying the application of this formula until the beginning of the next fiscal year.

Thank you, Mr. President.

Mr. KENNEDY. Mr. President, I will yield myself just a moment or two—2 minutes.

Mr. President, again referring back to the GAO testimony on the formula, and I read from the GAO testimony:

> The appointment formula proposed in S. 1306 would distribute block grant funds so that they more closely reflect high concentrations of high-risk people, the cost of providing services, and the state taxpayers' ability to fund service needs.

Then it goes through and analyzes how the formula related to those criteria. And at the end of this analysis I ask him a question.

> Well, there you have it. So you have no recommendations or suggestions?

Referring to the formula just as it is—

> Mr. THOMPSON. That is right, sir.

We have done the best we could on this and we will welcome the report of the new panel that will be established that can consider various criteria so that the funding will be targeted to meet the needs in our country.

Mr. President, we have other Senators who want to speak on this issue that are on their way to the floor. How much time do I have?

The PRESIDING OFFICER. The Senator from Massachusetts has 13½ minutes remaining.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. KERRY). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BENTSEN. 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. BENTSEN. Mr. President, I rise in support of the Senator from Florida.

The PRESIDING OFFICER. Who yields time?

Mr. GRAHAM. I yield to the Senator from Texas such time as he requires.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. BENTSEN. I thank the distinguished Senator from Florida and express my appreciation for the valiant fight he has been waging here. I must say it is probably very much against the odds.

I quite understand these situations where 37 States are helped and 8 are hurt. That is very much an uphill fight. But I commend him for it. I think justice is on our side. I am not sure that is enough.

But I believe the conference report for S. 1306 ought to be recommitted so the conferees can strike the current year revisions to the alcohol and drug block grants. I believe the report's formula change should be prospectively applied only, and not the last quarter of the current fiscal year.

Mr. President, the retroactive formula change will cause serious problems in my State. Let me give some examples of what cuts of this magnitude, a fourth quarter cut of $10 million, will bring about.

These are examples my State has provided me. It will result in the loss of services to approximately 108,390 persons receiving alcohol and drug abuse prevention services. Nearly 11,300 fewer at-risk persons will be served through HIV programs; some 850 fewer women in treatment programs—and the loss of many other critical components of the treatment programs planned by the State.

Moreover, the cuts in the block grant to the Texas Department of Mental Health and Mental Retardation will result in the denial of community service to 1,222 Texans each year.

What concerns me particularly is here is that conference report would apply its formula change in the last quarter of this year. Because of this, my own State will lose some $10 million of the $90 million block grant that it had been receiving since October 1, 1991. To me that is tantamount to changing the rules in the fourth quarter of the game. I really cannot support changing the rules this late in the game.

I had hoped the conferees would have deleted the current year revisions of

the block grants once the House recommitted the conference report. Recommittal gave the conferees at least the opportunity to soften that impact that the revisions would have on the eight States that will suffer major losses.

The pain of these losses is going to be real and these are the examples I have enumerated, losing $10 million. That loss will come from the fiscal year 1992 fourth quarter installment due to be paid out just 3 weeks from now. The installment will be reduced from $22.5 million to $12.5 million. That kind of a dramatic reduction would be painful if spread out over the whole year, but to try to make this adjustment at the last minute I think is uncalled for. In effect you might say it is quadrupling the problem because we are going to suffer the entire loss in just one quarter; the very last of the fiscal year.

It is going to unravel the carefully planned distribution of block grant money within my State. Texas agencies for alcohol, drug abuse, mental health, prepared their annual budgets months ago with the expectation of receiving the $90 million; $22.5 million of that this July. And their expectations were reinforced by the fact they received full installments of $22.5 million for each of the first three quarters of the year. Then they learn, a month before the final installment, that it is going to be reduced by $10 million.

So it is quite disruptive to what we are trying to do, in providing services to the people of my State. This takes about $35 million from Texas and several other States—Florida, I suppose gets one of the largest hits of all of them—and gives that amount to 36 States and the District of Columbia. So I understand the hill we are trying to climb here.

The conference report asks just 8 States to sacrifice at year end so that the other 37 can receive more this year than what they are now receiving under current law.

Twelve of those 37 will enjoy year-end increases of more than $1 million. It is difficult to accept that 37 will receive these sudden windfalls at this late date at the expense of just 8. I do not think that is a balanced result.

I cannot consider myself supporting the revisions just because Texas will end up with more this year than last. An overall increase is outweighed by the disruption that will result from the 45-percent reduction in my State's fourth quarter installment when compared to the first three installments. In fact, Texas does worse this year under the conference report when you compare this year's and last year's fourth quarter installments. Texas has to give up $10 million in the fourth quarter. The fourth quarter will drop to $12.5 million, about $6 million less than Texas received in the fourth quarter last year. My State is supposed to be doing better than last year under the conference report, but my State will end up with a fourth quarter that is substantially less than last year's. Calling this a good deal for Texas is like saying it is better to have your house flattened by a tornado than by a hurricane because there is less water damage.

Mr. President, I believe it is a mistake that this legislation is weighed down by something as unnecessary as a retroactive formula change. I understand the overall formula change has merit to it. I would not be voting to recommit if the States could keep their current block grants.

Certainly I will say to Senator KENNEDY, the manager of this legislation, I am pleased with the resulting trauma centers legislation and the report language. I am appreciative of his efforts in that regard. I think it is a good addition to this legislation. But I must say that my pleasure with the trauma centers provision is severely undercut by my concern with the retroactivity issue.

I think we are really ignoring the rules when we tell eight States that we are taking the money they have been receiving over the course of the last three quarters. We did not change the formula for the first quarter installment, the second or the third. Our prior inaction on the formula led eight States to at least assume that they could rely on a fourth quarter installment unaffected by the formula change and that the change would be done prospectively for next year. But now we are applying the change to the last quarter of the year.

That is not the way I think it should have been done, and for that reason I will vote against tabling the motion to recommit. I realize the conferees will probably be able to table it, but I would not be protecting the interests of my State if I were for changing the rules near the end of the year.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. How much time remains?

The PRESIDING OFFICER. The Senator from Massachusetts has 8 minutes and the Senator from Florida has 17½.

Mr. KENNEDY. Five minutes.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 5 minutes.

Mr. HARKIN. Mr. President, I rise in strong support of the conference report on S. 1306, the ADAMHA Reorganization Act of 1992, and in opposition to any motion to recommit the bill back to the conference committee. This important health legislation offers great opportunities for improving our Nation's ability to confront the problem of growing substance abuse and strengthen our inadequate mental health care system.

Mr. President, this legislation has been a long time in the making. It has taken 3 years of continuous discussion, deliberation, and compromise to bring us to this point, and it would not have been possible without the dedicated efforts of many Senators and Members of the other body. I want to especially commend and thank our distinguished chairman of the Labor and Human Resources Committee, Senator KENNEDY, for his and his staff's excellent efforts and leadership in forging the consensus that brought this legislation before us.

There are few more pressing problems confronting our Nation than substance abuse, and this is as true in my State of Iowa as in any other. The bill before us will assist people in every State in fighting this growing problem, and I am very pleased to have been able to play a role in its formulation.

I am especially pleased that S. 1306 includes provisions that I have been working on for several years, provisions that will bring a much greater degree of fairness to the substance abuse and mental health block grant formulas. The ADAMHA block grant, which this legislation splits into separate substance abuse and mental health block grants, provides the lion's share of Federal funds to States for substance abuse treatment and prevention.

The compromise contained in this report, on which I want to thank Senator KENNEDY for his long and faithful support and work, is derived from the Fair Treatment Act, legislation I introduced with my distinguished colleague from South Carolina, Senator HOLLINGS, and others back in 1990. We introduced the legislation because the current formula established by the Antidrug Abuse Act of 1988 unjustly skews funds to States with large urban populations. This finding was confirmed by several independent studies, including one by the GAO. The GAO study concluded that the current formula overstates by five times the difference in rates of drug abuse between urban and rural areas. In other words, the formula that this legislation changes fails to recognize the extent of substance abuse problems in rural America. As a result, it has substantially shortchanged States like Iowa and others with large rural populations, and relatively overcompensated States with large urban populations. For three years now our States have received less than they should have because of this faulty formula.

Mr. President, the new formula goes a long way toward correcting this gross inequity. It eliminates the urban weight and instead directs funds to States based on their population and ability to pay, as in current law, and takes into account the cost of provid-

ing treatment services. In other words, to assure as smooth as possible transition to the new formula, it has also been constructed so that no State will receive less than it did last year. I want to make that again very clear, as it has been made clear this morning. No State will receive less than it did last year.

The distinguished Senator from Texas was just on the floor saying that in the last quarter of the year they will receive less than the last quarter of last year. But last year Texas, for the entire year, received $73.4 million. Under the formula that we are proposing that is in the conference report, Texas for this year will receive $80.1 million. So it will, indeed, receive more than it did last year, albeit true that it will receive less in the fourth quarter of this year than it did last year, but that is not looking at the whole picture.

In addition, further protections for smaller States are provided.

Mr. President, fully 42 States do better or stay the same under the new formula as compared to current law, 35 States would receive more funds, 7 would receive the same as under the old formula, and 8 States will not get as much under the new formula but they will not get less than last year under the old formula. I think that is really kind of the genius of this compromise.

So no one is really being cut less than last year; they are just not getting as much as they would have under the old formula.

What we are seeking to change is, indeed, the old formula.

In addition, in an effort to further smooth the transition to this new formula, as chairman of the Labor, Health, and Human Services Appropriations Subcommittee I worked last year to increase the ADAMHA block grant funding by $92 million, so that States that were not getting as much money would still get more money but would not be hurt as badly.

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

Mr. KENNEDY. I have 2 minutes remaining, is that correct?

The PRESIDING OFFICER. The Senator from Massachusetts has 3 minutes remaining. The Senator from Florida has 17 minutes.

Mr. KENNEDY. If there are other speakers on either side, generally the leader has let us go beyond 12:30 to permit those who wanted to speak to do so. I will be glad to yield time to the Senator. I know we have one other Senator who wants to speak briefly, Senator DODD, but I do not know of others on the other side.

Mr. HARKIN. Mr. President, if I might ask unanimous consent that I might proceed for another 5 minutes and not have the time count on either side.

The PRESIDING OFFICER. Is there objection?

Mr. GRAHAM. Mr. President, I have no objection to that. But at an appropriate time I would like to ask if the Senator from Iowa will yield for a short series of questions.

Mr. HARKIN. I am delighted to yield.

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

The Senator from Iowa is recognized for 5 minutes not to be counted against either party.

Mr. HARKIN. This money, $92 million, was added specifically with the understanding that it would be distributed under a more equitable funding formula. In addition, the States were told by HHS when they received their first quarter payment for fiscal year 1992 that Congress was expected to change the funding formula effective this fiscal year, and they should therefore not budget on the basis of the first quarter's allotments that they received. Some States abided by that. They took that advice and therefore they did not budget their last quarter based upon their first quarter's allotment. So those States acted I think very responsibly.

Mr. President, as with any effort to change the formula by which funds were allotted to 50 States, there are no perfect solutions, no magic answers, that will please everyone. But I believe the facts justify even more equity being restored to the formula. The Fair Treatment Act that I introducted with many of my colleagues would have gone further than what we did here, to be quite frank.

In addition, it could also be argued, very fairly, that States such as my own State should be compensated for the underpayments that they received for the last 3 years due to the flawed funding formula.

However, I recognize that the interests of all States have to be balanced. I am committed to working for enactment of a formula drafted by the conference committee so there is no repayment of lost payments over the last 3 years, and for even more equity. We struck a balance. That is what this bill is about, a balance.

I know there are Members who feel that the conference report does not treat their States fairly, and thus should be changed. And that is the essence of this motion to recommit.

While I can certainly understand their concerns, the conference committee struggled to achieve the balance that is before us now. If we go back to make any additional changes to this formula, I believe that it would diminish chances for passing this legislation this year, and that would mean 3 years of hard work deliberations lost, 1 more year of unfair treatment for States who had been mistreated for 3 years running.

This legislation is too important to let die for that reason. It makes a host of important changes that have been talked about for a long time. So now is our chance to act.

We have the conference report before us, and it has involved many years of long work. The diligent and strong leadership of our chairman, Senator KENNEDY, got us to this point and, as I said before, 42 States get an increase, 7 would receive the same as under the old formula, and 8 States will not get as much under the new formula but not less than ones they received last year under the old formula.

I think that is just about as fair as we can do it.

I will be delighted to yield to my colleague from Florida. I know he has some questions about this.

Mr. GRAHAM. Mr. President, the issue is whether this formula justifies being placed in effect for the fourth quarter of this year and readjustments made back to October 1, 1991. Therefore, in looking at the fairness of this formula, on section 193(s)2, on page 82 of the report, it states a major component of the formula which is the age group, and it gives special weight to those who are 18 to 24 and reside in urban areas, and then also to persons who are 25 to 64.

Why does the formula exclude from any calculation Americans over the age of 64?

The PRESIDING OFFICER. The Senator from Florida is advised that the 5 minutes has expired. However, the Senator from Florida can yield such time as he may see fit.

Mr. GRAHAM. Mr. President, I yield off of our time to the Senator from Iowa for purposes of responding to the question.

The PRESIDING OFFICER. The Senator from Florida is recognized for such time as he may use.

Mr. HARKIN. I might respond after consultation with staff on the question of the Senator from Florida that those individuals between 18 and 24 years of age are double-counted. They are double-weighted to reflect the concern that we have for substance abuse among our younger population. The population between 25 and 64 are indeed also weighted. But the ones over age 64 are also counted, but they are not just given the additional weight of those other two formula groups, the 18 to 24, and the 25 to 64. The formula eliminates the urban weight component of the current formula but it double counts each State's population of urban 18- to 24-year-olds to reflect the fact that drug abuse within this age group is twice as prevalent in urban areas. These are the data that we have that we relied on.

Mr. GRAHAM. Maybe before we complete action on this bill we could have some further discussion. But it appears from reading the formula that persons over the age of 64 are not included in that population which is given special recognition.

I wonder what is the policy rationale. Is there a basis of saying that persons over the age of 64 do not warrant parity recognition in terms of their drug and alcohol abuse?

Mr. HARKIN. I do not know that I can speak specifically to the question or answer in great depth without being more advised by staff on this. But I understand that all age groups are involved. Obviously, what we are trying to do is get the most bang for the buck.

We are trying to treat States fairly, recognizing that substance abuse in rural areas is just as important as substance abuse in urban areas but finding that the substance abuse among the younger population is more prevalent in urban areas. So we give that higher rated formula than we do age groups over the age of 64. That is simply trying to target the money where the problem is most prevalent.

Mr. GRAHAM. No. 2, on the issue of cost index which is the other major change from the current formula, the cost index which is implemented in this bill is based on the median income of hourly earnings of all nonmanufacturing workers from the 1980 census, and the rental index based on fair market apartment rents. Many of us had thought that we were going to be dealing with a cost factor that would relate to the cost of delivering alcohol and drug abuse services on a contemporary basis. It is difficult to at first blush see what in 1980 nonmanufacturing wage study and apartment rents has to do with the cost of delivering drug and alcohol abuse services.

What was the rationale for using that particular cost index?

Mr. HARKIN. The Senator raised this issue before. At his suggestion it was included in the legislation that prior to fiscal year 1993 the very cost factors the Senator just alluded to would be updated prior to 1993.

Mr. GRAHAM. The issue is, should this formula go into effect for 1992? These are the cost factors which are contained in the legislation for 1992. What is the rationale of using 1980 nonmanufacturing wage data and fair market apartment rents as a proxy for the variability in the cost of delivering alcohol and drug treatment services?

Mr. HARKIN. Because that is the best available information we have.

Mr. KENNEDY. Will the Senator yield for a question? Did the Senator have any question of the Senator from Iowa when Florida was benefiting from this formula? Were these issues, that the Senator from Florida is raising here, raised earlier to the Senator from Iowa?

I did not hear the questions about flyspecking the particular formula, which is a GAO formula that was based upon previous GAO studies. I did not hear any complaints about the formula when Florida was benefiting.

I am wondering whether he shares my feeling that it is somewhat disingenuous to be complaining now, when he has benefited for more than 3 years, taking money away from 37 States, none of which are out here demanding or requesting the State of Florida to recontribute some of that money and particularly when the Senator from Florida put the additional funding in, money which has benefited the citizens of Florida for the last three quarters of the year.

I am wondering—and it seems like when the sauce was for the goose, everything was all right; but now, when the sauce is for the gander, to try and help the other States, it is being flyspecked in terms of what the GAO has testified is the best kind of formula we could have had at that particular time. At the urging of the Senator from Iowa, as well as all of us, we have agreed to accept the amendment of the Senator from Florida, so that the next time we have an amendment, it can be related to these factors.

It is my understanding that we have indicated—I certainly have—that we will take that into consideration and try to work with the Senator.

I want to compliment the Senator from Iowa. We would not have any increase in dealing with this issue, in terms of funding for any of the programs that the Senator has identified, along with the Senator from Alaska or Nevada, unless we change and get a more realistic formula. It is not perfect. We have been saying that for 4 days. But I am not going to remain silent, when the Senator from Iowa has been attempting to provide a fairer kind of formula, and be flyspecked on this particular issue.

The PRESIDING OFFICER. The Chair informs the Senators that there is a previous order to recess, and the hour of 12:30 has arrived.

Mr. HARKIN. Mr. President, I ask unanimous consent for an additional 10 minutes.

The PRESIDING OFFICER. I understand the Senator requests an additional 10 minutes.

Without objection, it is so ordered.

Mr. HARKIN. Mr. President, the Senator from Massachusetts is right. We have worked long and hard on this formula change. Last year, we put in an additional $92 million to take care of the problems that the Senator from Florida has raised, so that no State would get hurt, no State would get less than last year.

As I stated, the Department of Health and Human Services, since the legislation was worked out last year—and we had to work it out in conference, and we knew we were going to pass the bill—the Department of Health and Human Services notified every State that they should not budget their last quarter based upon the first quarter allotments. Some States acted responsibly and took that under advisement, and they did that.

This formula is going to benefit the entire country. I understand that we all have to stick up for our States and the people in our States. What the heck, I find this as hard for my people in my State as others do. Again, we are trying to address a national problem, a problem of substance abuse, which permeates our entire society. These formulas have to be fair. They have to distribute the money on as fair a formula as possible.

This is not partisan issue, not a regional issue, and it is not small States versus big States. It is trying to distribute the limited amounts of money that we have to meet the needs where they are the greatest. And we have weighted these formulas. We are not taking things away from urban areas. As I said, we know the rate of substance abuse among young people is higher in urban areas. Therefore, we double-weighted that factor to help benefit the urban areas.

So States such as the State of Florida, for example, as I pointed out, are going to get no less than they did last year. True, they will not get as much as they would under the old formula. To be fair about that, the old formula could not exist, or stand, because I daresay that the amounts of money that my subcommittee under appropriations is putting into ADAMHA—they would not be getting that amount of money under the old formula, because so many States were being discriminated against.

I believe we can get the money in there and distribute it more fairly under the new formula. I do not mind anybody fighting for their State, for what is reasonable, but there comes a point in time where we have to recognize that this is a national problem and not just one that concerns just our own bailiwicks.

I yield the floor.

Mr. KENNEDY. Mr. President, I yield 5 minutes to the Senator from Connecticut.

Mr. DODD. Mr. President, I rise in strong support of this conference report, the ADAMHA Reorganization Act of 1992. I commend the managers of the legislation. I note that a major part of this debate has been over the formula over the last several days. In fact, my State is one of those that would have been significantly disadvantaged, had we not tried to come up with a better formula here. It still has inequities, but at least there is a safety net, or a floor, for those States that would have fallen way below their current levels in such a critical area as substance abuse.

Most people are aware of the problems in our country: Mental illness and substance abuse drain the country of $300 billion a year. It is an overwhelming problem. It does not discriminate against religion, color, region, or State. The human costs of substance abuse, we know, are many—lost pro-

ductivity, lost potential, and the lost lives are staggering in their proportions. For millions of children, it is a daily constant and an insidious destroyer of their lives.

This legislation, which includes the legislation that I introduced several years ago, the Children of Substance Abusers Act—the so-called COSA legislation—responds, we think, to the human toll from a problem that devastates many American families. In my view, we cannot delay action on these pressing needs.

The distinguished senior Senator from Massachusetts [Mr. KENNEDY] deserves a tremendous amount of credit for his leadership on a very complex piece of legislation, in dealing with all of us in this Chamber—all of whom want to protect our States—in trying to craft something that tries to be as fair as possible to all 50 States. That is never easy. It is a herculean task to do so. And certainly we would love more. I wish we would receive more than we will get on this, but you cannot do it that way.

The fact that we have a formula that does try at least to protect many States from falling below last year's levels deserves credit. We ought to support the conference report and work to increase the resources we can get.

As one of the conferees on this bill, I believe if this report goes back to conference, this legislation is dead, and any increases in the important resources that the States need to try and get some help in addressing substance abuse problems will be lost for this year. And the people who really lose are not the States or politicians; the people who lose are the people who depend on getting help with substance abuse or mental illness.

I commend Senator KENNEDY for the effort. The current formula for the distribution of these funds is inequitable; we all know that. Rural States are shortchanged; there is no question about it. My own State, as I mentioned, Mr. President, loses considerable funds in fiscal year 1993.

The legislation corrects some of those inequities. Reallocating resources is never without pain, as I said a moment ago. The agreement corrects the process and protects States from falling below the 1991 level. For those reasons, I think the conference report deserves support.

I spoke of the human cost of substance abuse, the amount of destruction and despair, the price to families and children. A drug- or alcohol-exposed child is born every 90 seconds in this country, every single 90 seconds. In the time we have been on the floor talking about this, literally dozens more children have been born that have been drug-affected already.

Every 90 seconds in this country, a child is born drug-exposed. It is estimated 1 in 7 children lives in a home in this country with alcohol or drug and abuse problems. In cities in my State, more than half the child protection cases involve substance abuse in the home.

Look at reasons the family is under siege today. Clearly, economic pressures, I think, are the greatest reason for the problems. But substance abuse is clearly near the top of that list. In fact, I think there is a relationship between the economic difficulties that are out there and the substance abuse problems. Thus, I am particularly pleased that the COSA legislation I mentioned is included in this bill. It is a grants program that would go to communities and provide for comprehensive services and support to children of families affected by substance abuse to help them stay together.

One of the things we know when you have a drug-affected mother, is that if the court brings her before that bench and immediately strips that mother of her infant child, the likelihood that the mother is going to be rehabilitated, or go through an effective treatment program is almost nil. There certainly is a criminal element in substance abuse problems. But if we do not begin to appreciate that there is a far greater likelihood of that individual, this mother, going through an effective treatment program if she is able to be with that child, we miss the point.

This is not being hypothetical. I know of several programs that I personally visited in States in this country—there are very few of them in the Nation—where they allow the mother and infant child to stay together. And the treatment programs are much more effective for the mother going off substance abuse and staying off it permanently. It works; it is not a question of theory here. It works.

So this COSA legislation is designed to allow for those kinds of programs to be tried more effectively across the country, to sensitize our courts and others that while we may want to do something harsh to that mother for what she has done by exposing that child, the most important issue is how do we get her off that stuff so that child will have at least a chance, and any future children she has will not be exposed.

The best way we know how to do this is by allowing that family to stay together—shredded, tattered, unrecognizable to most people as it may be, it is a family. Trying to keep it together increases the likelihood of success. That is what the COSA bill is designed to do.

There are other features to the bill, including a home visiting program. The COSA program is based on a program that started in New Haven, CT. As the Presiding Officer is aware, there were years of study in that community leading to a very extensive program, the Mother's Project, in that city which works extremely well. From that concept, in part, we crafted the COSA bill.

Again, I thank the manager, Senator KENNEDY, who helped us to incorporate this legislation as part of this conference report.

I conclude here, this is not a perfect piece of legislation; there is some inequity. But in my view, it is a piece of legislation that deserves support in the Chamber. Despite the fact I am going to have a hard time telling folks in Connecticut they may not see immediate increases in dollars we need for family needs, rural and city needs, I am going to vote for this legislation because Connecticut cannot afford to lose the dollars it stands to lose under current law.

Before yielding the floor, I want to thank some of my colleagues for their hard work on this bill, which I trust will see final Senate approval today. I mentioned Senator KENNEDY's leadership, but I also thank him for his staunch support for COSA. I also appreciate Senator HATCH's efforts to move S. 1306 through conference. I want to thank Senator PELL and Senator COATS for their work on the formula protections and Senator HARKIN for his leadership in increasing block grant funding.

This complex bill could never have been completed without diligent staff work. Ron Weich of Senator KENNEDY's staff deserves the highest praise for pulling together this immense piece of legislation and spearheading the staff negotiations in conference. I also want to thank Patty Cole of my own staff for her work on the COSA bill. Other Senate staff for whom thanks are well deserved include Lauren Gross of Senator PELL's staff, Peter Reineke of Senator HARKIN's staff, Adele Robinson of Senator ADAMS' staff, Gail Laster of Senator METZENBAUM's staff, Ann Labelle of Senator HATCH's staff, Sharon Soderstrom and Alison Carroll of Senator COATS' staff, Kent Talbert of Senator THURMOND's staff, and Annie Silverman of Senator DURENBERGER's staff.

Finally, the COSA legislation would not have been possible without the efforts of many children's groups. I would like to particularly thank Al Guida of the Child Welfare League, who has provided critical substantive advice on the bill's content as well as tireless advocacy to win support for the bill. Also, Randy Moore of the American Academy of Pediatrics was the moving force behind the COSA Coalition that came together to advocate for the bill. Others who deserve special thanks include Mary Carpenter of the National Commission to Prevent Infant Mortality, Mary Lee Allen of the Children's Defense Fund, Laura Feldman of the National Association of Children's Hospitals and Related Institutions, Jennifer Miller of the American Public Welfare Association, Susan Campbell and Holly Grayson of the Association of Maternal and Child Health Pro-

grams, and Tom Birch of the National Coalition on Child Abuse.

Mr. HATFIELD. Mr. President, after 3 years of partisan and regional conflict, the Senate has fashioned a bill to transfer the three research branches of the Alcohol, Drug Abuse, and Mental Health Administration [ADAMHA] to the National Institutes of Health as three new institutes; and to split the major Federal grant for mental health and substance abuse services into two separate programs. I am pleased to add my voice to those who support this improvement.

This bill also puts forward the first major antitobacco provision of the nineties by firming up existing laws to eliminate the sale of tobacco to minors. For too long, we have ignored smoking and related diseases in favor of other seemingly more pressing causes. Only now, in the light of recent studies, are Americans beginning to realize and act on the terrible costs of tobacco use, both in terms of human and financial resources.

Several months ago, the Oregon Health Department released a detailed appraisal of the effects of smoking entitled "Tobacco and Oregonians: A Legacy of Illness and Death." The hazards of tobacco use can clearly be traced through a system, unique to Oregon, whereby a physician determines the role of tobacco in the decedent's death. During 1989, the deaths of 6,276 Oregonians—almost 1 in 4—were tobacco-related, including 43 infant deaths and 688 passive smoking deaths. That compares to 5,829 deaths attributed solely to heart disease, 4,030 to cancer and 1,721 deaths coming from strokes. Hence, if deaths linked to tobacco were treated as a separate entity, they would rank as the No. 1 killer of Oregonians.

By choosing not to smoke, men and women are likely to enjoy a prolonged and less painful existence. For instance, among Oregonians who died in 1989 due to smoking related heart disease, the median age at death was 70 years—12 years less than that of those whose deaths were not tobacco related. When tobacco induced cancer took the lives of Oregonians, the median age at death was 69, this compared to 74 years for deaths not linked to cancer.

The economic cost of smoking related diseases is as tremendous. It is estimated that no less than $72,400 is spent every hour on costs generated by Oregon smokers. In 1989, smoking attributable diseases accounted for more than $634,406,762 in medical costs and lost productivity. Two thirds of that sum stemmed from the unfulfilled potential of lifetime earnings—Oregonians dying or becoming disabled prematurely because of their addiction to nicotine.

We learn from the Surgeon General's annual report on smoking that on a national level smoking-related health costs are devastating. In the United States, persons aged 25 years or older who ever smoked cigarettes will incur excess lifetime medical care costs of $501 million. Indeed, the estimated average lifetime medical costs for a smoker exceed those for a nonsmoker by over $6,000. This excess is a weighted average for all smokers, so for those who develop tobacco related diseases the costs are much higher.

By 1985, the mortality burden imposed by smoking each year in North America reached 426,000; 390,000 of these deaths occurred in the United States. The results serve as a shocking reminder of the epidemic magnitude of smoking related diseases, despite the one-half percent decrease each year in the number of smokers. Moreover, the drop in the total number of tobacco users hides the rapid rise in the proportion of women smokers. The United States, which has only 5 percent of the females in the world, currently has about half the female deaths from tobacco.

On a world map, figures released by the British medical journal Lancet relay the growing "brown plague." If current rates continue, 250 million people in industrialized nations—equivalent to the entire population of the United States—will die in the next 30 years of smoking related diseases. Smoking, although an expensive pastime, is not simply a vice of economically wealthy nations, rather the extent is not fully known elsewhere. In Eastern Europe, particularly in Poland, the numbers who choose to smoke continue to rise, while in China and Indonesia as many as 70 percent of men smoke.

These human and health care costs can be eliminated if each smoker makes a personal commitment to break the cycle of addiction. Accounting for the time lag between starting smoking and it's effects, quitting the habit will still considerably reduce the risk of contracting a tobacco-related disease. Individuals are entitled to the right to make their own choices, but such choices are shaped by social, economic, and environmental circumstances. Pressure must be applied on a local, regional, national, and international scale to influence each smoker or potential smoker in his or her choice to use tobacco. Only then will we remove the dangers of smoking, and thereby alleviate the pain of suffering and calm the fear of financial loss.

Attempts to prevent and control tobacco use must concentrate on three areas: education, taxation, and legislation. Role models, whether family members, teachers, or peers need to bolster the efforts by Federal, State, and local governments to educate our young men and women in the costs of smoking. Their part is as large or as small as they make it.

By levying excise taxes on tobacco products the debate over smoking is elevated to an economic argument. People are forced to consider whether they can afford to smoke, to decide if money should in fact be spent on more vital commodities. In a capitalist society this is perhaps the strongest answer. Moreover, funds collected can be returned to the public by expanding medical coverage for the needy. That is why in Oregon the Medical Association plans to propose a 25-cent-a-pack increase in cigarette taxes. In California, this extra tax has cut smoking rates by 17 percent since it began in 1988, and thereby will save the nonsmoking taxpayer money in medical costs.

In all but six States—New Mexico, Missouri, Montana, Kentucky, Georgia, and Delaware—we already have the legislation in place to ban cigarette sales to minors. Yet, these laws are rarely enforced, perhaps because other crimes are regarded as potentially more serious to the public health. The ADAMHA reauthorization bill will at last reverse this, and therefore I support unequivocally the goals that it seeks to achieve.

The bill requires State to ban the sale or distribution of tobacco products to anyone under the age of 18. Further, States would be required to enforce the law in a manner that can reasonably be expected to reduce the extent to which tobacco products are available to underage youths. Indeed, they would need to submit annual reports detailing their efforts. These would have to include random, unannounced inspections of locations where tobacco products are sold. Otherwise, the States could lose up to 40 percent of their Federal substance abuse funds.

Unfortunately, the Senate will probably not see another worthy antismoking bill, S. 1088, the Tobacco Product Education and Health Protection Act, on the floor this year. However, I hope that in the near future the bill, or a similar one, will be considered. The education, research, and enforcement provisions therein will further heighten the public's awareness and serve to demonstrate the Government's commitment to curb tobacco use in the 1990's.

Smoking is beyond a doubt dangerous, if not deadly. Many people realize this, and like myself have quit. But, the social norms persist and these are the real barriers to our ultimate goal of a healthier, happier society. As the Surgeon General said, we must act in concert and educate our fellow citizens to reduce smoking in the United States.

Mr. President, I would also like to take a moment to mention the other improvements in the bill which will help in the effort to reduce the Nation's drug abuse problem. I am pleased to see that the formula for block grants to the States is more equitable and recognizes the needs of rural

States. In addition, I am pleased that the ADMS block grant has been separated into two block grants; one for mental health and the other for substance abuse. Improvements in State planning and maintenance will increase State block grant accountability and will ensure that eligible populations are served.

Furthermore, new initiatives in children's mental health will aid children with severe mental health problems. And, children of substance abusers will be targeted as at-risk populations to receive services they so desperately need. These changes will enhance our ability to fight mental illness and substance abuse in years to come. Therefore, I urge my colleagues to support the conference report to the Alcohol, Drug Abuse, and Mental Health Reorganization Act.

Mr. THURMOND. Mr. President, I am pleased to rise today in support of the conference report on S. 1306, the Alcohol, Drug Abuse and Mental Health Reorganization Act. Lengthy and delicate negotiations have brought us to this point, and I wish to commend both the chairman of the Labor and Human Resources Committee—Senator KENNEDY, and the ranking member—Senator HATCH, for their fine work and leadership in helping craft this bipartisan conference report.

There are many significant changes to current law in this legislation. Of particular note are the changes in the structure of the Alcohol, Drug Abuse, and Mental Health Services Administration and the changes in the State block grant formula.

With respect to the structure, the conference report transfers the three research institutes—the National Institute of Mental Health, the National Institute on Drug Abuse, and the National Institute on Alcohol Abuse and Alcoholism—to the National Institutes of Health [NIH]. By separating out the research component from the services delivery component, the Federal Government will be able to more effectively carry out research, and deliver services to those in need.

With respect to the block grant formula, the conference report adopts the Senate version with a few changes. I am pleased to lend my strong support. The formula change represents a delicate balancing of many competing interests, and represents a significant step forward in how Federal dollars are distributed among urban and rural States. For those who are concerned about the formula change, we have included assurances that no State will receive less than its fiscal year 1991 level of funding.

Again, Mr. President, I am pleased to offer my strong support and I urge the prompt passage of this important legislation.

Mr. SIMPSON. Mr. President, I rise in strong support of S. 1306, the ADAMHA reauthorization conference report. I wish to thank my friend the distinguished chairman of the Labor Committee, Senator KENNEDY, and my good friend, the ranking minority member, Senator HATCH, for the work they have done to produce this particular piece of legislation. It has surely not been an easy task.

Ever since 1981, the Alcohol, Drug Abuse, and Mental Health Block Grant Program has been the primary Federal funding mechanism for alcohol and other drug abuse prevention and treatment services and for community mental health services. The act's fundamental purpose has always been first, to enable States to identify and target priority areas of need, and second, to ensure that all States share equitably in available Federal resources.

Unfortunately, as the program evolved over the last decade, it lost much of its hallmark of flexibility. Congress used the block grant to respond to newly identified and pressing social needs for which no other discrete funding source was available, and in the process, became ever more prescriptive about how the States would spend the money—their own as well as the Government's. At the same time, the formula for allocating block grant funds among the States produced gross inequities in the distribution between heavily urbanized States and largely rural States. In fact, a recent GAO study reported that, although urban rates of people at risk are about 3 times higher than those of rural areas, the 1988 ADAMHA grant allocation formula resulted in an urban/rural funding difference of 15 to 1.

During the eighties, Congress was operating under the assumption that substance abuse and mental health problems were big city problems. However, we now know very clearly that that is not the case—that abuse of drugs other than cocaine is severe in rural areas, that depression and suicide rates are also high.

Under the legislation before us now, the ADAMHA distribution formula has been revised to reflect a new understanding of the prevalence of drug abuse, alcoholism, and mental health problems in rural areas of the Nation. I am very gratified that my own State of Wyoming, which, like many of her rural neighbors, is in urgent need of additional treatment funds, and will finally have fair relief under this bill. This formula is basically justice delayed.

I am also delighted that the architects of this legislation have responded to issues that I and others have raised concerning flexibility of the block grant funds. A number of well-intentioned earmarks and set-aside requirements have grown up in the program under previous authorizations. However well-intentioned, these set-aside mandates for specific services or specific population groups are counterproductive in rural and frontier areas that do not have the economies of scale or populations to justify dedicating so large a portion of program funds. I think we succeeded in making that clear to the members of the Labor Committee and the set-asides have, for the most part, been either better targeted or eliminated under this reauthorization.

So, once more, I want to thank the committee for addressing these concerns—it means that the funds provided under grant will go further and serve more individuals in small States like Wyoming.

Thank you, Mr. President.

Mr. BRYAN. Mr. President, my home State of Nevada is one of the States harmed by the implementation of S. 1306's funding formula as developed in conference committee. Most harmful is the effect immediate implementation of this funding formula in the final quarter of fiscal year 1992 will have on my State's current alcohol, substance abuse, and mental health programs and services.

Nevada's original fiscal year 1992 allocation for its alcohol, substance abuse, and mental health programs was $7,389,000; an amount combining all the programs. Under the conference report formula as proposed, Nevada's fiscal year 1992 allocation would be $6,975,991, a reduction of $413,009 for the entire fiscal year. If the conference report funding formula is implemented, Nevada will experience the entire $413,009 decrease in the fourth quarter of fiscal year 1992. To many States, this decrease may not seem like a lot of money; but to my State, it is dramatic.

Nevada has already experienced drastic funding and service cutbacks in its mental health services this year. Due to State revenue shortfalls, the State mental health division has absorbed a $4,471,660 State funding reduction.

This reduction eliminated 171.5 positions from the State's mental health programs; reduced the Las Vegas outpatient counseling caseload from 1,500 to 350, and eliminated 26 housing placements; in Reno, it dropped 238 outpatient counseling clients from service, and closed 32 transitional housing beds; and, reduced the cases served in rural areas by 1,764 per year.

The services affected were outpatient counseling, case management, day treatment, and subsidized housing—the very same services also funded by the ADMS block grant. The very same services that would have further funding reductions to absorb under S. 1306's formula if implemented in the final quarter of fiscal year 1992.

Also S. 1306's proposed ADMS block grant requires States with AIDS case rates in excess of 10 per 100,000 provide extensive services such as expanded bed capacity, outreach, TB testing, and early intervention in rural areas. Ne-

vada, with its rates of 20.1 cases per 100,000 would be required to dramatically expand very expensive interdisciplinary treatment alternatives, while being faced with the $413,009 funding cutback. Anyone can see that Nevada's programs and services will be unable to meet those new requirements, when existing programs will not be adequately funded.

Added to the mental health programs funding cuts, and the new AIDS-related requirements, is the loss in funding for Nevada's alcohol and substance abuse programs. In the final quarter of this fiscal year, at least 200 people will be unable to receive alcohol and drug treatment services, and another 1,000 people will be without access to prevention services. For the pregnant mother, who may be abusing alcohol or drugs, the loss of these services can very well result in a fetal alcohol syndrome baby.

I appreciate the difficulty the conference committee has experienced in trying to create an equitable funding formula. In good faith, my State of Nevada planned its programs and services for fiscal year 1992, assuming the current formula, and anticipating the Federal funding available thereunder. How can a State reasonably be expected to plan its programs' funding for fiscal year 1992, based on a funding formula announced in the conference committee's May 1992 report?

How can my State be expected to continue to provide these programs under this situation without cutting back on services and personnel in the very programs this bill strives to improve? What have we gained, if these programs are effectively dismantled in the final quarter of the fiscal year?

I would hope the current formula could be extended through the remainder of fiscal year 1992 to minimize damage to the current programs throughout the rest of the fiscal year, and to provide all of the States the time necessary to plan for the funding changes. At the very least, if the funding formula must be implemented this fiscal year, it should only be applied to the fourth quarter funding amount, and not to the full fiscal year 1992 funding amount. For Nevada, this would still mean absorbing a decrease of $103,252; still a substantial amount for my State, but one easier to absorb than the full $413,009 cutback.

If the funding formula must be implemented as proposed, let us agree to apply it only to the amount of the block grant's funding for the final quarter of fiscal year 1992. We do not need to devastate some States' programs in the final quarter of fiscal year 1992 to accomplish the goals of the bill. I hope my colleagues will join me in voting to recommit S. 1306 to the conference committee.

Mr. BIDEN. Mr. President, I rise today in support of the motion offered by Senator GRAHAM. This motion would instruct the conferees to reconsider the block grant formula distributing drug treatment and mental health dollars, in particular to delay the proposed change in the block grant formula.

I believe this conference report contains many valuable programs, boosting the drug treatment block grant, boosting several drug treatment programs targeting pregnant addicts and children at highest risk of turning to drugs, and an amendment I and the chairman of the Labor Committee authored providing, for the first time, a Federal program to develop medicines to treat drug addiction.

However, I believe this conference report falls short in one particular area—the distribution formula for ADAMHA block grants funds.

As everyone in this Chamber knows, the scourge of drugs is a truly national epidemic—no region of the country, no State of the Nation, no city, no town, no rural village has been spared the human tragedy caused by drugs. The national scale of the scourge of drugs demands that Federal funds attack this epidemic throughout the Nation.

In my home State of Delaware, as in every State, drugs have brought a terrible toll. To cite just one example, as a direct result of the drug epidemic, Delaware prisons have been literally overwhelmed with drug criminals, as well as many drug-addicted criminals.

Fighting this epidemic, Delaware has, in my view, some of the finest drug treatment professionals in the entire Nation—Delaware has started a model halfway house that will provide drug treatment, and a bridge to a productive life, to released offenders. In addition to many other examples, Delaware has developed drug treatment programs for those addicts most in need of help—including pregnant addicts, as well as teenagers who have fallen prey to the scourge of drugs.

Federal dollars—through the block grant and other programs—have been of great assistance to Delaware in providing these programs. Still, however, a great need for drug treatment, alcohol treatment, and mental health remains in Delaware.

For this reason, Mr. President, while I believe that the conference report would be a valuable addition to the fight against drugs in nearly every other respect, I support the amendment to instruct the members of the conference committee to reconsider the block grant formula, specifically to delay any changes in the formula until next year. Delaying these changes is the right and fair thing to do, and I urge my colleagues to adopt the Graham amendment.

Mr. BENTSEN. Mr. President, will the distinguished chairman of the Labor and Human Resources Committee, and sponsor of and conferee on S. 1306, yield for questions on the trauma center revitalization part of S. 1306's conference report?

Mr. KENNEDY. I would be pleased to yield for questions from the distinguished chairman of the Finance Committee.

Mr. BENTSEN. Before I ask my questions, I would like to thank the chairman for defending in conference the Senate version of trauma centers and in crafting a compromise between the House and Senate versions. At my request, he accepted trauma centers as an amendment when the Senate passed S. 1306 last summer. I know I speak for my original cosponsor of this legislation, Senate AL GORE, when I express my appreciation for the chairman's assistance.

Mr. KENNEDY. I thank the Senator and I commend his strong leadership on this important issue. I also commend the leadership shown by Senator GORE and by Senators LEVIN and RIEGLE who also worked hard for the trauma center initiative.

Mr. BENTSEN. To be eligible to receive grants under our legislation, trauma centers must first serve areas suffering from the vast array of violence that accompanies the drug trade on our streets and second, have incurred substantial losses in uncompensated trauma care. Am I correct in my understanding that the conference report allows trauma centers to submit a combination of qualifying penetrating and blunt trauma cases in their grant applications?

Mr. KENNEDY. The Senator's understanding is correct.

Mr. BENTSEN. And am I further correct that the conferees have relaxed the level of scrutiny under which blunt trauma will be judged in grant applications? An applying center now only has to have a reasonable belief that the trauma resulted from violence directly or indirectly arising from drug trafficking?

Mr. KENNEDY. That is correct.

Mr. BENTSEN. For example, an applicant could include the case of an innocent teenager who is beaten unconscious and suffers a concussion, being mistaken as a rival drug dealer. The applicant could include it although the applicant could not swear to knowing the exact circumstances behind the teenager's beating. That lack of knowledge is because the applicant's first contract with a case like this is most often when paramedics radio in the patient's condition from the scene or when the patient enters the emergency room doors. By then, the attackers or eyewitnesses have been long gone from the scene and therefore cannot disclose the reasons behind the beating. The absence of witnesses could have a worse impact if the victim is not forthcoming, dies, or is in a coma.

Mr. KENNEDY. It would be unreasonable for us to expert a trauma center to

know the circumstances of every wound it treats. And it would be unwise for us to require the trauma center to use its resources to track down those circumstances. The well-being of the community is best served by letting the trauma center perform its vital role of saving lives, and not by investigating or proving the reasons for its patients' injuries.

Mr. BENTSEN. So, in my example, the applying trauma center would not have to send staff to the police department or to the site of the beating, in order to gather facts proving that this case arose from drug trafficking-related violence? The applicant would not have to screen the patient's or attacker's blood for the presence of drugs or alcohol?

Mr. KENNEDY. The chairman is correct. The applicant would not have to. This case would qualify simply because in the experience and belief of the grant applicant, the circumstances surrounding the case are consistent with violence arising from drug trafficking. The circumstances could come from, among other things, the patient's condition and injuries and the history reported to the trauma center.

Mr. BENTSEN. I thank the chairman and the rest of the House-Senate conferees.

The PRESIDING OFFICER. All time has expired from the extension.

The time remaining is 9 minutes for the Senator from Florida, and the time extension under the recess has expired.

Mr. KENNEDY. Mr. President, I do not choose to have any further remarks. I see the Senator from Iowa, if he wants to have 2 or 3 minutes.

Mr. HARKIN. Mr. President, I ask unanimous consent to have an additional minute.

Mr. KENNEDY. Fine.

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

Mr. HARKIN. Mr. President, I compliment the Senator from Connecticut for his remarks.

Again, I point out that the Senator from Connecticut is right; that his is one of the eight States, like the Senator from Massachusetts. Massachusetts and Connecticut are in the same boat as Florida, exactly. I know that is less than last year.

A hold harmless clause we put in there. Again, I think it is a recognition. I heard the Senator from Connecticut saying this is a national problem and we have to be responsive and be reasonable for this, and make sure we target these moneys. And I believe that is the responsible way to go. There was this hold harmless clause in here.

I think the position taken by the Senator from Connecticut and the leadership shown by the Senator from Massachusetts is the enlightened and I think the responsible way we have to proceed here.

I compliment the Senator from Connecticut for his leadership.

RECESS UNTIL 2:15 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until the hour of 2:15 p.m.

Thereupon, at 12:44 p.m., the Senate recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. AKAKA].

Mr. COATS addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, I know a vote is pending. I will not take much time.

I ask unanimous consent to set the vote aside and that I be permitted to speak.

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

Mr. COATS. Mr. President, I rise today to urge my colleagues to join me in supporting the conference report to S. 1306, the Alcohol, Drug Abuse, and Mental Health Administration Reorganization Act. This conference report is a result of years of negotiation and bipartisan efforts, and I am pleased that we have finally arrived at a compromise on this important legislation.

One of the principal issues of the ADAMHA reauthorization has been the distribution formula for Federal treatment dollars to the States through the ADMS block grant. This issue is of great concern to my home State of Indiana, as well as numerous other States, as we stand to lose essential Federal treatment dollars.

Under current law, Indiana stands to lose $5.5 million by 1993. This loss of treatment dollars would lead to a disruption of services and the closing of treatment centers. A funding loss of this magnitude translates into a potential cut in treatment assistance to 30 community mental health centers and numerous drug and alcohol treatment facilities in Indiana. This scenario is simply not acceptable.

The Senate addressed this problem by including a hold harmless in its reauthorization package. When S. 1306 was originally introduced in 1991, it contained only a 1-year hold harmless. By working with several members on the committee, namely Senators KENNEDY, HATCH, and PELL, we were able to extend the hold harmless to 3 years—ensuring that no State would lose treatment dollars over the life of the reauthorization.

Unlike the Senate, the House was slow to act on this legislation. When the House finally passed its ADAMHA reauthorization package in March, it passed a bill which contained no hold harmless provision. Under the House-passed bill, Indiana would have received $4 million less than current law in fiscal year 1992 alone.

As a conferee on this legislation, I am extremely gratified that the conference agreement includes a hold-harmless provision similar to that contained in the Senate bill. The conference agreement formula will redress the current urban/rural imbalance without causing any State to lose treatment dollars from fiscal year 1991 levels.

I am, however, concerned about the splitting of the block grant into separate mental health and substance abuse block grants, with 20 percent of funds going to mental health and 80 percent to substance abuse. Unlike most States, Indiana uses the majority of its block grant, about 60 percent, for mental health treatment. Fortunately, the agreement includes a provision which would enable States to apply to the Secretary for a waiver to allow them to switch funds between the two block grants. I hope that we revisit this issue when Congress looks to reauthorize ADAMHA in the future.

Another principle concern of mine during the conference was the large number of onerous set-asides, earmarks, and taps on the block grant to fund new categorical programs which were contained in the House-passed bill. These provisions would severely restrict the flexibility of each State to determine how best to use these funds to address its specific and unique needs.

I am pleased that we were able to eliminate or decrease many of these burdensome provisions in the compromise. The conference report eliminates or considerably narrows the set-aside for drug abusers and the taps on substance abuse and mental health block grants. As a result, States will continue to enjoy flexibility in administering the block grant.

I would especially like to thank Chairman KENNEDY and Senator HATCH for their consideration of our views, their willingness to consider the needs of each individual State, and their untiring patience throughout this process which spanned the course of several years.

I would also like to extend a special thanks to Senator PELL for his diligence and commitment to ensuring that this legislation include a 3-year hold harmless. His perseverance on behalf of the State of Rhode Island ensures that neither his home State, nor any other State, will lose treatment dollars under this agreement.

Mr. President, I commend my fellow conferees for their efforts, and I urge our colleagues to join us in supporting this important legislation.

Mr. President, I just want to very briefly and in summary again state my support for this ADAMHA conference report. This is the result of 3 years of very, very difficult negotiations. It has been painstaking.

I want to publicly thank Senator KENNEDY, Senator HATCH, Senator

PELL, and others for their tireless efforts in accommodating the very real concerns of a number of us relative to this funding. It is important to our States. It deals with some very important subjects—drug abuse, alcohol abuse, and mental health. We have worked out a painstaking compromise that I think addresses most of the major concerns that have been raised. I hope my colleagues support this conference report and reject the motion to recommit.

The PRESIDING OFFICER (Mr. ADAMS). The Senator from Massachusetts [Mr. KENNEDY] is recognized under the previous order.

Mr. KENNEDY. Mr. President, I think, under the previous order, there was going to be a motion to table the Graham amendment.

The PRESIDING OFFICER. That is correct.

Mr. KENNEDY. I am about to make that motion. I see my friend and colleague from Florida on the floor. I would be glad to yield to him for a question.

Mr. GRAHAM. Mr. President, as I understand it, at the end of the morning session, there was still 9 minutes left on the proponents' side.

I ask unanimous consent to use 5 of those minutes for a closing statement.

The PRESIDING OFFICER. Is there objection?

The order provides for a 2:15 vote on a motion to table.

The Chair will inquire of the Parliamentarian as to which of the two orders apply.

The order to vote on the tabling motion prevails.

Is there objection to the unanimous-consent request of the Senator from Florida to proceed for 5 minutes?

The Chair hears no objection. The Senator is recognized by unanimous consent for 5 minutes. At the end of that period of time, we revert to the original order, which is that the Senator from Massachusetts is to be recognized to make a motion to table, which is not debatable.

The Senator from Florida.

Mr. GRAHAM. Thank you, Mr. President, I appreciate the courtesy of my colleagues. I just wanted to respond to a couple of items that emerged at the end of our morning's debate.

First, what is the issue before us for a vote in the next few moments? The issue is whether it is fair, appropriate, and in the interests of the Nation and the States that will be affected, to put into effect as of July 1, 1992, a new formula for the allocation of $1.2 billion-plus dollars for drug and alcohol abuse and to require that in the last 90 days of this fiscal year, that formula be readjusted back to the first of October? That is the issue. Because the motion before us will be a motion to recommit for the single purpose of deferring this formula until October 1. Mr. President, there will be enormous disruption as a result of causing this formula to be placed into effect in the last 90 days.

No. 2, the States in fact were signaled that, if this change were not made prior to the midpoint of the fiscal year, it was not going to be made. I have submitted for the RECORD a letter from the administrator of the drug, alcohol abuse agency to that effect.

No. 3, the formula that we are putting into effect is not a formula that represents the golden mean, the ultimate conclusion of this issue. I indicated earlier in some questions to the Senator from Iowa that one of the reasons that this formula results in such a tremendous and disparate flow of funds is because it does not take into account any State's population over the age of 64. So the States that have the greatest adverse effect are not urban States or rural States or big States or small States. They happen to be States with large numbers of people over the age of 64.

The issue is, is there evidence that these people do not have needs for drug and alcohol abuse services? The fact is, the evidence is, that two-thirds of American citizens over the age of 65 take significant amounts of medication, that there is a high incidence of alcohol abuse, particularly among that population—that there are major alcohol and drug treatment requirements of that population which is not counted under this legislation.

The major factor for the redistribution is insertion of a new concept of a cost of delivering services as the basis of allocating funds. I think the average citizen would say that sounds reasonable. Let us come up with a means of discerning what the cost of delivering services in one section of the country is for alcohol and drug abuse purposes as opposed to the other, and let us take that into account. That is not an unreasonable factor.

But the formula we are using is apartment rents and 1980 nonmanufacturing wage rates. I defy anyone to come forward with the rationale as to why those are appropriate proxies for the variance in cost of delivering alcohol and drug abuse treatment services.

So I suggest this is a formula that does not justify the deification that is being suggested by putting it into effect in the last quarter of the fiscal year. It does not justify the disruption it is going to entail. It does not justify the lack of respect for the Federal partnership between the States and the National Government in delivery of these important services.

We have a remedy. The remedy is to return this conference report to the conferees for the single purpose of delaying the effective date of this warped formula, at least until the new fiscal year, so States can be prepared to accommodate to this new formula.

I think it is an eminently reasonable proposal.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I make a motion to table the motion of the Senator from Florida. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to recommit the conference report on S. 1306. The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Rhode Island [Mr. PELL], the Senator from Minnesota [Mr. WELLSTONE], and the Senator from Colorado [Mr. WIRTH] are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota [Mr. WELLSTONE] and the Senator from Rhode Island [Mr. PELL] would each vote "aye."

Mr. SIMPSON. I announce that the Senator from Missouri [Mr. DANFORTH] and the Senator from Minnesota [Mr. DURENBERGER] are necessarily absent.

I further announce that the Senator from North Carolina [Mr. HELMS] is absent due to illness.

I further announce that, if present and voting, the Senator from North Carolina [Mr. HELMS] would vote "nay."

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

The result was announced, yeas 79, nays 14, as follows:

[Rollcall Vote No. 116 Leg.]

YEAS—79

Adams	Fowler	Metzenbaum
Akaka	Garn	Mikulski
Baucus	Glenn	Mitchell
Bingaman	Gorton	Moynihan
Bond	Grassley	Nickles
Boren	Harkin	Nunn
Bradley	Hatch	Packwood
Breaux	Hatfield	Pressler
Bumpers	Heflin	Pryor
Burdick	Hollings	Riegle
Burns	Inouye	Rockefeller
Byrd	Jeffords	Rudman
Chafee	Johnston	Sanford
Coats	Kassebaum	Sarbanes
Cochran	Kasten	Sasser
Cohen	Kennedy	Seymour
Conrad	Kerrey	Shelby
Craig	Kerry	Simon
Cranston	Kohl	Simpson
D'Amato	Lautenberg	Smith
Daschle	Leahy	Specter
DeConcini	Levin	Symms
Dixon	Lieberman	Thurmond
Dodd	Lott	Wallop
Domenici	Lugar	Wofford
Exon	McCain	
Ford	McConnell	

NAYS—14

Bentsen	Graham	Robb
Biden	Gramm	Roth
Brown	Mack	Stevens
Bryan	Murkowski	Warner
Dole	Reid	

NOT VOTING—7

Danforth	Helms	Wirth
Durenberger	Pell	
Gore	Wellstone	

So the motion to lay on the table the motion to recommit the conference report on S. 1306 was agreed to.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, the motion to table having been agreed to, the clerk will report the motion to invoke cloture.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on the conference report to accompany S. 1306, the Alcohol, Drug Abuse, and Mental Health Administration Reorganization Act:

Edward M. Kennedy, J. Lieberman, J.R. Biden, Jr., Patrick Leahy, Claiborne Pell, Howard Metzenbaum, D. Pryor, Alan Cranston, Bob Kerrey, Paul Wellstone, Christopher Dodd, Brock Adams, Harry Reid, Daniel P. Moynihan, Paul Simon, John Glenn.

CALL OF THE ROLL

The PRESIDING OFFICER. By unanimous consent, the quorum call has been waived.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the conference report accompanying S. 1306, the Alcohol, Drug Abuse, and Mental Health Administration Reorganization Act, shall be brought to a close?

The yeas and nays are required. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Rhode Island [Mr. PELL], the Senator from Minnesota [Mr. WELLSTONE], and the Senator from Colorado [Mr. WIRTH] are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota [Mr. WELLSTONE] and the Senator from Rhode Island [Mr. PELL] would each vote "aye."

Mr. SIMPSON. I announce that the Senator from Missouri [Mr. DANFORTH] and the Senator from Minnesota [Mr. DURENBERGER] are necessarily absent.

I further announce that the Senator from North Carolina [Mr. HELMS] is absent due to illness.

I further announce that, if present and voting, the Senator from North Carolina [Mr. HELMS] would vote "nay."

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

The yeas and nays resulted—yeas 84, nays 9, as follows:

[Rollcall Vote No. 117 Leg.]

YEAS—84

Adams	Exon	Metzenbaum
Akaka	Ford	Mikulski
Baucus	Fowler	Mitchell
Bentsen	Garn	Moynihan
Biden	Glenn	Murkowski
Bingaman	Gorton	Nickles
Bond	Grassley	Nunn
Boren	Harkin	Packwood
Bradley	Hatch	Pressler
Breaux	Hatfield	Pryor
Bumpers	Heflin	Riegle
Burdick	Hollings	Robb
Burns	Inouye	Rockefeller
Byrd	Jeffords	Rudman
Chafee	Johnston	Sanford
Coats	Kassebaum	Sarbanes
Cochran	Kasten	Sasser
Cohen	Kennedy	Seymour
Conrad	Kerrey	Shelby
Craig	Kerry	Simon
Cranston	Kohl	Simpson
D'Amato	Lautenberg	Smith
Daschle	Leahy	Specter
DeConcini	Levin	Symms
Dixon	Lieberman	Thurmond
Dodd	Lott	Wallop
Dole	Lugar	Warner
Domenici	McConnell	Wofford

NAYS—9

Brown	Gramm	Reid
Bryan	Mack	Roth
Graham	McCain	Stevens

NOT VOTING—7

Danforth	Helms	Wirth
Durenberger	Pell	
Gore	Wellstone	

The PRESIDING OFFICER. On this vote, the yeas are 84, the nays are 9. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

Mr. COCHRAN. Mr. President, I support this conference report and commend the conferees for their diligence in working out an ADAMHA block grant formula that better meets the needs in our States than the formula that is currently in place.

I am especially encouraged that my State of Mississippi will receive a significant increase in its allocation of funds without an increase being necessary in total funding of the program.

This is accomplished by basing the formula on true need rather than perceived need. In testimony before the Labor and Human Resources Committee last year, the General Accounting Office [GAO] stated, "Urban states receive higher per capita funding than can be justified by studies of urban-rural differences in drug abuse or the cost of providing services." The conference report before us today corrects that inequity.

The research and services provided by ADAMHA are important to my State. The block grant in Mississippi is subcontracted to local service agencies to provide community-based services equitably throughout the State. Our community mental health centers and others are active in trying to eliminate the stigma of mental illness and to educate the public about the dangers of substance abuse. They also provide treatment services to those who need them.

I urge the Senate to adopt this conference report so that the programs of ADAMHA can more equitably meet the needs that exist in our Nation.

Mr. DURENBERGER. Mr. President, earlier today I was unable to vote on the motion to recommit the ADAMHA conference report, nor on the motion to invoke cloture. Had I been here I would have voted against the recommital motion and would have voted for cloture.

Unfortunately, my absence was caused by a nearly 2-hour delay in my flight from Chicago to Washington. I was in Chicago today testifying with Illinois Gov. Jim Edgar and Nebraska Gov. Ben Nelson at an Environmental Protection Agency hearing. This was a very important hearing for every corn grower in Minnesota and all across America because it dealt with EPA's standards for reformulated and conventional gasoline. Unless these standards are changed, the ethanol industry in America will be severely damaged. I went to Chicago to get EPA to change its antiethanol rules.

Mr. President I want to speak in strong support of the ADAMHA conference report that is before us today. I believe the language adopted by the conferees represents an excellent effort to reauthorize this bill in a way that is fair to all States and that makes real progress in the administration of these programs.

Conferencing this bill, has been a long and challenging process and I want to start by thanking Senator KENNEDY and his staff for their outstanding leadership in negotiating this bill. I also want to acknowledge the good work of Senator HATCH and Senator HARKIN and all the other members of the conference committee.

In reauthorizing this bill, we have achieved a major reorganization of ADAMHA which will be beneficial to all involved. In the past, ADAMHA has consisted of two major parts, the research division and the services division. Nearly all members of the health community believe that this separation of arrangements neither benefits research nor services.

This conference report moves the three research divisions of ADAMHA: the National Institute on Drug Abuse and Acoholism, the National Institute on Drug Abuse, and the National Institutes of Mental Health, over to NIH.

By placing these three ADAMHA research institutes under NIH, the reorganization will award mental health and substance abuse the recognition they deserve as diseases. Their research requires the same kinds of resource commitment that are made to all other diseases.

The services division will be renamed the Alcohol Drug Abuse and Mental Health Services Administration [ADAMHSA]. It will have a new oppor-

tunity to focus more clearly on the enormous challenge of providing services to the many people in this country who are afflicted with mental health and substance abuse disorders.

Mr. President, I have received a great volume of mail from Minnesotans in applicable fields urging this reorganization, and I am pleased that my colleagues were able to agree to this provision in the conference report.

I also want to express my strong support for the new ADAMHA block grant formula. In 1990, after studying the formula, I became an original cosponsor of the Fair Treatment Act, a bill introduced by Senator HARKIN. The Fair Treatment Act was phase one in an ongoing attempt to eliminate the disproportionate urban weight in the ADAMHA formula.

The conference report, and the implementation of the new formula, will conclude the effort on the part of myself, Senator HARKIN, and others to recalculate the ADAMHA State allocation formula in a more equitable way.

As all of my colleagues are aware, Mr. President, the recalculation of a formula is always a zero sum game. If some States gain, others will lose. Just as I feel strongly that this formula does not go far enough for rural States, some Members of this body will feel exactly the opposite.

Alcohol abuse is a serious problem in my State as well. The chemical dependency division of the Minnesota Department of Human Services reports that alcohol abuse is a full 10-percent above the national average.

For Minnesota, it is imperative that the conference report be adopted. The additional half-million dollars in ADAMHA funds that Minnesota will be awarded under this formula are desperately needed. Recently, I received an urgent letter from the commissioner of the Minnesota Department of Human Services stating that:

> Minnesota is depending on these funds to deliver effective prevention and treatment services to its citizens. The Block Grant makes up 20% of the consolidated Chemical Dependency Treatment Fund's annual budget. Without these funds, approximately 5,000 low income, chemically dependent persons would be denied treatment next year.

Beside low-income chemically dependent persons, these block grant funds are used for a number of other important programs, including:

First, treatment services for pregnant women and women with children;

Second, prevention activities which target American Indians, African Americans, Southeast Asians, Hispanics, and the disabled and hearing impaired.

Third, a treatment accountability plan to effectively match clients with the vendor most likely to provide successful treatment.

Besides the block grant formula and the reorganization this conference report contains many other important provisions such as a directive to the National Institute of Health to study annually the extent that people who have insurance are denied access to treatment for alcoholism, chemical dependency, or mental illness.

Mr. President, this is an extremely important part of this bill. Millions of Americans are denied access to care for chemical abuse and mental illness because insurance companies have denied payments for rehabilitation services. My colleagues and I are trying to address this problem from the angle of health care reform as well, and these kinds of studies will be critical to the formation of policy in regards to more general insurance reform.

Mr. President, I understand that not every Member of the Senate is pleased with every provision of this bill, but I do strongly believe that this bill represents fair and productive agreement. The formula is equitable and there are many other important policy initiatives in the bill.

It is my sincere hope, that my colleagues will hear the reason of this compromise, and will pass the conference report accordingly. Should this happen the entire country will be done a great service.

Thank you, Mr. President.

Mr. KENNEDY. Mr. President, first of all, I express our appreciation to the Members for their attentiveness to the debate earlier today where we reviewed in very considerable detail the whole issue of the development of the formula. It has been the principal point of difference during consideration of this legislation.

And the Members, after we had a chance both during the debate this morning on the floor of the Senate as well as in our caucuses, both the Democratic and Republican caucuses, to get a more detailed explanation of this measure, voted 79 to 14 that this bill should not go back to the conference for reconsideration of the formula. And then on the issue about whether the Senate should get about the business of moving ahead and addressing this issue and getter a final resolution, Senators voted 84 to 9, which I believe is about as clear an indication of the will of the Senate on a particular policy issue you see around here. Maybe there are other indications, and people can find other examples, but I rarely have seen indication in terms of a cloture motion that is as decisive and resounding as this that would defy the Senate from moving forward and taking final action.

We have a lot of important pieces of legislation that are here on the agenda and I think the American people want us to get about the business of implementing this legislation, which is very desperately needed in terms of dealing with substance abuse, dealing with the issues of mental health and dealing with programs that are going to reach out to families in this country. We have strong support from the administration. We now have support—84 to 9—in terms of the vote of the Senate.

This is important legislation. The House of Representatives is awaiting our action and we ought to be about the business of getting this particular legislation into law.

Let me ask a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KENNEDY. Are there any amendments now that are before the Senate that could be for this legislation conference report.

The PRESIDING OFFICER. There are no amendments pending and the conference report is not amendable.

Mr. KENNEDY. So there are no amendments pending and the conference report is not amendable and we have had a vote of 84 to 9.

I would hope, Mr. President, with the indication of that, that we could get about the business. I am glad to debate this issue. We were glad to spend the time this morning. I am glad to debate it further. I would hope that at least there may be some raw information that will be available. I doubt if there would be because those who wanted to recommit spoke in considerable detail on the formula itself. There is no ability to alter and change the conference report at this time, and there is important additional legislation to be addressed.

So, we are mindful of the various Senators' rights. We are going to be here. I have urged the majority leader that I am quite prepared to stay here as long as any of the Senators want to debate this measure and to the extent that they want to debate it. But I hope that as the floor manager of the bill we will stay here and complete this measure because it is of great importance.

Mr. President, I withhold the remainder of my time.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Republican leader.

Mr. DOLE. Mr. President, was leaders' time reserved earlier this morning?

The PRESIDING OFFICER. That time was reserved, yes.

Mr. DOLE. I ask unanimous consent that I may use my leader's time at this time.

The PRESIDING OFFICER. Without objection, it is so ordered. The Republican leader is recognized to use the leader's time.

SUPPLEMENTAL APPROPRIATIONS CONFERENCE REPORT

Mr. DOLE. Mr. President, on April 29 the city of Los Angeles erupted in riots and looting in the wake of the Rodney King verdict. The pain and destruction that followed was a gutwrenching sight for the entire Nation.

Congress and the President promised to put election year politics aside, and

join together for quick action to help address L.A.'s inner city problems. Unfortunately, the emergency disaster supplemental appropriations bill to help rebuild Los Angeles appears to be mired in the same old status quo—the Capitol Hill gridlock that has the American people so disgusted.

Thirty days ago I stood in the White House driveway and predicted to the press corps there at that time that Congress has a short memory and that issues have a way of fading, especially when Congress turns on its fog machine. Well, it looks like I was right. Thirty days have passed and all Congress has produced is more politics and more paralysis.

It all started when the Senate Labor Committee forced the Appropriations Committee to add a budget-busting $1.45 billion urban spending amendment to the bill. To their credit, the Appropriations Committee also included language to allow the President to decide exactly how much of the funds needed to be spent. It was not a perfect outcome, but at least the Senate bill gave the President the flexibility to ensure the funds could be responsibly spent.

Unfortunately, the bill that has emerged from conference eliminates most of the President's discretion to spend the funding. The Summer Youth Jobs Program is now a $675 million take-it-or-leave-it package. The President must declare the entire amount an emergency in order to bypass the budget caps or none of the money can be spent.

Not only does the bill limit the President's discretion, it no longer contains language to target the summer youth employment to the areas with the most serious unemployment problem. Instead, funding will be spent according to the current Job Training Partnership Act formula, which will do little to alleviate the youth unemployment crisis in our cities.

The level of funding included in the bill—$675 million—would double the current size of the jobs program. Now, is there anyone who really believes that amount of money can be spent effectively and efficiently during the remaining weeks of summer? Certainly, the Department of Labor—the experts here—say it is impossible.

Head Start, the Chapter I Summer School Program, and the Weed and Seed Program have also been bundled together in a $750 million dollar take-it-or-leave-it package. Again, the President must declare the entire $750 million an emergency to avoid busting the caps or none of the funds can be spent.

No doubt about it, these are all good programs that deserve more money. In fact, the President likes Head Start so much he has asked for a $600 million increase in next year's funding. The difference is the President's proposed increase does not require writing another big fat IOU to our grandchildren. Instead, the President responsibly funds the Head Start increase within the domestic caps by shifting funds from lower priority programs.

Sure, paying for new spending requires making tough choices, but that is what Congress is going to have to start doing if we are every going to balance the budget. Remember all the talk we have heard recently about the balanced budget amendment? Looks like it is just more happy talk from a Congress hooked on spending.

As it now stands, the conference report is veto bait—pure and simple. So, instead of passing a clean disaster assistance bill, a bill that would have been signed into law 2 or 3 weeks ago, Congress is back to the same old games, trying to outcompassion the President with the only yardstick of compassion many around here know—and that is how much money is spent or the cash resister approach. That is politics at its worst. Unfortunately, the big losers in this game will not be the Congress or the President, but the innocent victims of the California riots and the beleaguered residents of our country's inner cities.

THE MEDIA AND URBAN POLICY

Mr. DOLE. Mr. President, I would like to bring to the attention of my colleagues an insightful opinion piece that appeared in the May 27 Washington Times. In that piece entitled "Media Marching in Parade of Mayors," L. Brent Bozell makes several important points about spending on urban programs, about the responsibility of our Nation's inner city mayors, and about the pack mentality that pervades much of American journalism today.

No doubt about it, America can do better when it comes to promoting urban vitality and racial harmony. However, simply blaming Republican Presidents for so-called urban decay will not wash and will not get the job done. As Mr. Bozell argues, don't the Democrat mayors who have governed most of America's biggest cities bear any responsibility for the state of affairs in urban America? To spin the urban affairs story their way, some activists have resorted to describing multibillion-dollar spending increases in food stamps and public housing programs as "brutal cutbacks"—and as Mr. Bozell argues, many members of the media have played along and left misrepresentations unchallenged, as they so often do when they represent the liberal view.

Mr. President, I ask unanimous consent that the article by Brent Bozell be printed at this point in the RECORD.

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

[From the Washington Times, May 27, 1992]

MEDIA MARCHING IN PARADE OF MAYORS

(By L. Brent Bozell III)

The May 16 "Save Our Cities" march on Washington was a celebration of liberal journalistic activism, on the news and behind the scenes. The march was the brainstorm of Osborn Elliott, a former editor in chief of Newsweek (1961–1976). In Newsweek's April 8, 1991, edition, Mr. Elliott called for a march on Washington because "brutal cutbacks in federal aid for schools, housing, food stamps, mass transit and social services have taken a terrible toll."

One wishes Mr. Elliott had tried to explain how, for example, food stamps received a "cut" from $13.3 billion to $22.7 billion from 1989 to 1992. Federal public housing money got "cut" from $12.5 billion to $15 billion. Let the march begin, he declared, and his media friends got in line.

Tom Oliphant, a former Washington reporter for the Boston Globe, wrote a column embracing Mr. Elliott's decidedly non-objective methods: "Oz Elliott is not just the defiant lover of cities who conceived this weekend's march a year ago . . . He is also the former editor of Newsweek who, in the 1960s, was perhaps the most important leader in journalism's vibrant awakening to the urban crisis of that time."

Mr. Oliphant detailed the crusade: "Last summer, Elliott brought his idea of a march on Washington to the executive committee to the U.S. Conference of Mayors, meeting for a couple of days on Cape Cod. Thanks to another titan of journalism's activist period (The Globe's retired editor, Thomas Winship), Elliott was in touch with this year's conference president, Mayor Ray Flynn of Boston." Mr. Oliphant declared: "Isn't it wonderful that a giant of the 1960s returns in the 1990s to try to stir us up again?"

As the march approached, Mr. Oliphant called on the media to take up Mr. Elliott's banner and fight for more federal aid: "In the 1960s, Elliott's Newsweek pounced on the urban crisis like a tiger; race and poverty were covered in depth; once, every story in one issue was about America's agony. That was commitment; that was leadership. Today's journalism is corporate, timid and cynical."

The coverage of Mr. Elliott's march was indeed timid and cynical: It recycled all of the mayors' arguments and statistical claims without question. On ABC's "World News Tonight," Bill Greenwood declared: "They came from all 50 states, saying the federal government has not done enough to provide jobs, social services and adequate public safety. Over the last 10 years, federal aid to urban areas has dropped from $37 billion a year to just $13 billion."

On CBS, Jim Stewart read from the same press release: "Federal funding for urban programs plummeted in the '80s, from $37 billion in 1981 to $13 billion in 1993. Or, put another way, the cities' share of the federal dollar shrunk from 19 cents to just 6 cents. What the mayors and those marching want is to reverse that trend, starting with a $35 billion crash program to create jobs, to help improve public safety, and rebuild the neglected inner cities. Get the money, they say, from the Pentagon."

On NBC, reporter Henry Champ followed the organization line: "According to a Senate committee, federal money to the cities has been rapidly declining. In 1981, Washington gave $37 billion to urban projects. In 1993, the total will be $13 billion. Key programs, those aiding poor families and helping fight

crime, drugs, and unemployment, have all suffered cutbacks."

The enormous question Mr. Elliott's yes-men in the media failed to ask: Where did all that federal money go? And what, if anything, did it accomplish? Instead, all the reporting focused only on "cuts" in urban programs. Take one program that was eliminated in the 1980s, Urban Development Action Grants. After the program was exposed as a boondoggle that built Hilton hotels instead of helping any city's needy, even Democrats favored its abolition.

And that's the other dirty secret those reporters failed to mention: Democrats had something to do with any budget cuts that occurred. As usual, the reporters ignored the fact that no program was cut in the '80s without the approval of a majority of the Democrat-controlled House (and beginning again in 1987, the Senate). You wouldn't know that from ABC's Jack Smith: "During the 1980s, three Republican administrations slashed aid to the inner cities."

Today's media don't care as much about the cities as they do about Democrats' political fortunes. After all, if the cities have been deteriorating for the last 25 years, the question becomes: To which party do the big-city mayors of the past 25 years belong? Don't they bear any responsibility for what happened to their cities in the '60s, '70s and '80s? But Americans can't expect the liberal media to be hard on their own.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER (Mr. KERREY). The Senator from Massachusetts.

URGENT SUPPLEMENTAL APPROPRIATIONS—SUMMER JOBS

Mr. KENNEDY. Mr. President, I heard with great interest the comments of the minority leader addressing the actions which were taken here on the floor of the U.S. Senate on a bipartisan basis, just over 2 weeks ago. At that time, the Senate accepted a proposal that was put forward by myself and Senator HATCH, to fund time-sensitive programs that would reach out to the most vulnerable people in our society, poor children. There children were to be helped and assisted through the Head Start Program, the title I Education Program and the JTPA Summer Youth Jobs Program. We hoped to reach children who have been receiving help and assistance during the course of the school year and to maintain that kind of support and assistance over the summer. This effort is necessary because for example, the Summer Youth Program, reaches only one-half of the number of children that were reached 10 years ago—a cutback of one-half.

I do not know where the minority leader is getting his facts and figures, because the Summer Jobs Program proposal had been sounded out with the Labor Department and they indicated to us they could quickly expend substantial additional funds. I do not know where the minority leader was when we heard from Sam Skinner 1 week ago who said we could spend at least $500 million. I do not know where he was. But that is what Sam Skinner has stated on behalf of the administration—they can spend the $500 million.

I do not know why it is politics when the position of the minority leader was rejected—rejected. All of us have been around here long enough to know you keep battling and battling. And I respect the fact that he is battling to sustain the position that was rejected by a vote of 62 to 37 here on the floor of the U.S. Senate just a few weeks ago.

But I do not know why it is, Mr. President, that we are being responsible when we put billions of dollars into SDI and we are responsible when we have more B-2 bombers, but somehow we are irresponsible when we try to reach out a hand for children in Head Start programs or the young people in the Chapter 1 Program. That is politics. That is politics. As long as you support the spending of billions of dollars in SDI programs and B-2, you are a statesman, and you are economically sound and you are responsible. But you try and reach out to the children in many of the areas of this country who are being denied hope and opportunity, then you are somehow irresponsible.

We have seen the President of the United States declare an emergency four different times affecting interests of the United States overseas; four different times. Why is it that you can declare an emergency four different times overseas and you cannot look out for the youngest and most vulnerable people in our society back home? I say that is hogwash. That is hogwash. And any time that the minority leader wants to debate this issue, we will be glad to do it.

But we are not going to be intimidated by some kind of smokescreen being put out here by the administration 30 days ago—30 days ago. We were not going to get action. We were not going to get action. We would have gotten action if the administration had given us any kind of help and support over the period of the last few weeks.

I have attended meetings with Mr. Darman and Mr. Skinner and Secretary Kemp. I attended those meetings. And if they had given any indication at all, any willingness, any response to the fundamental question that was asked time and time again "How can we try and work this program out, how can we try and fashion a bipartisan program?" Their answer was "Oh, well, we have to wait now. We have to really take a look at this outside of the time-sensitive context. We cannot move forward."

Mr. President, I do not believe that those arguments are going to stand with the American people.

I do not think that they should. And I do not think that they are an accurate portrayal of the efforts that have been made over the period of the last 4 weeks, by Members of both parties, in attempting to respond initially—just initially—to the sense of "a decade of decay" in the cities of this country and especially to target help to children in the cities. That is what this program is about, effectively: to reach out to children. They do not vote. They do not vote, and they do not make the large campaign contributions, which is part of the reason that their voices are muted.

But there is a time when we have to stand up for them, and I believe that this is such a time.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, nothing gives me greater pleasure than to sit here and watch my colleague from Massachusetts show some emotion. And I have been accused of being led astray by him on more than one occasion, I want everybody to know. But that very seldom is the case.

I have to say I agree with him on the $1.45 billion for children's programs. We are talking about Head Start. We fund 40 percent of the kids who really could be on that program—40 percent. The President acknowledges that. Everybody acknowledges that.

On chapter 1, there is no question it works; Head Start works. The President supports that—it helps children. Chapter 1, the President supports that program. Summer youth jobs? Who could not support that program? And then we have weed and seed. That is the President's program. So those four programs are in this $1.45 billion.

I have to say that my esteemed colleague from Massachusetts would have spent much more than $1.45 billion. But I also want to say that his side is not totally justified on this. I have sat in on some of these meetings, too, and I am willing to stand with him on the $1.45 billion because I think it is little enough for these inner cities at a time when they need so much help.

But I have also sat in on these meetings where the administration has advocated for inner city enterprise zone legislation and, I have to say, I think the distinguished Senator from Massachusetts would support that legislation on the snap of a finger, because that also may be of tremendous assistance to the inner cities. It is something that is a new idea, a new approach, that really has a lot of bipartisan support; not just Republicans, but Democrats as well.

But I think some of the Senator's colleagues and the leadership of both Houses are so afraid to do this for fear that people will think that the Republicans finally got an idea that passes and works in the inner cities.

I just wanted to spell out it is not just a Republican idea, although I think Republicans have been at the

forefront of promoting it. There are a lot of Democrats out there who believe if we would move to enterprise zones we would resolve many of these inner cities' problems, and we would resolve them better than by just adding more money to these problems.

I happen to believe we need to do both, and I commend my distinguished colleague from Massachusetts for his energy and his efforts in trying to at least do the one side of it. As I have said, I do not think he is in the roadblock in the attempts of many of us to accomplish the other side through enterprise zones.

Some people have difficulties with Secretary Kemp. I do not. I think he is one of the innovative, bright guys in this society today—in this enterprise zone approach, basically.

He studied the English approach to it, and has been advocating it for many, many years, and he deserves a lot of credit for it. and I think, to his credit, he tried to make it a bipartisan approach, as well.

So I would like to see this matter resolved. I would like to see the White House and the lions up here on Capitol Hill get together and resolve these problems. I would like to see us put it together, because we are living in a country where the inner cities are falling apart; especially the major inner cities.

We are living in a country where the inner-city drug problems, the inner-city unemployment problems, the inner-city health problems, the inner-city recreational problems—you can name almost any other problems—are almost insurmountable. We can ignore them because many of these people do not vote, or we can try to do something intelligent about these problems.

The distinguished Senator from Massachusetts and I have tried to do something intelligent about them. We would like to spend $1.45 billion. It really is a drop in the bucket compared to the good it could do at this particular time in our country's history.

On the other hand, I would like to encourage the leadership of both Houses to meet with the President and get it done with regard to enterprise zones, as well. Let us do both sides of the equation. It means spending a little more money. It means working together in a bipartisan way. But I think in the end we would all be better off.

It is not a simple question of whether we spend money on the military or whether we spend money on something else. We are spending money on a lot of programs, almost all of which have merit, almost all of which have constituencies, almost all of which have a reason for being in existence.

But we never make priority choices among competing programs in these two bodies; we just fund everything. That is what we were doing for the last 60 years, and I think it is time to start making some priority choices.

One of the priority choices I would like to make is what the distinguished Senator from Massachusetts and I have put through the Senate, and that is the $1.45 billion for the inner cities, for Head Start, chapter 1, summer youth jobs, and the Weed and Seed Program, not one of which anybody can disagree with; every one of which everybody would have to admit would do some good in our inner cities at a time when we need that good to be done.

I call upon my colleagues on both sides to take the enterprise zone language the White House would like to have. It is worthwhile. I do not think the matter is going to be presented as a big victory for the President or a big victory for the Republicans at all. I think it would be a big victory for the cities and a big victory for those who are suffering most in the cities.

So I hope we can put this together, and I hope this bill does not have to be vetoed. But if it is, then I hope we will go at it again. Because I will stand with the distinguished Senator from Massachusetts on that $1.45 billion. I think it is critical to this country at this time. I am a conservative; he is a liberal. I would like to conserve spending. I would like to live within our means.

But I think, over the longrun, helping those within our inner cities, especially these inner cities that have the problems like Los Angeles has exhibited—I think helping them is a farsighted view. Then again, just throwing money at the problems is not the answer. This is not throwing money. These are successful programs I think almost everybody in the Congress would have to admit are worthwhile. We still do not have enough money to make them work to the fullest extent they could. And this money will not make them work to the fullest extent; it will just help a little bit more at a time when a little bit more help is needed.

So I commend my colleagues from Massachusetts, and I stand with him on this call upon everybody to look at the enterprise zone side of it, as well, and see if we can, in a bipartisan way, put it together and avoid a veto and do what really is right.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I will just make a brief comment. I want to express my very sincere appreciation to the Senator from Utah for his comments. On the particular amendment, it was passed in the Senate 62 to 37—62 to 37. And I daresay that that measure would not have been favorably considered if it had not had the strong support of the Senator from Utah, and the leadership of the Senator from Utah.

I would like to believe we might have been successful in better targeting the funds in the amendment, but I do not think we could have been. I know that his State does not benefit nearly as much as some other States. And I really express my admiration for him and for his support of the amendment.

I want to say finally that, with regard to the supplemental, the conference report was signed by Senators HATFIELD and SPECTER, two Republicans from the Senate who have supported the amendment as well. I was there at the time the conference was meeting. They indicated strong support for the assistance to children. I think the RECORD ought to reflect that.

Finally, on the issue of enterprise zones, I believe that they must incorporate public investment in programs that work, such as Community Development Corporations—CDC's. Two of the most successful CDC's have been the Bedford-Stuyvesant program in Bedford-Stuyvesant, New York and the East Los Angeles program. The basic legislation for that was started 25 years ago—27 years ago—by Senators Robert Kennedy and Jacob Javits. I had the opportunity recently of speaking at the 25th anniversary of the Bedford-Stuy Program. It has a range of different programs to reach out in a very comprehensive way to the communities. I will just mention one very important program.

They had an allocation of resources for the modernization of the streets in Bed-Stuy. There was a pool of money, about $6 million or $7 million. In order to qualify for the modernization of the particular street, 85 percent of the people on the street had to sign up to improve the appearance of their homes.

The average grant was anywhere between $250 and $450, and community residents either had to do the work themselves or get someone on the street to do the work. There was no funding unless 85 percent of homeowners were really going to do it. So it really took local initiative to go out there and get 85 percent of the people living in those homes to sign up.

The first year they did the program there was an enormous amount of effort, by people who were supporters of Senator Robert Kennedy and believers in this program, to try to get 11 streets to sign up. They got the 11 streets to sign up. The next year they had about $15 million, and they had 150 streets sign up. And the next year they had $25 million, and they had 600 streets sign up. All by local initiatives.

They had a big rally where they selected the various streets for home improvements by lottery—it was the most exciting thing that had happened in that community in years. This is just one amazing, single example of what the CDC programs can bring to a community through the private sector working in joint ventures with the locally elected CDC boards. It there has been a mistake, it is that the CDC Program has been attacked, assaulted, and underfunded over the period of the last 12 years.

Mr. President, I am strongly committed to enterprise zone legislation if we are also talking about public investments like CDC's in the zones. During the course of the various discussions with administration officials, I think Senator RIEGLE, asked Mr. Darman what the administration was prepared to do in terms of enterprise zones, and it was one of the longest pause that I have heard. And I still have not heard the answer. There was some indication that, well, what we might do is cut back funding for some existing programs so that we can rechannel and funnel the money into the enterprise zones.

Well, we had just gone through that exercise last year in the infant mortality debate where the administration announced dramatic infant mortality programs for the country of, I think it was, $57 million. And the way they were getting the funds was by cutting back on the community health centers, which are the principal instrument of delivering primary health care to medically underserved areas, saving some 6.5 million Americans. The centers are the ones who are trying to treat expectant mothers. It made absolutely no sense at all.

So I, as one Member of this body, want to indicate that I could certainly strongly support the enterprise zones coupled with public investment in the zones. I think the kinds of questions that the chairman of the Banking Committee, Senator RIEGLE and other members of the Banking Committee, asked in terms of what the administration wants to do are fair, and I think it is fair enough to try to get some responses to those questions before we are prepared to move forward. I, for one, certainly hope we can. But to indicate that you are going to hold this program hostage, which is basically what the minority leader is stating, we are going to hold this hostage until you get action on a program when they are not prepared to give us answers, is I think, a bankrupt policy.

I hope, Mr. President, that we will be able to at least get action by the Congress on the supplemental. Time is moving. Most of the public schools are closing down after a week, another 10 days, 2 weeks. The opening is still there, but it is closing rapidly. I think there is the intention by the leadership in the House to address this bill later on in the week, and I am very hopeful that they will.

I reserve the remainder of my time.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. DOLE. Mr. President, I did not intend to stir up all this debate, but it is something to do around here. It probably beats a quorum call, but it is close.

In any event, I think the administration still is in the position they would like to resolve the problem. But to tell the President he ought to bust the budget by $2 billion is not really a solution.

I understand the supplemental appropriations conference report may come up in the House this week, but I do not think they have the votes to pass it because a lot of them are a little concerned, too. They are watching the polls. They are seeing the frustrations of the American voters. They know the American people finally caught up with Congress. We keep spending money we do not have. And even the American people are now saying, "Hold on. How are you going to pay for it?"

All of this talk of my colleague—somebody said, "How are we going to pay for it? Just charge it up to the next generation of people?" That is all the President is insisting on and a lot of Republicans and Democrats are insisting on: If you are not going to pay for it, at least give the President discretion to spend it or not spend it. He is willing to take the heat. But do not say he must spend it, take it all, or leave it all.

It seems to me if those who were in on the conference would like to move this off dead center, they could reconvene the conference, make the necessary changes, and the President could sign it, and we could get money out for summer programs. But as I predicted 30 days ago, this is precisely what is happening. Everyone wants one-upsmanship, too many people, particularly the liberal press. And that is what has happened. We have a $4 trillion debt, but adding a couple billion more to a $4 trillion debt, that is nothing; do not worry about it. I do not suppose we will worry about it, but the next generation will.

It seems to me we are missing a point, saying how great these programs are, unless you also say we are willing to pay for them. I think that is the only problem the White House has and the American people have. And once we can resolve that, we are prepared to move it; otherwise, we have the votes to sustain a veto. And we hope the Democratic leadership in the House and Senate will at least give us a chance to take action on the supplemental appropriations bill this week. If it has to be vetoed, OK, sustain the veto. We can work out something to get money to these innocent victims in Los Angeles and the other beleaguered inner cities around the country before the summer is over. It is already June, and if we continue to posture and play politics, there may not be any benefits coming to young people or anybody else in those cities.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I want to come back again to the point that somehow this is unnecessary spending, unwarranted, or somehow unjustified but that other priorities of the administration were justified. This point was, I think, very eloquently and accurately refuted by the chairman of the Appropriations Committee. I would like to just refer to Senator BYRD'S statement because many of us believe that this amendment makes more sense than what the administration has offered in its budgetary proposals to run up the debt.

The administration provided $59 million for increased security costs for embassies and other facilities in the Persian Gulf. In fiscal 1991, the administration used its authority to forgive the debt of foreign countries of $11 billion; $6.7 billion for Egypt—as Senator BYRD points out, "I did not vote for it; I voted against it."—$6.7 billion for Egypt, $2.4 for Poland, 32 countries receiving $2.55 billion in debt forgiveness under various authorizes.

Now, if the Senator from Kansas thinks that is more important than trying to deal with the young people in this country, so be it. But why is that not politics? To the Senator from Massachusetts, the Senator from Utah, that is politics. That is politics. But, oh, my goodness, when the administration itself has declared these emergencies, spending hundreds of millions of dollars, that is not. That is not. Or billions of dollars in foreign loan forgiveness, that is not. It seems to me that we ought to be looking after the people there at home and particularly the young, the innocents in those cities and in those communities. You are talking about poor 3- to 5-year-old children in Head Start. They are not those who were involved in the violence. You are talking about those in the first and second grade, third grades in the Chapter 1 Program. They are not the ones who were involved in the violence.

You are talking about summer youth programs that have been cut in half over the period of the last 10 years. And you are talking about weed and seed, which addresses law-enforcement problems and tries to deal with the problems of gangs, which, in many instances, were the perpetrators of the acts.

It just does not add up, Mr. President. On the one hand the President wants various foreign aid forgiveness programs. He says we will make those budget emergencies. The American taxpayer will have to pay for those. It will be in the future. But I am sorry, Congress, the $1.4 billion in terms of investing in children in this country is illogical spending.

I just do not believe that the American people are going to buy that.

Mr. President, I withhold the remainder of my time.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. GRAHAM. I suggest the absence of a quorum.

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Mr. KENNEDY. On whose time, Mr. President?

The PRESIDING OFFICER. The time will run against the 30 hours on cloture, not charged to any individual Member.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. LOTT. Mr. President, I seek at this time to speak in support of this conference report. I ask to be able to speak in behalf of this conference report.

The PRESIDING OFFICER. The Senator has that right.

Mr. LOTT. Could I inquire, Mr. President, are there any time limits at this time or are we just in 1 hour of debate time? Is it charged to either side? Exactly what is the parliamentary situation?

The PRESIDING OFFICER. The Senate is operating under cloture. The Senator has 1 hour of debate.

ADAMHA REORGANIZATION ACT, S. 1306—CONFERENCE REPORT

The Senate continued with the consideration of the conference report.

Mr. LOTT. Mr. President, I want to speak in behalf of the conference report accompanying S. 1306, which would provide for the restructuring of the Alcohol, Drug Abuse, and Mental Health Administration. I think that this is one of the Federal Government's programs that has done a good job. It reaches out to people across this country, in rural and urban areas alike. It helps countless communities deal with very difficult problems related to alcohol, drug abuse, and mental disorders.

The Federal Government plays an important role in many areas, and in this instance it is essential to have Government support if we are going to treat some of the ills we have in America. Without the Federal role, and without the Federal participation, we probably would not have adequate programs to treat alcohol, drug, and mental health problems.

So I think that this is a good investment of Federal dollars, and I support this program. I know how detrimental the problems of alcohol abuse are to families and communities. I know also that there are many things that can be done. There are various treatment programs available. There are also counseling programs that are most beneficial.

One of the first drug abuse programs in the United States to receive Federal funding is located in Gulfport, MS. They have done a fantastic job with their program. When you look at the statistics, however, nationally, the picture is still horrifying.

A 1990 national household survey of drug abuse showed that 37 percent of the household population to age 12 and older in the United States reported use of one or more illicit drugs; 13 percent had used illicit drugs in the past year; 6 percent had used illicit drugs in the last month; approximately 83 percent of the households in the United States have experienced problems with alcohol abuse; 51 percent had this problem within just the last month.

The statistics revealing a high percentage of drug abuse go on—whether it is marijuana or cocaine. The percentages are also high for problems with mental health which include schizophrenia, acute depression, and psychosis. There are a long list of programs that we need in this country, to address such concerns.

This piece of legislation is for reform and reorganization. The truth of the matter is that the only complaint about the bill today is the formula for distribution of funds. I understand that there are some States that lose some funding, but this is kind of like two kids in the sandbox fighting over who has the most sand in their bucket. You have more than I have, so I am going to throw sand in your eyes.

At the same time, this is a program that needs to go forward. I admit that my own State of Mississippi would get a significant increase in funds under this reorganization. Let me tell you that we need it too, desperately. So while I understand the concerns of some of the States who would lose funds, the great majority of us feel the program is essential. We need to go forward with it, and we feel the formula is a fair one.

It does have reforms in it. Some of the questions that have been raised about administration, the effectiveness of the programs, and research efforts, are addressed in this conference report. So I endorse this reorganization act. I urge my colleagues to support it.

There is no question that we can and should do more to help people with alcohol, drug abuse, and mental health problems. This particular bill will help with that effort, so I wholeheartedly support it.

I yield the remainder of my time, Mr. President.

The PRESIDING OFFICER. The question is on the adoption of the conference report.

QUORUM CALL

Mr. LOTT. 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 (Mr. KOHL). Is there objection?

Mr. GRAHAM. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The assistant legislative clerk resumed the call of the roll and the following Senators entered the Chamber and answered to their names:

[Quorum No. 1]

Adams	Hatch	Lott
Burdick	Kennedy	Mitchell
Byrd	Kerrey	
Graham	Kohl	

The PRESIDING OFFICER. A quorum is not present. The clerk will call the names of the absent Senators.

The assistant legislative clerk resumed the call of the roll.

Mr. MITCHELL. Mr. President, I move that the Sergeant at Arms be instructed to request the presence of absent Senators, and 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 motion of the Senator from Maine. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Rhode Island [Mr. PELL], the Senator from Minnesota [Mr. WELLSTONE], and the Senator from Colorado [Mr. WIRTH] are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota [Mr. WELLSTONE] would vote "aye."

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. SPECTER] is necessarily absent.

I further announce that the Senator from North Carolina [Mr. HELMS] is absent due to illness.

I further announce that, if present and voting, the Senator from North Carolina [Mr. HELMS] would vote "nay."

The result was announced—yeas 88, nays 6, as follows:

[Rollcall Vote No. 118 Leg.]

YEAS—88

Adams	Bumpers	Daschle
Akaka	Burdick	DeConcini
Baucus	Burns	Dixon
Bentsen	Byrd	Dodd
Biden	Chafee	Dole
Bingaman	Coats	Domenici
Bond	Cochran	Durenberger
Boren	Cohen	Exon
Bradley	Conrad	Ford
Breaux	Cranston	Fowler
Brown	D'Amato	Garn
Bryan	Danforth	Glenn

Gorton	Levin	Rockefeller
Graham	Lieberman	Roth
Grassley	Lott	Rudman
Harkin	Lugar	Sanford
Hatch	McConnell	Sarbanes
Hatfield	Metzenbaum	Sasser
Heflin	Mikulski	Seymour
Hollings	Mitchell	Shelby
Inouye	Moynihan	Simon
Jeffords	Murkowski	Simpson
Johnston	Nickles	Smith
Kassebaum	Nunn	Stevens
Kennedy	Packwood	Thurmond
Kerrey	Pressler	Wallop
Kerry	Pryor	Warner
Kohl	Reid	Wofford
Lautenberg	Riegle	
Leahy	Robb	

NAYS—6

Craig	Kasten	McCain
Gramm	Mack	Symms

NOT VOTING—6

Gore	Pell	Wellstone
Helms	Specter	Wirth

So the motion was agreed to.

The PRESIDING OFFICER (Mr. KOHL). With the addition of Senators voting who did not answer the quorum call, a quorum is now present.

The question is on agreeing to the conference report.

Mr. GRAHAM. Parliamentary inquiry.

The PRESIDING OFFICER. The Chair recognizes the Senator from Florida.

Mr. GRAHAM. Mr. President, what is the circumstance in terms of the completion of time under the previous cloture vote?

The PRESIDING OFFICER. Cloture was invoked at 3:05 p.m. The vote on the adoption of the conference report will occur no later than 30 hours thereafter.

Mr. GRAHAM. Mr. President, what is the current position of the Senate? What is the pending business of the Senate?

The PRESIDING OFFICER. The conference report on S. 1306 is the pending question.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Florida.

Mr. GRAHAM. Mr. President, we had a debate earlier today on one issue relative to this legislation, and that was the appropriateness of adopting a new formula for the allocation of alcohol and drug treatment funds commencing as of July 1, 1992, assuming that this bill would become law prior to that date, and then causing a readjustment of funds in the last quarter of this current fiscal year for the duration of the current fiscal year; that is, to adjust the allocation which the States will receive in the last 3 months of this fiscal year in such a pattern that would reflect the pendency of the new formula throughout the entirety of the fiscal year. There was a proposal that this bill be returned to conference committee for purposes of delaying the effectiveness of that formula until after the completion of this fiscal year. That failed, and thus we are now on the final consideration of this bill.

I will wish to speak later on some more specifics relative to the issue of the formula distributions, but I did not wish the Senate to feel as if that were the only issue that has created question and controversy relative to this matter.

There is an item in this bill, Mr. President, which relates to the utilization of methadone as a medication for persons who are addicted to various drugs. It is my understanding that matter was not included in the legislation which passed the House of Representatives. I am quite confident that it was not included in the legislation which passed the Senate. Therefore, we are dealing with a proposal that has not been subjected to debate in either the House or Senate as to its worthiness. This provision, Mr. President, I would like to bring to the attention of the Senate both as to its substance and then discuss some of the policy implications which are going to be raised both here and in the House of Representatives.

We are speaking of subpart 2, which is on page 93 of the report entitled, "Interim Maintenance Treatment of Narcotics Dependents. Section 1976. Interim Maintenance Treatment. A. Requirement regarding the Secretary."

Subject to the following subsections of this section, for the purpose of reducing the incidents of transmission of HIV disease pursuant to the intravenous abuse of heroin or other morphine-like drugs, the Secretary in establishing conditions for the use of methadone in public or nonprofit private programs of treatment for dependence of such drugs shall authorize such programs * * *.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GRAHAM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

LETTERS FROM FLORIDA

Mr. GRAHAM. Mr. President, I would like to share some additional evidence on how the ADAMHA conference report will negatively impact the State of Florida.

First, I would like to read a letter from the Governor of Florida, Lawton Chiles, a former colleague in the Senate, expressing his concern over the ADAMHA conference report.

Hon. BOB GRAHAM,
Dirksen Senate Office Building,
Washington DC.

DEAR BOB: I am deeply concerned about Florida's capacity to maintain critically needed public alcohol, drug abuse, and mental health services because of provisions contained in the conference report on S. 1307, the Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA).

If this conference report is approved by Congress, Florida will lose approximately $16.5 million in its share of Alcohol, Drug Abuse, and Mental Health Block Grant, retroactive to October 1, 1991.

As you know, Florida is facing a severe budget crisis at the present time. I have called a Special Session of the Legislature for June 1 to deal with this crisis. A reduction in ADAMHA funds of this magnitude will exacerbate this problem and deal a devastating blow to our ability to maintain the current marginal levels of critically needed alcohol, drug abuse, and mental health services to the many persons unable to afford private care and who do not qualify for Medicaid or Medicare.

The conference report on S. 1306 is scheduled to go to the floor of the House tomorrow and the Senate on Wednesday. I strongly urge you to vote against the conference report and vigorously seek to have it returned to the conferees with instructions to modify the bill to hold states' awards harmless from a midyear retroactive reduction. Clearly, such a provision is unfair to states like Florida which are unable to free up additional state funds for these badly needed safety net programs.

Enclosed, for your use are talking points on how S. 1306 will impact our State. I very much appreciate your attention to this request and your continued willingness to work for Florida's citizens in need.

With kind regards, I am

Sincerely,

LAWTON CHILES.

The Florida State Department of Health and Rehabilitative Services also has grave concerns about the passage of this conference report.

Secretary Robert B. Williams writes:

Hon. BOB GRAHAM,
U.S. Senate, Dirksen Senate Office Building,
Washington, DC.

DEAR SENATOR GRAHAM: This is to provide you with information specific to Florida's Alcohol, Drug Abuse and Mental Health (ADM) Program to be used on Tuesday and Wednesday, May 19 and 20, when the House and Senate are scheduled to consider the Conference Report on S. 1306, the Alcohol, Drug Abuse and Mental Health Reorganization Act.

The loss of $16,505,000 in the Federal Fiscal year 1992 ADM Block Grant award will have a serious and irreparable effect on Florida's ADM service delivery system. This reduction is occurring simultaneously with shortfalls in the projected amount for Florida's general revenue collections. Substantial state funding reductions for ADM services are proposed by the Legislature for state fiscal year 1992-93 to maintain a balanced budget. It is unlikely that state revenues will be available to makeup the funding loss in the ADM Block Grant. Consequently, the loss of $16 million significantly diminishes the continued availability of services to citizens who desperately need them.

For mental health programs, the reduction of $4 million will result in services not being available to an estimated 3,436 seriously emotionally disturbed individuals requiring a range a community support services in order to live in their community. The reduction of $12.5 million for substance abuse programs is even more severe. It will result in services not being available to an estimated 1,383 alcohol and drug-abusing/addicted individuals requiring a range a community-based treatment services. The full range of community-based treatment programs will be af-

fected, both by reducing capacities of some programs and closure of others.

The attached summary provides additional details about the effect of the reductions. Certainly, a reduction of this magnitude will manifest a negative consequence on virtually every one the issues of concern in the conference bill. It will damage our ability to improve efforts directed toward the special populations identified in the bill and to comply with the many assurances the bill requires of states.

We consider it unconscionable to place a retroactive effective date of October 1991 for implementation of the new formula. Literally taking back $16 million of Florida's grant award, with only four months in the grant year left to obligate the funds under statutory requirements of a one year obligation period, is unsound and unfair financial practice. As you are aware, states have been under considerable pressure to draw down funds during the current grant year. In effect, this has forced Florida into an accelerated spending rate, when compared to the prorate amount we would have spent based on the federal fiscal year 1991 award amount, to comply with federal statute. Now the bill would require us to give up funds the previous statute required us to obligate.

We would appreciate any change you can accomplish to improve our funding situation. Most ideal would be either to alter the formula approved in the bill, or to obtain an amendment which would change the hold harmless effective date to the original FY 1992 allocation level, rather than the 1991 funding level. If this is not possible, at a minimum, it is desirable that an amendment be added to the bill to stipulate that the FFY 1992 grant awards will not be revised. In this case, the effective date for implementing the new formula needs to be FFY 1993, consistent with all other provisions of the bill.

We respectfully appreciate your efforts on behalf of obtaining changes which would minimize the effect of S. 1306 on Florida's ADM system. Please let me know if I can assist further in this respect.

Sincerely,

ROBERT B. WILLIAMS,
Secretary.

SUBSTANCE ABUSE SERVICES ADAMH BLOCK GRANT REDUCTION

The reductions of $12,502,538 in ADAMH Block Grant funding for Substance Abuse Services in FY 1992-93 and the future are as follows:

Impact on continuation base funding, $7,439,702:

Residential Services.—These services include detox, short- and long-term residential and half-way house services. This will eliminate 202 beds providing services to about 1,383 clients for a total of $4,529,764.

Outpatient Services.—These services include counseling, testing, methadone treatment, aftercare, case management and day treatment services. This will eliminate services to about 2,416 clients for a total of $1,509,938.

Over 3,000 clients are on waiting lists statewide for residential and outpatient services at this time. As a result of the above reductions, statewide waiting lists will increase by over 100 percent.

Loss of Florida Addiction Treatment Center, the only statewide facility exclusively for substance abusers with mental health problems (dually diagnosed). This loss results in 450 clients not receiving services.

Based on the above reductions, 64 percent of all clients statewide, 2,719, are criminal justice involved. Without the benefit of substance abuse treatment, these clients will likely continue criminal activity.

Approximately 32 percent of all clients statewide are at risk for HIV as a direct result of their substance abuse. Given the sex-for-drugs trade and sharing of injection equipment, these high-risk individuals are increasingly in danger of both contracting and spreading this disease. Based on the above reductions, 1,360 clients at high risk of, or infected with, HIV will not receive needed substance abuse treatment.

Impact on new services, $5,062,836

Residential Services.—$3,797,127 in anticipated funding, now eliminated, could have served about 1,161 additional clients in 170 beds.

Outpatient Services.—$1,265,709 in anticipated funding, now eliminated, could have served about 2,024 additional clients in outpatient programs.

ADULT MENTAL HEALTH ADAMH BLOCK GRANT REDUCTION

The following summarizes the estimated impact of a $4,002,463 reduction in the ADAMH Trust Fund on Adult Mental Health Services:

Reduced Service Units.—An estimated 86,358 service units will be lost leaving 3,436 individuals unserved.

Service Center Reductions.—The block grant reduction will affect adult mental health's ability to provide the following services: assessment; clozaril; day/night; intervention services in the jails; outpatient treatment; overlay services to nursing homes and adult congregate living facilities; and all levels of community residential services.

Additionally, this ADAMH block grant reduction could place the department out of compliance with the *Johnson vs. Bradley* stipulated agreement and with the *Sanbourne vs. Chiles* negotiations. This could result in a federal court take over of adult mental health services in Florida and resulting in a multi-million dollar additional cost to the state's taxpayers.

Most adult mental health major initiatives will be set back particularly the reduction the state mental health treatment licensed bed capacity to 15 licensed beds to 100,000 population. By reducing the ability of communities to serve people with serious mental illness, increased utilization can be expected in mental health institutions and crisis stabilization units, all of which are already over capacity.

Also, this current reduction could cause Florida to lose additional ADAMH Block Grant by forcing the state to be out of compliance with Public Law 99-660.

At this time, I would like to read an article from the St. Petersburg Times that was published on May 20, 1992.

This article clearly expresses the detrimental impact of this legislation.

CUTBACKS THREATEN REHABILITATION PROGRAMS

(By David Dahl)

Treatment for thousands of mental health, alcohol and drug abuse patients in Florida is jeopardized because Congress wants to take back $16.5-million in federal money that state officials had been expecting.

Combined with slashes in state spending, the news from Washington may mean the elimination of anti-drug programs in the Pinellas and Pasco county jails, shut down of the Florida Addiction Treatment Centers in Avon Park and cutbacks in several other programs.

"It is unlikely that state revenues will be available to make up the funding loss," Bob Williams, secretary of the State Department of Health and Rehabilitative Services, wrote lawmakers this week.

Williams warned that the cutbacks will mean that 3,436 emotionally disturbed people would lose mental health services. Slots for another 1,383 people in drug and alcohol abuse programs would be lost, he said.

On Tuesday, the U.S. House temporarily blocked the legislation that would create the shortfall after objections from Florida's congressional delegation and lawmakers concerned about an unrelated aspect of the bill.

U.S. Rep. Michael Bilirakis, R-Fla., demanded a recorded vote that helped stop the bill for now.

He wants to meet with the authors of the legislation about the "unfair" reduction, said spokesman Steven Cohen.

But the main sponsor, California Democrat Henry Waxman, isn't ready to change the bill and likely will push the legislation through within the next several weeks, an aide said. It would then go to the Senate.

From Florida's standpoint, one problem in the bill is a spending formula that favors rural states in allotting money for alcohol, drug abuse and mental health programs. The formula puts emphasis on states with urban populations age 18 to 24—again, no help for Florida and its large aging population.

But the state has a more immediate problem. While lawmakers worked on the new formula, Florida was allotted about $79-million for the abuse and mental health programs for this year, based on an old formula. But now that the new formula is done, the state is due only $63-million.

So Florida would owe $16.5-million, an amount that would be taken out of the quarterly payment the state gets this summer. The problem is though, that state officials already had plans for the federal money.

"Right up until Friday evening, there was no indication that this would be taken away," Martha Lenderman, a state mental health and substance abuse program supervisor for Pinellas and Pasco counties, said in a telephone interview. "It's reneging on what we considered a real commitment."

But in Washington, Waxman pointed out that the federal government had once warned Florida officials that the state's allotment for the coming year could change. So, they shouldn't have been expecting the money.

Waxman's home state of California would lose just $1-million next year under the bill. He sat on the House-Senate conference committee that crafted the federal legislation—and no Floridian did.

If Congress allows the shortfall, the money crunch would be in the hands of the Florida Legislature. But money is tight in Tallahassee, so Lenderman on Tuesday sent out letters to Pinellas-Pasco substance abuse and mental health agencies telling them of this summer's pending closures.

The Ocala/Marion County Community Council Against Substance Abuse wrote a letter that I would like to share with the Members of Congress.

Hon. BOB GRAHAM,
Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR GRAHAM: First of all, on behalf of the Community Council Against Substance Abuse, let me thank you for your efforts and those of your colleagues for the many programs that Congress has developed to help our country deal with one of its most

grave social ills—the abuse of alcohol and other drugs. These efforts have enhanced law enforcement, improved the courts and corrections systems, and funded numerous education, prevention and treatment programs.

However, at this time, we would like to express a concern regarding proposed changes in the formula by which Federal Block Funds are allocated to the states by the Alcohol, Drug Abuse and Mental Health Administration (ADAMHA).

The proposed revision would result in a decrease of $12 million in funding for the State of Florida. Last year, Florida lost $7.3 million in Federal Block Grant funding for alcohol and other drug abuse services. This reduction occurred shortly after the issuance of a report by the Florida Alcohol and Drug Abuse Association that indicates Florida has an annual deficit of at least $500 million in providing treatment to those in need.

It is our opinion that Florida's needs are not addressed in the proposed formula for ADAMHA funding allocations. As such, we urge you to oppose these proposed changes. If the conference report on Senate Bill #1306 is taken up on the House floor, we request you ask for a roll call vote.

Perhaps the most important lesson learned through experience and research is that addiction is a disease that is both preventable and treatable. Although it is a complex and seemingly intractable illness that is caused and influenced by a myriad of factors, people do recover. Each time that happens, the benefits are exponential. Not only the addict benefits, but also the addicts children, family, employer and the community at large.

Your consideration of this suggestion is appreciated.

Yours very truly,

WILLIAM L. PATTEN,
Substance Abuse Prevention Coordinator.

The next article I would like to read is also from the St. Petersburg Times. This editorial is appropriately titled "A Cruel Federal Cut."

A CRUEL FEDERAL CUT

A drug rehabilitation program in Pinellas County keeps substance abusers and their newborns together. The special needs of babies born to addicted mothers are tended at PAR Village, and the bonding helps speed the mothers' recovery.

Families who care for elderly mental health patients benefit from special attention themselves. Gulf Coast Jewish Family Services runs a geriatric care-giver support program that provides the encouragement and nurturing that is so critical to families facing such a challenge.

These are just two of the effective programs in serious jeopardy because of congressional action. The Florida delegation should scramble to stave off an impending loss of $16.5-million.

What makes this worse than most cuts in federal funding is that Florida already has received most of the money allotted for the current fiscal year, has planned for its use and, in some cases, already spent it. The federal government in essence would be asking Florida to hand the money back, an unacceptable request in any year but preposterous in this time of painful budget cuts at the state level.

The problem resulted from a restructuring of the formula used to distribute federal money, something that was not unexpected by officials who administer alcohol, drug abuse and mental health programs for Florida. Traditionally, the formula had favored states with heavy urban populations at the expense of more rural states, and there was a need to revise the distribution process to make it more equitable.

What wasn't anticipated and, officials say, was unprecedented, is the provision in the legislative package that would refigure Florida's 1991–1992 share under the new formula and require the state to return the difference.

"At no point did we expect they would take out the money we (already) were programing to spend," said Pam Petersen, deputy assistant secretary for drug and alcohol abuse at Florida's Department of Health and Rehabilitative Services.

A final vote on the package has been delayed in Congress. It should be sent back to conference committee and at the least, language should be restored that would allow Florida and 11 other affected states to keep this year's allotment.

That would give state legislators a little more time to figure how to make up for the loss of federal support. It also would give them more time to consider the suffering they cause by lacking the courage to accomplish serious financial reform.

The next few letters describe what will happen at the local level if this conference report is passed. First, I would like to read what Mr. Angelo V. Squatrito, the executive director of Jeff Industries Inc. wrote.

JEFF INDUSTRIES, INC.,
Hypoluxo, FL, May 20, 1992.

DEAR SENATOR GRAHAM: I am writing to let you know that the fifty (50) client/workers (seriously mentally ill) at Jeff Industries, Inc. (District 9, only psycho-social vocational center for the mentally ill) will probably be out of work (without services) if Conference Report on S. 1306 is passed by the House and Senate.

There are no alternatives for these and many other people like them, meaning all hope will be lost. This loss will result in a serious increase in hospitalization and crisis stabilization which will cost the State much more in the end and set back mental health services in this State twenty-five years.

We would appreciate any change you can make to improve our federal funding.

Sincerely,

ANGELO V. SQUATRITO,
Executive Director.

The next letter I will read is from Jack Barker, the chairman of the District Eight Alcohol, Drug Abuse, and Mental Health Planning Council. He wrote about the terrible effects of this conference report on southwest Florida.

ALCOHOL, DRUG ABUSE AND
MENTAL HEALTH PLANNING COUNCIL,
Fort Myers, FL, May 18, 1992.

BOB GRAHAM,
U.S. Senator, Dirksen Senate Building, Washington, DC.

DEAR SENATOR GRAHAM: We have just became aware that Florida will lose $16 million in Block Grant funds based upon the new distribution of alcohol, drug abuse and mental health support across the State in SB 1306. The effects of this loss will be felt in Southwest Florida.

Among the impacts will be the loss of detoxification beds in Fort Myers, the Venice drop-in center will close, adult outpatient counseling in Punta Gorda will be reduced, residential treatment beds will be closed in Naples and Sarasota. There will be services lost to over 4,000 clients and over 40 employees will be laid off.

We appreciate all of your efforts on our behalf to prevent or minimize the disastrous effects of this Senatorial action.

Sincerely,

JACK BARKER,
Chairman.

The chairperson of the Dade-Monroe Alcohol, Drug Abuse, Mental Health Planning Council also sent a letter expressing her deep concern. Dr. Elizabeth L. Metcalf wrote:

DEAR SENATOR GRAHAM: We are deeply concerned about Florida's capacity to maintain critically needed public alcohol, drug abuse, and mental health services because of provisions contained in the conference report on S. 1306, entitled the "Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA) Reorganization Act."

If this conference report is passed by the House and Senate, Florida will lose approximately 16.5 million dollars in Alcohol, Drug Abuse, and Mental Health Block Grant, retroactive to October 1, 1991.

As you may surmise, Dade and Monroe counties will face significant reductions in its alcohol, drug abuse, and mental health services which relies heavily on federal funding. More specifically, this will represent an additional reduction of 7 million dollars or (15.5%).

These federal cuts will impact nearly 20,000 consumers who rely on these services, and when added to the impact of impending state cuts, nearly 30,000 consumers will be affected and approximately 300 jobs will be lost to this district.

We would appreciate any change you can accomplish to reverse this situation. Most ideal would be either to alter the formula approved in the bill, or to obtain an amendment which would change the hold harmless effective date to the original FY 1992 allocation level, rather than the 1991 funding level.

We respectfully appreciate your efforts on behalf of obtaining changes which would minimize the effect of S. 1306 on Florida's ADM system. Please let us know if we can assist further in this respect.

Finally, it was good to see you again at the "Torch of Friendship" and thanks for your support.

Sincerely,

ELIZABETH L. METCALF, PH.D.,
Chairperson.

I also received an urgent letter from the Professional Comprehensive Addiction Services, Inc.

The chairman of the board, Gay Robertson-Reed, wrote:

Senator BOB GRAHAM,
Congress of the United States,
Washington, DC.

DEAR SENATOR GRAHAM: Please oppose the passage of S.B. 1306. This bill will result in a catastrophe in substance abuse treatment in Pinellas County. Programs will close and clients will be discharged with no place to get treatment. Our detoxification unit, outclient and residential programs cannot survive this loss.

The people who need care will not be the ones able to appeal to you. We appeal in their name.

Sincerely,

GAY ROBERTSON-REED,
President, Board of Directors.

The Pasco-Pinellas Alcohol, Drug Abuse and Mental Health Planning Council expressed how these cuts would affect these Florida counties.

Chairman Emile Laurino writes:

MAY 18, 1992.

Hon. BOB GRAHAM,
U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR GRAHAM: The Block Grant reauthorization formula for federal alcohol, drug abuse and mental health funding will come to the United States Senate for a vote on Wednesday, May 20, 1992. Your personal efforts in opposing passage of this bill (SB 1306) is urged.

This legislation will reduce federal funding to the state of Florida in the amount of $16,000,000 which is currently used to prevent and treat serious mental illness and substance abuse. In just Pasco and Pinellas counties alone, the service reduction will exceed $1,000,000.

Local services to be eliminated as a result of this federal funding cut include the following programs:

Elimination of all in-jail substance abuse and mental health treatment services and outpatient/casemanagement services to persons involved with the criminal justice system. We can expect drastically increased crime as a result.

Elimination of the Gulf Coast Jewish Family Services geriatric caregiver support team which will result in increased use of nursing home and other institutional care at greater cost to taxpayers.

Loss of crisis stabilization and other acute care beds for the most seriously ill persons in our communities resulting in increased use of more expensive local and state hospitalization.

These represent only a few of the service reductions which will result from the projected federal funding cuts. Please vote against SB 1306 and seek a roll call vote on the measure. We have never needed your help more than now.

Sincerely,

EMILE LAURINO,
Chairman, ADM Planning Council.

The final letter that I would like to share is from Dr. James T. Howell, the district administrator in the Department of Health and Rehabilitative Services for the counties of Palm Beach, Martin, Okeechobee, St. Lucie, and Indian River. He wrote:

DEAR SENATOR: Over the past three years, state funding for alcohol, drug abuse and mental health services for residents of Palm Beach, Martin, Okeechobee, St. Lucie and Indian River Counties has been reduced by $3,876,168 due to shortfalls in state revenue. These reductions have lowered our delivery of care system to the current marginal level of critically needed services.

If the Conference Report on S. 1306 is passed by the House and Senate, the resulting loss of approximately $900,000 in federal funding for alcohol, drug abuse and mental health services to our residents would severely cripple our ability to maintain the current level of services.

The immediate impact of this loss of federal funding is the closure of 73 residential beds, reductions in day treatment and child care services to substance abusers resulting in a loss of services to 3,201 residents, the closure of 56 residential beds for the elderly, reductions in outpatient, vocational training and in-jail services to the mentally ill resulting in a loss of services to 1,630 residents.

We would appreciate any change you can make to improve our federal funding.

Sincerely,

JAMES T. HOWELL, M.D.,
District Administrator.

As you have heard, the people of Florida are very much opposed to the language in this conference report.

You have heard what will happen—the loss of jobs, services, treatment programs.

I urge each Member of Congress to reconsider this report.

Mr. President, I ask unanimous consent that statements relative to the methadone provision from Congressman RANGEL and other related matters be printed in the RECORD.

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

SELECT COMMITTEE ON
NARCOTICS ABUSE AND CONTROL,
Washington, DC, May 18, 1992.

VOTE AGAINST BAD DRUG TREATMENT POLICY—VOTE AGAINST S. 1306

DEAR COLLEAGUE: On Tuesday, May 19, the House will consider the conference report to S. 1306, the ADAMHA Reorganization Act. I supported H.R. 3698, the House version of the bill, when it came to the floor back in March. Although the conference report provides important authorizations for a number of critically needed substance abuse treatment and prevention programs, I have decided, with great reluctance, that I cannot support it.

The conference report includes highly controversial and unwise provisions relating to the treatment of intravenous drug users that represent a major departure from Federal treatment policy. These provisions were not passed as part of the House or Senate versions of the ADAMHA reauthorization bill. They were inserted in the bill conference without opportunity for debate by the Members of the House. In fact, I doubt if most Members even know these provisions have been added to the bill. In my view, the inclusion of these provisions make the entire bill unsupportable.

S. 1306 would require the Secretary of Health and Human Services to issue regulations permitting methadone maintenance treatment programs to provide so-called interim, or minimum, maintenance treatment to narcotic addicts seeking treatment when programs have insufficient capacity to admit addicts into treatment. Interim, or minimum, maintenance involves, dispensing methadone to drug addicts without providing any, or just minimal, drug counseling and other rehabilitative services such as education, vocational training and employment counseling that are essential to helping addicts recover and lead productive, drug-free lives.

Interim maintenance has been called "no frills" methadone maintenance, an unfortunate misnomer because what it cuts out are not non-essential "frills" but the very heart of treatment services. Interim maintenance is not treatment. It is the antithesis of treatment. S. 1306 puts the government's stamp of approval on a policy that says the mere distribution of a highly addictive substitute for heroin is an adequate response to addiction.

The purpose of the interim maintenance provisions, according to the bill, is to reduce the spread of HIV and AIDS by intravenous drug users. Unquestionably, intravenous drug abuse is a major factor in the spread of AIDS. I do not doubt that those who put the minimum maintenance provisions in the bill were well-intentioned. The problem with minimum maintenance is that it is not effective.

Methadone maintenance is not a magic bullet for narcotics addiction. When used properly as part of a comprehensive treatment program providing a broad array of counseling and rehabilitation services, methadone can help addicts stop using illicit narcotics and start rebuilding their lives. In too many cases, however, methadone has failed to live up to its early promise because of funding cutbacks, growing client loads, lack of oversight and supervision by Federal and state agencies, and in some cases mismanagement and unscrupulous behavior by program operators. In a 1990 report on methadone maintenance to the Select Committee, the GAO concluded that many programs are not effectively treating heroin addiction. In addition to other problems, many patients continue to use heroin and other drugs, primarily cocaine, which continues to put them at risk of contracting and spreading the AIDS virus. GAO strongly recommended against interim maintenance, finding that the provision of methadone without counseling or rehabilitative services would not significantly reduce heroin use.

Interim maintenance has been considered and rejected by the very agencies that would have to administer it under S. 1306. In 1989, the Food and Drug Administration and the National Institute on Drug Abuse in the Department of Health and Human Services published a proposed rule in the Federal Register to authorize interim methadone maintenance for the same reason given in S. 1306—to reduce the spread of HIV and AIDS. After extensive hearings on the record, FDA and NIDA concluded that interim maintenance would not be effective and decided to withdraw their proposal. This decision was announced by former NIDA Director, Bob Schuster, at a June 1990 Select Committee hearing.

Drug abuse treatment providers, and methadone maintenance programs in particular, overwhelmingly opposed the FDA/NIDA proposed interim maintenance rule. They feared that interim maintenance would be unresponsive to patients' complex needs, would undermine public funding for comprehensive treatment and further erode public support for a fragile treatment system already weakened by years of underfunding and neglect.

Ironically, if the HHS Secretary fails to issue regulations for interim maintenance within 180 days, S. 1306 requires the proposed rule rejected by NIDA, FDA and the treatment community to go into effect.

The bill does not require programs to provide minimum methadone maintenance, and no program could provide interim maintenance if the chief public health officer of the state objects. Other provisions of the bill, however, require a state, as a condition of receiving its Federal substance abuse block grant funds, to agree that it will assure access to treatment for any intravenous drug user within 14 days after treatment is requested or within 120 days if no program has space for the individual and if interim services are provided. Because treatment capacity is already severely limited in many parts of the country, states and drug treatment programs may feel pressured to accept interim maintenance as a low-cost alternative to the loss of Federal treatment dollars. With Federal block funds comprising less than one-third of public treatment funding, this becomes a case of the tail wagging the dog.

We desperately need to both expand and improve the quality of drug treatment in our country. Interim maintenance may temporarily expand treatment capacity but only at

the expense of treatment quality, and it will not be effective in reducing the spread of AIDS.

Improving and expanding drug treatment, and reducing the spread of AIDS by IV drug users, requires a long-term commitment of additional resources to provide comprehensive drug abuse treatment services. There are no cheap or quick solutions. Federal mandates on access to treatment and interim maintenance will not work and ultimately will prove to be counter productive.

The inclusion of interim maintenance in S. 1306 is bad drug abuse policy, bad public health policy and bad legislative procedure. These provisions should be stripped from the conference report. I urge you to vote against S. 1306.

Sincerely,

CHARLES B. RANGEL,
Chairman.

DOCKETS MANAGEMENT BRANCH (HFA-305),
FOOD AND DRUG ADMINISTRATION,
5600 Fishers Lane,
Rockville, MD.

DEAR SIR: In response to the Notice of Public Hearing and reopening of the comment period regarding Interim Methadone Maintenance Treatment (54 FP 50226, dated December 4, 1989), the Drug Enforcement Administration (DEA) requests the following written comments be included in the administrative record, in lieu of an oral presentation at the hearing. These comments reiterate and expand upon DEA's comments of April 4, 1989 (copy enclosed).

Although not specifically listed as "Public Hearing Topics," DEA would like to reemphasize two specific points. First, the proposed "interim treatment" (i.e., methadone dispensing without standard drug abuse treatment and counseling provisions) should be an avenue of last resort. To do otherwise would create a drug abuse substitution program, rather than a "treatment program." Second, take-home privileges for interim program patients must not be allowed under any circumstances. Observation of the ingestion of the methadone is essential to the prevention of illegal sales of the drug.

DEA's comments of April 4, 1989 relate directly to several of the listed "Public Hearing Topics." Regarding Topics A2 and C1, DEA previously commented that regular urinalysis monitoring for interim patients should be compulsory. (See letter of April 4, 1989, item 4.) In the March 2, 1989 proposed rule, the stated basis for the proposed action is that "Methadone treatment should decrease an individual's use of IV narcotic drugs, therefore, decreasing the use of hypodermic needles and curtailing the spread of HIV * * *" Without regular urinalysis tests, it is not possible to assess whether poly-drug abuse (and, thus, possible needle-sharing) is continuing. If interim treatment patients continue to test positive for other drugs of abuse or negative for methadone, the interim program has not achieved its goal. Therefore, detoxification or accelerated comprehensive program placement is necessary.

Regarding Topic C2, DEA previously commented that interim programs must be adjunct to a comprehensive program, and a timetable for transfer to a comprehensive program must be developed. (See letter of April 4, 1989, items 1 and 3.) In addition to DEA's previous comments, it must be noted that interim programs will require DEA registration to dispense methadone. A condition of continued registration is compliance with the treatment standards established by the Secretary of Health and Human Services (HHS). The current proposal is open ended, allowing the possibility of a patient remaining on an "interim" program, without urinalysis or counseling, indefinitely. As such, no "treatment standard" exists against which the program's continued registration can be assessed. As currently proposed, once an interim program is allowed to start operations, its ability to dispense methadone is unrestricted (i.e., number of patients, length of patient participation, and dosage of methadone per patient) unless DEA shows illegal sales of methadone or an inability to account for methadone inventory. This is unacceptable. If interim programs are to be a temporary, "interim" approach, then finite limits of patient participation and dispensing restrictions must exist.

DEA appreciates this opportunity to comment and supports the careful review being given to this proposal. In seeking solutions to the serious drug abuse and health issues facing the United States, we cannot neglect methadone itself as a significant drug of abuse. Again, should it be deemed absolutely essential to establish a program of methadone dispensing without comprehensive treatment or counseling, DEA requests the preceding concerns be fully addressed in the final rule.

Sincerely,

JOHN C. LAWN,
Administrator.

DOCKETS MANAGEMENT BRANCH (HFA-305),
FOOD AND DRUG ADMINISTRATION
5600 Fishers Lane, Rockville, MD.

DEAR SIR: This letter is in response to the proposed rule concerning the revision of conditions for the use of methadone in the maintenance treatment of narcotic addicts. This proposed rule was published in the Federal Register, Volume 54, Number 40, pages 8973 through 8976, dated March 2, 1989.

The Drug Enforcement Administration (DEA) recognizes that this proposal seeks to maximize available narcotic treatment resources in response to the increase in acquired immune deficiency syndrome (AIDS) cases. While recognizing this difficult task, we must be assure that the "solution" does not intensify the major problem of drug abuse.

Every effort should be made to place narcotic addicts into comprehensive maintenance/detoxification programs which provide a full range of treatment and counseling services. The proposal of "interim treatment" (i.e., methadone dispensing without treatment/counseling provisions) should be the avenue of last resort, and only where it is clearly demonstrated that present comprehensive programs cannot handle the patient demand.

Should such an avenue of last resort be clearly established, dispension should be permitted only subject to the following conditions:

(1) The interim maintenance treatment program must be an adjunct to a comprehensive program. Stand-alone interim maintenance programs should be prohibited. An independent, or stand alone interim maintenance program would only be a drug give away program, with no incentive to place the patient into a comprehensive treatment program.

(2) We agree that methadone take-home privileges to patients enrolled in interim maintenance programs must not be allowed under any circumstances. Requiring these programs to dispense medication seven days a week and requiring program personnel to observe the ingesting of methadone are essential to the prevention of the illegal diversion of methadone.

(3) The regulations as proposed do not require a timetable for these patients to transfer to another modality. As the name suggests, an interim program is a temporary program and should have a specific or finite time limit for patients. Patients must be evaluated more frequently than the six months the regulations now propose. If a patient is still not placed after six months, long-term detoxification of that patient (180 days) should begin.

(4) Current urinalysis requirements set forth in Title 21, Code of Federal Regulations, Part 291 should be compulsory for all patients enrolled in methadone maintenance/detoxification programs, whether interim or comprehensive. Each patient enrolled in an interim methadone treatment program must submit to a drug screen urinalysis on a random basis at a minimum of once per month. This test must not be deferred to a subsequent visit. Certainly, if a patient tests positive for one or more controlled substances, and the patient is unable to prove that the controlled substances were obtained from a physician for a legitimate medical purpose, it would indicate that this patient continues to abuse drugs and is a potential candidate for the transmission of the acquired immune deficiency virus. When tests indicate that an interim maintenance treatment program patient's urine sample is negative for methadone, or positive for other drugs, that patient must be removed from the program, detoxified, or placed immediately in a comprehensive program slot.

Current regulations impose stringent standards for the dispensing of methadone and the rehabilitation of patients. DEA is seriously concerned that the dispensing of methadone in the absence of a comprehensive treatment counseling program may create new drug abuse issues rather than provide solutions. Should it be deemed absolutely essential to establish this program of dispensing methadone without comprehensive treatment or counseling, I request the preceding comments be incorporated into the final rule.

Sincerely,

JOHN C. LAWN,
Administrator.

SELECT COMMITTEE ON
NARCOTICS ABUSE AND CONTROL
Washington, DC, June 3, 1992.

Hon. JOHN JOSEPH MOAKLEY,
Chairman, Committee on Rules, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: As you know, the House last week voted to recommit S. 1306, the ADAMHA Reorganization Act conference report, after approving a rule waiving all points of order against the bill. The week before, the House refused to suspend the rules and pass the bill.

I am strongly opposed to the conference report on substantive and procedural grounds because of the provisions it includes authorizing interim methadone maintenance. These provisions were added in conference. Neither the House nor the Senate versions of the bill contained any language pertaining to interim maintenance. In addition to being bad public policy, these provisions would clearly seem to fall outside the scope of matters committed to conference in violation of clause 3 of Rule XXVIII of the Rules of the House of Representatives.

Enclosed is a copy of a "Dear Colleague" letter I circulated on S. 1306 that explains in greater detail my reasons for opposing the

interim maintenance provisions of the bill. I understand the conferees may have reached a new agreement on this bill that retains the objectionable interim maintenance provisions. If your Committee is again asked to consider a rule for this measure, I would appreciate an opportunity to testify. I would have strongly opposed a rule waiving all points of order against the bill last time if I had received timely notice of your hearing.

I appreciate your attention to my request.

Sincerely,

CHARLES B. RANGEL,
Chairman.

METHADONE

Mr. KENNEDY. Mr. President, I would like to address the interim methadone issue raised by the Senator from Florida.

Interim methadone is not mandated by the conference report. The conference report merely mandates that the Secretary of HHS consider the appropriateness of, and need for, this optional treatment modality. If the Secretary approved this option—or does not act—a State will have the discretion to authorize this form of treatment, but only if the State certifies that the provision of such treatment will not reduce the availability of comprehensive methadone treatment services.

So even if the Secretary approves interim methadone, this is not a required activity. This is strictly a matter of State discretion.

Interim methadone has shown great promise in reducing the spread of AIDS and discouraging drug use in New York City, Hong Kong, and Sydney, Australia.

I would prefer to see everyone get comprehensive treatment. But the resources are not there. And to just turn an IV drug user back on the street is a virtual death sentence in the age of AIDS.

I think it is appropriate to give States this option for fighting drug abuse and the spread of AIDS.

Mr. PELL. Mr. President, I support the conference report for S. 1306, the Alcohol, Drug Abuse, and Mental Health Administration [ADAMHA] Reorganization Act of 1991. In my view, this legislation contains many important provisions that will enhance the Nation's ability to confront the devastation caused by alcohol and drug abuse, and the tragedy of mental illness.

As a member of the Senate Labor and Human Resources Committee and a conferee on this legislation, I can testify to the fact that reaching an agreement on this legislation was extremely difficult. While the Senate, under Chairman KENNEDY'S leadership, approved by unanimous consent last August the Labor Committee's version of this legislation, the House of Representatives passed a quite different bill, making compromise necessary but very difficult.

Mr. President, I fully realize that some of our colleagues are dissatisfied with the agreement we have reached. Their opposition is based on the fact that their State—as does every State—desperately needs more money to treat substance abuse and provide mental health services. I understand and share their concern, and supported the $91 million increase in funding for this program that was recommended by the appropriators.

But those additional funds were appropriated not only with the Nation's overall need in mind: They were appropriated with the goal of helping increase the level of funding to those States that the GAO indicated have been seriously underfunded for many years.

Mr. President, it was my goal, during both Labor Committee consideration of this legislation and in conference, to make sure that no State received less in fiscal year 1992, or in the subsequent years of this reauthorization bill, than it did in fiscal year 1991. We did not have the luxury of guaranteeing any State an increase in funds, no matter how meritorious the State's needs may be.

I regret that we could not provide every State with the funds it needs: I also very much regret that my own State of Rhode Island was not a beneficiary of the formula change contained in the legislation. But I wish to assure my colleagues that the Senate conferees stood firmly with me and with the Senator from Indiana [Mr. COATS] in protecting every State from a loss of its 1991 funds. For this I am grateful, and thank the Senate conferees for their strong support against the House bill formula, which would have devastated many States, including Rhode Island.

Mr. President, my colleagues from similarly impacted States and I will need to revisit this legislation when it is reauthorized to prevent a loss of block grant funds to our States. I regret that this will be necessary, but the conference agreement, despite our best efforts, and unlike the Senate-passed bill, does not guard permanently against a loss of funds for every State.

In the meantime, Mr. President, the legislation that I hope we will pass today will do much good across the country in addressing the problem of substance abuse and mental illness.

I strongly urge my colleagues to approve the conference report.

Mr. HATCH. Mr. President, today we have the opportunity to move the Nation forward in research, prevention, and service for the millions of Americans who suffer from mental illnesses and addictions to alcohol and other drugs. We have the opportunity to help those who are often most vulnerable—women, especially pregnant women, and children

This legislation provides $700 million for demonstration grants, capacity expansion grants, and grants of national significance. States with special needs will have the opportunity to apply for and receive additional funding.

The formula contained in the conference report rectifies inequities that have existed already far too long. This formula will rectify some of the inequities in funding that nearly 40 States have experienced. These States have waited long enough for relief. No State will need to return any funds in the final quarter of this fiscal year, and 38 States will receive some relief in the form of increased funding. These funds will help the personal suffering of the teenage pregnant mother addicted to cocaine, the father who abuses alcohol, the child with emotional disability in these 38 States, and in all 50 States and territories.

This act provides for additional study of the basis on which funds are to be distributed under the formula, in order to ensure the most equitable allocation of resources.

I want to thank my colleagues who have worked so hard to bring this conference report to the floor, and in particular Senator KENNEDY and our respective staff members, Ron Welch, Dr. Ann LaBelle, and Dr. Gary Noble.

Mr. President, I call on all my colleagues in the Senate to rise in support of this legislative report on S. 1306.

Mr. KENNEDY. Mr. President, I ask unanimous consent that a document entitled "Additional Explanatory Material on the S. 1306 Conference Report" be printed in the RECORD at the appropriate point in the debate. This material represents my understanding, as chief Democratic sponsor of the bill, of certain technical aspects of the conference report.

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

ADDITIONAL EXPLANATORY MATERIAL ON THE S. 1306 CONFERENCE REPORT

Reorganization Issues: The purpose of the reorganization is to improve the federal government's efforts to combat mental illness and substance abuse. It will better define and strengthen the dual research and service mission of the federal government.

It is important that reorganization plan be implemented in a common sense manner that protects and strengthens the integrity of both the research and services programs within HHS, and avoids unnecessary duplication of effort. In this regard, the transfer provisions in subtitle D of title I provide significant guidance. They require that all of the services functions, personnel and assets of ADAMHA be transferred to SAMHSA, while all research functions, personnel and assets of ADAMHA be transferred with the three institutes to NIH.

These transfer provisions are intended to preclude the transfer of personnel or fiscal resources from these specific programs into the administrative offices of either SAMHSA or NIH. If the NIH, for example, requires additional administrative personnel or fiscal resources to accommodate the acquisition of the three institutes, it should draw those resources from the administrative offices of

the former ADAMHA or seek new appropriations, but it should not deplete the resources or personnel of the three new institutes.

I also consider it critical that the staff of the three research institutes by physically relocated to the NIH campus as soon as is reasonably possible. It seems appropriate for the Director of the NIH to undertake a report that would be available to Congress by early 1993 setting forth the costs and timing of such a relocation.

I do not expect the reorganization to cause any existing research or services grants to be terminated. The bill specifically requires research grants that had been funded with block grant set-aside money prior to the reorganization to be continued. In addition, there may be grants to be administered within the Services Administration that should be afforded similar protection. I am particularly concerned that the Treatment Research Units for AIDS Risk Reduction at McLean Hospital in Massachusetts be continued for at least the length of the grant.

Minority Fellowships: The NIMH Minority Fellowship Program, which has been funded since 1974, is designed to train talented young minority scientists as researchers in the fields of mental health and neuroscience. Prior to the reorganization, national mental health professional organizations (including those representing the fields of psychology, psychiatry, nursing, social work, and sociology) have been the recipients of grants from NIMH to administer minority fellowship programs. Professional associations are uniquely suited to identify potential applicants and administer such fellowship programs, and it is my intention that such organizations remain eligible to compete for such grants even after the institutes are transferred to the NIH.

Block Grant Issues: The conference report imposes several new and revised requirements on states as a condition of a state receiving its block grant allotment. I expect the Secretary to administer these requirements—especially in the first year—in a common sense, practical manner designed to balance the competing goals of accountability and state flexibility.

In administering all grant programs, including the block grant, HHS should engage in appropriate consultation with individual states and with organizations representing states, such as the National Governors Association, the National Association of State Alcohol and Drug Abuse Directors, and the National Association of State Mental Health Program Directors. There should also be appropriate consultation with provider organizations within the states, and with mental health and substance abuse advocacy groups.

Interim Service/Interim Methadone: The conference report requires intravenous drug users and pregnant women to receive interim services if they seek treatment and are denied admission to a program due to insufficient capacity. As the Joint Explanatory Statement of the Committee of Conference states, the term "interim services" has been broadly defined in statute to enhance state flexibility and discretion.

For example, a state may seek to provide pamphlets or large group counseling to such individuals describing the adverse health effects of continued drug abuse, and the risk of HIV transmission. Or a state may assign such a substance abuser to a case worker who will contact the substance abuser periodically to report on the status of his or her application for treatment. The "interim services" requirement is an additional state responsibility under the block grant program, but it is not intended to be an undue or unreasonable burden.

One way or another, the state must, as a matter of public health, take account of the fact that there is a pregnant woman or an intravenous drug abuser who is seeking substance abuse treatment but has been unable to obtain admission to a program due to insufficient capacity. In light of the heightened danger of HIV transmission among IV drug users, and the dangers of prenatal substance abuse, it is a matter of common sense to require that states take steps to facilitate treatment for such individuals and to minimize the dangers of substance abuse in these populations during the period of time an application for treatment is pending.

Some have suggested that "interim services" is a term of art meaning the provision of "interim methadone" services. But the plain language of the legislation makes clear that these terms are not legally equivalent. Interim methadone may be used as one form of interim services, but only if this modality survives the review process set forth in proposed section 1976 of the Public Health Services Act.

Section 1976 requires the Secretary of Health and Human Services to make an initial determination as to the necessity and appropriateness of this form of treatment. The Secretary must make such an evaluation based upon the factors set forth in 1976(b)(1) in light of the preponderance of scientific research.

Even if the Secretary authorizes the use of interim methadone as an interim service, it will be available strictly at the discretion of the state as set forth in 1976(c). Finally, even if the state wishes to utilize interim methadone as an interim service, it may not do so if the provision of such services will decrease the availability of comprehensive methadone services.

Tuberculosis: The statutory language in the conference report makes clear that the required screening and treatment for tuberculosis is a permissive use of block grant funds. It should be equally clear, therefore, that such services need not be funded exclusively from the block grant. Rather, this funding agreement may be satisfied with any source of funds, including federal, state, local and private funds.

It should also be emphasized that neither the tuberculosis services nor the HIV services required under this legislation include hospital care. The general prohibition on use of block grant funds for in-patient hospital services applies to proposed section 1924.

Prevention Services Under the Substance Abuse Block Grant. The conference report revises the 20% prevention set-aside in current law in a manner that is intended to focus increased attention and resources on actual prevention instead of treatment services that had been provided under the current law authority for "early intervention."

The revision is not intended to prevent the use of prevention set-aside funds for Employee Assistance Programs (EAPs) or Student Assistance Programs (SAPs). Such forms of secondary prevention, which may include referrals for treatment, are an appropriate use of such funds as long as such programs do not themselves provide substance abuse treatment with such funds.

Mr. BRADLEY. Mr. President, I rise today to thank Senator KENNEDY for his efforts to ensure that New Jersey receives its fair share of Federal support to fight alcohol and drug abuse. Although I am disappointed New Jersey does not receive an increase in Federal funds, we have successfully avoided a reduction of several million dollars that would have resulted without Senator KENNEDY's support. New Jersey faces a significant battle, as we do all across our country, to reduce the tremendous harm caused by alcohol and drug abuse. Despite the obvious need for intensified efforts to fight the battle against alcohol and drug abuse, new changes in the Federal formula could have reduced New Jersey's share from previous years.

Although the new ADAMHA formula recognizes the need for funds in rural areas, it is hard to imagine that a State like New Jersey, with some of the most difficult problems in our inner cities in the entire country, does not deserve more money to fight these problems. And although we will not gain any significant funds for 3 years, any reduction in Federal funds for alcohol and drug abuse would have devastated critical State services at a time when these problems continue to escalate.

Therefore, I am grateful for Senator KENNEDY's efforts to ensure that States such as New Jersey, who are doing a good job and need more, and will not be punished. This effort was especially noteworthy given the always difficult reallocation of very scarce Federal resources. Again, I thank the Senate conferees for their strong support on this provision which will ensure that we press forward in the fight against alcohol and drug abuse.

Mr. LEVIN. Mr. President, I support the ADAMHA Reorganization Act. I would like to extend my appreciation to the members of the Labor and Human Resources Committee and its chairman, Senator KENNEDY, for bringing this far-reaching legislation before this body. The bill reestablishes, as a freestanding body, the National Institute of Mental Health. The bill also includes important assistance for hospital trauma centers, very similar to what was provided for in S. 1049, which I introduced in May of last year. I proposed that legislation following my visits to hospital emergency departments in my home State of Michigan and subsequent to a report released by the Federal Drug Abuse Warning Network [DAWN] indicating a continuing increase in drug-related emergency room visits in 770 of our Nation's hospitals. This new trauma center initiative provides grants for the operating expenses of trauma centers that have incurred substantial uncompensated costs in providing trauma care in geographic areas with a significant incidence of violence arising directly or indirectly from illicit trafficking in drugs.

Mr. President, this hidden cost of the drug war is decimating our trauma centers. Because trauma centers are treating a dramatically increased num-

ber of uninsured trauma victims, many hospitals are finding it financially impossible to sustain these centers. As a result, they are withdrawing from the trauma care system which provides vital care to thousands of Americans across the country.

Bronson, Methodist Hospital, Butterworth Hospital, Detroit Receiving Hospital, Hurley Medical Center, and Mt. Carmel Hospital, to name a few, are all experiencing an increase in trauma patients due to drug-related illness and violence. This legislation authorizes help to trauma centers which most need it, and I am pleased that it is included in this legislation.

Mr. SIMON. Mr. President, I would like to commend the conferees on S. 1306, the Alcohol, Drug Abuse and Mental Health Administration [ADAMHA] Reorganization Act for their good efforts. Specifically, I want to thank them for their inclusion of provisions that will assist trauma centers providing a substantial amount of uncompensated care in areas with a significant incidence of drug-related violence.

In addition to providing funds for trauma centers that treat significant numbers of patients with penetrating wounds, the bill makes funds available for centers treating large numbers of wounds inflicted by blunt weapons. This is an important provision, given the damaging, life-threatening effect of a head injury inflicted by a baseball bat maliciously wielded as a weapon—a common weapon of choice in some areas.

Trauma centers have been increasingly successful in preventing death and disability resulting from serious injury for several years. Continuation of these services is crucial in saving thousands of lives every year. Death can come swiftly, within minutes following an injury. With the establishment of regional trauma centers, efficient surgeons and specialists save lives through the availability of their round-the-clock expert services.

In my State of Illinois, the role of trauma centers is extremely important. Unfortunately, several centers have had to close their doors because of the lack of funding. The provisions of this bill are important in providing funds to implement and sustain a much needed trauma network throughout the State.

I want to thank my colleagues again for their hard work on these provisions, which will breathe life into a struggling trauma system and literally give the hope of life to thousands of people over the coming weeks and years.

(At the request of Mr. MITCHELL, the following statement was ordered to be printed in the RECORD.)

• Mr. GORE. Mr. President, I regret that I am unable to be present today to vote on this important measure due to my responsibilities as chairman of the Senate delegation to the U.N. Conference on Environment and Development in Rio de Janeiro, Brazil, being held this week. I strongly support passage of the Alcohol, Drug Abuse, and Mental Health Administration Reorganization Act and would have voted in favor of this measure had I been present today.

I want to congratulate the chairman and ranking member of the committee, Senators KENNEDY and HATCH, for having worked so hard to get this very important bill passed. I am especially pleased that this bill includes help for America's trauma care system. I want to thank Senators BENTSEN, GRAHAM, and LEVIN, who joined me to include the Trauma Center Revitalization Act amendment to the Alcohol, Drug Abuse, and Mental Health Act Reorganization bill. In addition, I must recognize my good friend in the other body, Congressman HENRY WAXMAN, who has worked so hard on this bill in that body.

This provision of the bill would require the Secretary of Health and Human Services to make grants to help trauma centers stay in business. With this bill we will provide desperately needed resources to help our Nation's trauma centers cope with the substantial uncompensated costs they incur, largely related to the victims of crime and the drug wars that afflict our cities.

Most Americans know too well the crime and violence that results from drug trafficking. Areas of our inner cities have become virtual war zones, complete with automatic weapons, fire fights, and the many injured and dead that accompany such terror. Trauma centers are effective in reducing casualties in this war. Trauma systems have reduced the trauma death rate by as much as 64 percent. In San Diego County, the trauma death rate fell 55 percent the first year after the countrywide trauma care system began.

Trauma centers are too important a national resource to squander. This bill takes an urgently needed step to preserve a system that in many cities is still only first being pioneered.

The trauma system concept evolved from the wartime experience of military doctors. In Korea, Vietnam and the Persian Gulf our service men and women were only minutes away from the best trauma care available anywhere in the world. During Desert Storm, Americans were proud and reassured that their sons and daughters, brothers and sisters, mothers and fathers would receive the best trauma care in the world.

But now those soldiers and their families are coming back to cities where good trauma care—or any trauma care—cannot be found. Crime and drug-related violence inundate trauma centers with their victims. Because trauma centers do not share in any of the Federal programs to redistribute the assets seized from drug dealers, they are failing under the financial strain imposed upon them. As a result trauma care that could save the lives of innocent citizens will not be there unless we in Government do something to preserve it. That is what this bill will do.

Many of our cities are under siege. In its May 1991 report the GAO reviewed six cities and learned that, within the last 5 years, more than a third of the trauma centers stopped providing trauma care to severely injured people. Primarily these closures were caused by financial losses stemming from treating the uninsured and patients covered by Medicaid and other Government-assisted programs.

In the Washington area, we are fortunate to have one of the better trauma systems in the country. We all remember the excellent care President Reagan received at George Washington University when he was shot. My own son, Albert, survived a traumatic injury and made the full recovery after receiving excellent medical care from the trauma program at Johns Hopkins in Baltimore. But, for millions of American families, such care is not available. At a time when we should be taking every action possible to expand the development of trauma systems, trauma centers are closing their doors.

Since last year when I offered this amendment as a bill in the Senate, we have learned about the domino effect of trauma center closings. For example in Chicago, after the university of Chicago Hospital trauma center closed, the trauma patient caseload at Michael Reese Hospital increased by more than 50 percent. Most of the caseload was either uninsured or Government-assisted program patients.

In my own State of Tennessee, the increase in drug-related violence in urban areas has seriously affected the ability of one of the Nation's busiest trauma centers to continue to deliver trauma care. The Regional Medical Center may have to curtail service, which would leave citizens in the Memphis area as well as surrounding States without level 1 trauma care. Curtailing service in Memphis would create a domino effect for the other trauma centers in the Memphis area and increase trauma deaths.

I am pleased that we will pass this bill today.•

Ms. MIKULSKI. Mr. President, today we face a historic change in the way the Federal Government tries to solve some of our most difficult problems. For years, the Alcohol, Drug Abuse, and Mental Health Administration has provided services and research for these areas of concern.

This bill changes the focus of our efforts by moving the research to the National Institutes of Health and creating a new administration that oversees the services funded by the Federal Govern-

ment—both through the block grants to States and through the direct grants for treatment and prevention.

I am pleased that the new administration created by this bill will be working to improve the services they provide to women. Last year, the ADAMHA reviewed its grants and found that only 22 percent of the people served were women. They were not sure why that was the case, but it is clear that women are more than 22 percent of the overall population in this country.

In this bill, the administration will have an associate administrator who will be responsible for making sure that women are appropriately served by the treatment and prevention activities funded by its grants. There will also be an advisory committee of mostly women who will be helping this new administration meet the needs of women both inside and outside the administration.

I am also pleased that we have included a project that is important to Maryland. The Model Comprehensive Program for Treatment of Substance Abuse will use the National Capital area as a test site for providing comprehensive treatment services to fight substance abuse. Both Montgomery County and Prince Georges County in Maryland have been included in this model program.

Although there are many improvements in this bill, there are two issues that concern me. First, the bill requires States to maintain State funding levels from the last 2 years to keep Federal money they get through the block grant. This has been difficult for the States to do. Maryland went through the painful process last year of trying to keep services in tight budget times.

Second, the new block grant formula that tries to provide more money for rural States has gotten that money from the more urban States. But I have been assured by the Maryland Department of Health and Mental Hygiene that this bill is a fair compromise by which Maryland can sustain its support for these important services.

I look forward to working with my colleagues on the appropriations committee to make sure that the commitment to support these programs remains strong.

Mr. SANFORD. Mr. President, I rise to voice my support for the conference report on the Alcohol, Drug Abuse, and Mental Health Reorganization Act of 1992. I am pleased to add my vote to the unanimous recommendations of the conferees on this very important bill.

The bill reauthorizes the National Institutes of Mental Health, Drug Abuse, and Alcoholism and Alcohol Abuse, and transfers them to the National Institutes of Health. At NIH, programs can be streamlined, and the organizations can improve their research functions, with the backing of the world's preeminent research institute behind them. The ADAMHA Reorganization Act authorizes increased funding for mental health services and alcohol and drug abuse rehabilitation programs. It expands programs for pregnant women with drug and alcohol additions, and it provides new services for the children of substance abusers.

Most important for North Carolina, the ADAMHA reorganization contains a change in the formula by which Alcohol, Drug Abuse, and Mental Health Services block grant funds are distributed among the States. The new formula recognizes the fact that mental illness and alcohol and drug abuse are not strictly urban problems. Under the existing formula, the distribution of funds is skewed toward States with large metropolitan areas. In the bill we are considering today, States like North Carolina, with large rural populations, will gain greater support. When this bill is enacted into law, block grant funds to the Tarheel State will increase by 13.3 percent, with an additional $3.2 million coming into the State in fiscal year 1992 alone.

The ADAMHA Reorganization Act is supported by such knowledgeable and distinguished organizations as the American Psychological Association, the National Council of Community Mental Health Centers, the American Heart Association, the Child Welfare League of America, the American Cancer Society, and the National Mental Health Association, to name just a few. I am proud to add my support to theirs. Enactment of this bill will lead to greatly improved services for the millions of people in our country who suffer from mental health problems and from drug and alcohol additions. This bill offers renewed hope to them and their families, and by correcting the inequity between funding for rural and urban communities, the ADAMHA Reorganization Act particularly benefits North Carolina. I look forward to the President signing this bill into law.

Mr. RIEGLE. Mr. President, I rise today in support of the Alcohol, Drug Abuse, and Mental Health Administration [ADAMHA] Reorganization Act of 1992. This bill will increase funding to Michigan and includes a provision vital to this Nation's financially distressed trauma centers. I urge my colleagues to support the conference report.

ADAMHA REAUTHORIZATION ACT

The ADAMHA Reauthorization Act will increase funding to Michigan's ADAMHA block grant programs by at least $1.7 million a year under the new formula to almost $48 million in fiscal year 1993. The block grant program funds a wide variety of initiatives, including substance abuse and treatment programs, and programs and services for the mentally ill. If signed into law by the President, Michigan would begin receiving more funding as early as the fourth quarter of fiscal year 1992.

VITAL SUPPORT FOR TRAUMA CENTERS

I am pleased that the conference report includes a provision I helped to author with Senators BENTSEN, LEVIN, and GORE to provide funding for uncompensated care in trauma centers associated with drug and violence. I commend Senator KENNEDY for his continual work in this area and for working with us on this important provision.

Mr. President, America's health care system is in crisis. And no where is this more evident than in our trauma care centers. The high costs of uncompensated care from uninsured citizens or those who cannot pay are having a devastating impact on trauma care centers.

GAO STUDY ON TRAUMA CENTERS AND REASONS FOR CLOSURE

I have been working on this specific issue for many years. I first asked the General Accounting Office for a study examining trauma care centers about 4 years ago. The study was released in May 1991. A second, related study focusing on emergency care will be released later this year.

The GAO study examines the extent of and the reasons for trauma care center closures in major urban areas, including Detroit, MI. As documented in the study, the primary reasons for closure are lack of payment for uninsured people and low Medicaid reimbursement rates to hospitals.

Mr. President, trauma centers can't stay open in an environment where they are losing money on the people they serve. There is also a domino effect where the closing of one center creates pressure for closure of the remaining centers. There are 23 designated trauma centers in Michigan. In 1989, three hospitals in Detroit experienced total losses of almost $10 million for uncompensated emergency and trauma care.

NEED FOR COMPREHENSIVE HEALTH CARE REFORM

I chair the Finance Subcommittee on Health for Families and the Uninsured, a subcommittee created at my request to find a solution to the problems of the uninsured. This is just one dramatic example of why we need comprehensive reform of our current health care system. Too many people are left out and the burden on our providers can result in closures. When essential services, like trauma centers, are forced to shut down due to inadequate funds, we all suffer. I have been working on legislation to reform our system so that more people are covered and we put a lid on rising health care costs.

I have also been a cosponsor of the Trauma Care Systems Planning and Development Act of 1990 signed into law in November 1990, which encourages the development of regional trauma systems. An initial $60 million is authorized for this purpose, and I have

also been working to provide appropriations for this act.

TRAUMA CARE CENTER GRANT PROGRAM

Title VI of the ADAMHA Reorganization Act will help trauma centers stay open by providing much-needed financial help to ease the uncompensated care burden of trauma centers which treat victims of drug-related violence. Title VI establishes a grant program, to be administered by the Secretary of the Department of Health and Human Services, which will provide $100 million in fiscal year 1993 and fiscal year 1994 to trauma centers. Under this program, hospitals may apply to the Secretary for grants of up to $2 million per year over 3 years. In selecting grantees, the Secretary will choose trauma centers which treat a high number of victims of penetrating and blunt force trauma due to drug-related violence.

Several key organizations and individuals in Michigan provided vital information as I sought to refine and improve our legislation. These include Bob Yellan and Dennis Hicks of the Detroit Medical Center, which includes Detroit Receiving Hospital, one of the hospitals that participated in the U.S. GAO Report on Trauma Centers, Ronald A. Vieregge, Detroit Regional Office of the U.S. General Accounting Office, evaluator-in-charge of "Trauma Care: Lifesaving System Threatened by Unreimbursed Costs and other Factors" and Richard Dolley, chief of emergency medical services in the Detroit Fire Department and associated with EMS for Detroit Receiving Hospital.

I want to commend my colleagues Senators BENTSEN, LEVIN, and GORE on developing this important provision. My colleague from Michigan Senator LEVIN introduced legislation, S. 1049, last year. Senators BENTSEN and GORE offered the original amendment to S. 1306 last year.

Mr. President, I urge my colleagues to support the ADAMHA Reorganization Act of 1992, and with it a vital provision for our Nation's trauma centers.

Mr. GRAMM. Mr. President, I would like to urge my colleagues to oppose the Alcohol, Drug Abuse and Mental Health Reorganization Act conference report. If we adopt this legislation, we're telling States that they can't depend on a commitment that they made with the Federal Government at the beginning of the fiscal year because Congress may come back in the final quarter of that fiscal year and change the agreement. That is exactly what we are about to do if we pass this conference report today.

This legislation will withhold millions of dollars from several States, including $10 million in funding from Texas for fiscal year 1992. This will leave Texas $80.2 million in fiscal year 1992 instead of the expected $90.16. Texas has already received three quarterly payments based on the latter amount of $90.16 million. The worst part of this, Mr. President, is that the entire difference between $90.16 million and $80.2 million will be withheld from Texas' fourth-quarter payment.

Thank you, Mr. President.

Mr. MITCHELL. Mr. President, have the yeas and nays been ordered on adoption of the conference report?

The PRESIDING OFFICER. They have not.

Mr. MITCHELL. 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 conference report. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

Mr. SIMPSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. FORD. Mr. President, is there a quorum present? There are 12 or 14 Senators on the floor.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll to ascertain the presence of a quorum.

The bill 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.

The PRESIDING OFFICER. The question is on agreeing to the conference report. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Rhode Island [Mr. PELL], the Senator from Minnesota [Mr. WELLSTONE], and the Senator from Colorado [Mr. WIRTH] are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island [Mr. PELL], the Senator from Minnesota [Mr. WELLSTONE], and the Senator from Tennessee [Mr. GORE] would each vote "aye."

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. SPECTER] is necessarily absent.

I announce that the Senator from North Carolina [Mr. HELMS] is absent due to illness.

I further announce that, if present and voting, the Senator from North Carolina [Mr. HELMS] would vote "nay."

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

The result was announced—yeas 86, nays 8, as follows:

[Rollcall Vote No. 119 Leg.]

YEAS—86

Adams	Durenberger	McConnell
Akaka	Exon	Metzenbaum
Baucus	Ford	Mikulski
Bentsen	Fowler	Mitchell
Biden	Garn	Moynihan
Bingaman	Glenn	Murkowski
Bond	Gorton	Nickles
Boren	Grassley	Nunn
Bradley	Harkin	Packwood
Breaux	Hatch	Pressler
Bumpers	Hatfield	Pryor
Burdick	Heflin	Riegle
Burns	Hollings	Robb
Byrd	Inouye	Rockefeller
Chafee	Jeffords	Rudman
Coats	Johnston	Sanford
Cochran	Kassebaum	Sarbanes
Cohen	Kasten	Sasser
Conrad	Kennedy	Seymour
Craig	Kerrey	Shelby
Cranston	Kerry	Simon
D'Amato	Kohl	Simpson
Danforth	Lautenberg	Smith
Daschle	Leahy	Symms
DeConcini	Levin	Thurmond
Dixon	Lieberman	Wallop
Dodd	Lott	Warner
Dole	Lugar	Wofford
Domenici	McCain	

NAYS—8

Brown	Gramm	Roth
Bryan	Mack	Stevens
Graham	Reid	

NOT VOTING—6

Gore	Pell	Wellstone
Helms	Specter	Wirth

So the conference report was agreed to.

Mr. KENNEDY. Madam President, I am extremely gratified by the Senate's action in passing the ADAMHA conference report. Today's vote paves the way for speedy House action on the conference report and hopefully enactment of this legislation within the next week or two.

This sweeping, comprehensive bill represents the kind of bipartisanship that Senator HATCH and I always strive for on the Labor Committee. Mental illness and substance abuse are neither Democratic nor Republican issues. Rather, they are serious illnesses that we must research, treat, and prevent to the best of our ability as a nation.

This was a difficult conference, but the Senate conferees and their staffs were able to work as a team to get this bill through. We had an especially large number of Senate conferees, and they all deserve credit—in addition to Senator HATCH, I want to thank Senators METZENBAUM, PELL, DODD, HARKIN, ADAMS, COATS, THURMOND, and DURENBERGER.

I am proud that we were able to work closely with the administration in drafting and then passing this important legislation. Secretary Sullivan and Dr. Mason, the Assistant Secretary of Health, deserve great credit for their very constructive roles in this process.

Finally, I want to thank the majority leader for his assistance in scheduling floor time for this bill and in helping to shepherd this bill through. Formula fights are always somewhat painful in the Senate, but I am pleased we were able to present the issues to the

Senate in a full and fair way for consideration and final resolution.

This bill will make a difference in the lives of many Americans. It will enhance the quality of research that can ease the suffering of many of those afflicted with these diseases. And it will make available improved services to the mentally ill and to substance abusers in communities throughout the country.

It also should be emphasized that a bill that makes so many strides in the areas of drug abuse treatment and prevention is a crime prevention bill. With so many cities and towns facing the increasing menace of drug-related crime, it's time we deployed a constructive proactive anticrime strategy. This bill will make a difference in that arena also.

Finally, this bill will make a difference to children. For the millions of young Americans with severe emotional disturbance, and for the many children of substance abusers, this bill represents hope. The Federal Government has an important role to play in solving these problems, and this bill puts us on the right track.

STAFF WHO WORKED ON THE ADAMHA BILL

Mr. KENNEDY: Ronald Weich, Adam Gelb;

Mr. HATCH: Ann Labelle, Gary Noble;

Mr. PELL: Lauren Gross;

Mr. DODD: Patti Cole;

Mr. HARKIN: Peter Reineke;

Mr. ADAMS: Adele Robinson;

Mr. METZENBAUM: Gail Laster;

Mr. THURMOND: Kent Talbert;

Mr. COATS: Allison Carroll, Sharon Souderstrom;

Mr. DURENBERGER: Annie Silberman;

Mr. HOLLINGS: Eddie Moore;

Mr. BIDEN: Chris Putala;

Ms. MIKULSKI: Phyllis Albritton; and

General Accounting Office: Jerry Fastrup.

Mr. MITCHELL. Madam President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to,

The PRESIDING OFFICER. The distinguished majority leader is recognized.

MORNING BUSINESS

Mr. MITCHELL. Madam President, I ask unanimous consent that there now be a period for morning business with Senators permitted to speak therein.

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

Mr. MITCHELL. Madam 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 (Mr. CONRAD). Without objection, it is so ordered.

APPOINTMENTS BY THE REPUBLICAN LEADER

The PRESIDING OFFICER. The Chair, on behalf of the Republican leader, pursuant to Public Law 102-240, appoints the following individuals as members of the National Commission on Intermodal Transportation:

Mr. Ed Hamberger, of Maryland; and

Mr. Robert Krebs, of Illinois.

AUTHORIZING THE PRESIDENT TO APPOINT GENERAL THOMAS C. RICHARDS TO THE OFFICE OF ADMINISTRATOR OF THE FEDERAL AVIATION ADMINISTRATION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be discharged from further consideration of S. 2703, a bill to authorize the President to appoint Gen. Thomas C. Richards to the Office of Administrator of the Federal Aviation Administration, that the Senate proceed to immediate consideration; that the bill be read three times and passed; and that the motion to reconsider be tabled.

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

So the bill (S. 2703) was deemed read three times and passed, as follows:

S. 2703

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of section 106 of title 49, United States Code, or any other provision of law, the President, acting by and with the advice and consent of the Senate, is authorized to appoint General Thomas C. Richards, United States Air Force, Retired, to the Office of Administrator of the Federal Aviation Administration. General Richards' appointment to, acceptance of, and service in that Office shall in no way affect the status, rank, and grade which he shall hold as an officer on the retired list of the United States Air Force, or any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade, except to the extent that subchapter IV of chapter 55 of title 5, United States Code, affects the amount of retired pay to which he is entitled by law during his service as Administrator. So long as he serves as Administrator, General Richards shall receive the compensation of that Office at the rate which would be applicable if he were not an officer on the retired list of the United States Air Force, shall retain the status, rank, and grade which he now holds as an officer on the retired list of the United States Air Force, shall retain all emoluments, perquisites, rights, privileges, and benefits incident to or arising out of such status, office, rank, or grade, and shall in addition continue to receive the retired pay to which he is entitled by law, subject to the provisions of subchapter IV of chapter 55 of title 5, United States Code.

SEC. 2. In the performance of his duties as Administrator of the Federal Aviation Administration, General Richards shall be subject to no supervision, control, restriction, or prohibition (military or otherwise) other than would be operative with respect to him if he were not an officer on the retired list of the United States Air Force.

SEC. 3. Nothing in this Act shall be construed as approval by the Congress of any further appointments of military persons to the Office of Administrator of the Federal Aviation Administration.

EXECUTIVE SESSION

NOMINATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to executive session, that the following nominees be discharged from the Committee on Commerce, Science and Transportation:

Arthur J. Rothkopf, to be Deputy Secretary of Transportation;

Thomas C. Richards to be Administrator of the Federal Aviation Administration; and

Michael James Toohey to be an Assistant Secretary of Transportation.

I further ask unanimous consent that the Senate proceed to the immediate consideration of these nominations, en bloc, and also the nominations listed at: Calendar 616, Duane Acker, to be an Assistant Secretary of Agriculture; Calendar 617, Daniel A. Sumner, to be an Assistant Secretary of Agriculture; and Calendar 618, Daniel A. Summer, to be a member of the Board of Directors of the Commodity Credit Corporation; that all the nominees be confirmed, en bloc, that any statements appear in the CONGRESSIONAL RECORD as if read, that the motions to reconsider be tabled, 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 TRANSPORTATION

Arthur J. Rothkopf, of the District of Columbia, to be Deputy Secretary of Transportation.

Michael James Toohey, of Virginia, to be an Assistant Secretary of Transportation.

FEDERAL AVIATION ADMINISTRATION

Thomas C. Richards, of Texas, to be Administrator of the Federal Aviation Administration.

DEPARTMENT OF AGRICULTURE

Duane Acker, of Virginia, to be an Assistant Secretary of Agriculture.

Daniel A. Sumner, of North Carolina, to be an Assistant Secretary of Agriculture.

Daniel A. Sumner, of North Carolina, to be a member of the Board of Directors of the Commodity Credit Corporation.

STATEMENT ON THE NOMINATION OF GEN. THOMAS C. RICHARDS

Mr. LAUTENBERG. Mr. President, I would like to take this time to address

the nomination of Gen. Thomas C. Richards to be the Administrator of the Federal Aviation Administration.

Based on a commitment to work with the people in New Jersey on the aircraft noise problem that I have received from General Richards, I will support his nomination. I know him, and respect him. We served together on the President's Commission on Aviation Security and Terrorism, where I came to know him well. He is a man of character and integrity, and I think he will carry out the responsibilities of FAA Administrator well.

However, in spite of my respect for General Richards, without a serious commitment on the aircraft noise issue, I could not come to the Senate floor in support of his nomination. The noise problem is one that New Jerseyans have been suffering with since 1987, when the FAA implemented the expanded east coast plan. As an agency, the FAA has not been responsive to my constituents' plight. In my consideration of the nomination of General Richards, as would have been the case with anyone nominated to this post, it was critical to me that the new chief of the FAA understand the seriousness of the problem.

With General Richards' confirmation, I believe that we will have the attention of the Administrator, and that the FAA will take a more positive role in trying to help the people of New Jersey. He has stated that he wants to work "closely and creatively" with me and the residents of New Jersey to address the problem. At my request, General Richards has agreed to come to New Jersey, to hear firsthand the concerns of my constituents. This is the first time that an FAA Administrator has come to New Jersey to discuss air noise. With the personal involvement of the FAA Administrator, I am hopeful that the people of New Jersey will finally get some relief.

General Richards has also reiterated the acting FAA Administrator's commitment to me to issue the draft environmental impact statement on aircraft noise in New Jersey no later than September 1, 1992. The FAA will also provide an adequate public forum for consideration of the document.

Noise is an important issue facing the FAA, and, as chairman of the Transportation Appropriations Subcommittee, I will continue to press for prompt and effective action. There are a range of other issues that the FAA must address. More than 10 years after its inception, the National Airspace System [NAS] plan to modernize the air traffic control system is still far behind schedule and well over budget. The successful implementation of the NAS plan is critical to the safe and efficient functioning of our aviation system, and must be a priority for the Administrator.

Ongoing safety issues such as deicing, and the implementation of the Aviation Security Improvement Act of 1990 must also be high on his agenda. And, in this economic climate, when competitive pressures within the airline industry are at an all-time high, it is essential that the FAA is diligent in carrying out its regulatory responsibilities, to ensure the safety of the flying public.

Mr. President, I know General Richards to be a man of his word. I wish him well in his new post, and look forward to working with him on the many important issues facing us.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Pursuant to the previous order, the Senate will return to the consideration of legislative business.

COMMENDING FRYEBURG ACADEMY, FRYEBURG, ME, ON THE OCCASION OF ITS BICENTENNIAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 311, regarding the bicentennial of Fryeburg Academy in Fryeburg, ME, submitted earlier today by myself and Senator COHEN; that the resolution be agreed to and the motion to reconsider be laid upon the table and the preamble agreed to.

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

The resolution (S Res. 311) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 311

Whereas Fryeburg Academy, located in Fryeburg, Maine, was founded two hundred years ago, on August 17, 1792, by twenty-five citizens seeking to meet the educational needs of their sons;

Whereas, within fifteen years of its founding, Fryeburg Academy distinguished itself through pioneering efforts to provide an equal educational opportunity for female students;

Whereas Daniel Webster, a former member of the United States Senate, was among the principals of this premier educational institution;

Whereas Fryeburg Academy has earned an international reputation as a center for excellence through the consistent cultivation among its students of academic achievement, scholarly practice, and personal integrity; and

Whereas for two centuries of academic instruction, Fryeburg Academy has been dedicated to the fundamental importance of living by the rules of a democratic society: Now, therefore, be it

Resolved, That Fryeburg Academy, located in Fryeburg, Maine, is hereby commended on the occasion of its bicentennial. The Secretary of the Senate is authorized and requested to transmit to Fryeburg Academy a copy of this resolution acknowledging and commending this occasion.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

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

The motion to lay on the table was agreed to.

Mr. MITCHELL. Mr. President I ask unanimous consent that Senator COHEN be added as an original sponsor with me on this resolution.

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

AUTHORIZATION FOR TESTIMONY BY EMPLOYEE OF THE SENATE

Mr. MITCHELL. Mr. President, on behalf of myself and the distinguished Republican leader, Senator DOLE, I send to the desk a resolution on authorization for testimony of an employee of the Senate, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 312) to authorize testimony by employee of the Senate in Louis C. Smit v. Department of the Treasury.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MITCHELL. Mr. President, an employee of the U.S. Customs Service is appealing from administrative discipline relating to his communications with Senator HARRY REID's office. At the request of the employee, an administrative law judge for the Merit Systems Protection Board has issued a subpoena for testimony of an employee on Senator REID's staff, Don Wilson, who provided casework assistance to the employee.

This resolution will authorize Mr. Wilson to testify at this hearing in response to the subpoena.

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

The resolution (S. Res. 312) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 312

Whereas, in the case of *Louis C. Smit v. Department of the Treasury*, Docket No. DA-1221-92-0259-W-1, pending before the Merit Systems Protection Board, the appellant has caused a subpoena to be issued for the testimony of Don Wilson, an employee of the Senate on the staff of Senator Harry Reid;

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 administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That Don Wilson is authorized to testify in the case of *Louis C. Smit v. Department of the Treasury*, except concerning matters for which a privilege should be asserted.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

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

The motion to lay on the table was agreed to.

SEQUENTIAL REFERRAL—S. 2566

Mr. MITCHELL. I ask unanimous consent that Calendar No. 471, S. 2566, the Department of Energy Laboratory Technology Partnership Act, be sequentially referred to the Committee on Governmental Affairs until June 23, 1992, and that if S. 2566 is not reported by the Committee on Governmental Affairs within that time, the bill then be automatically discharged and returned to the calendar.

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

NATIONAL SHERIFFS' WEEK

NATIONAL AWARENESS WEEK FOR LIFE-SAVING TECHNIQUES

NATIONAL SCLERODERMA AWARENESS MONTH

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of Senate Joint Resolution 273, designating the week commencing June 21, 1992 as "National Sheriffs' Week" and that the Senate proceed to its immediate consideration; that the Senate also consider en bloc House Joint Resolution 442, designating the week commencing June 5, 1992, as "National Awareness Week for Life-Saving Techniques" and House Joint Resolution 445 designating June, 1992 as "National Scleroderma Awareness Month" both received today from the House; that the three joint resolutions be deemed read three times and passed, the preambles be agreed to, and the motion to reconsider the passage of these joint resolutions and the preambles en bloc be laid upon the table.

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

So the joint resolution (H.J. Res. 442) was deemed read three times and passed. The preamble was agreed to.

So the joint resolution (H.J. Res. 445) was deemed read three times and passed. The preamble was agreed to.

So the bill (S.J. Res. 273) was deemed read three times and passed. The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

S.J. RES. 273

Whereas the members of the National Sheriffs' Association consistently endeavor to exhibit the highest standards of integrity in serving their communities and their country while devoting themselves to the cause of law and justice;

Whereas our Nation's sheriffs are committed to the development, implementation, and support of crime prevention projects at national, State, and local levels;

Whereas the National Sheriffs' Association is unwavering in its support of sheriffs and their employees throughout the United States in their efforts to discharge their law enforcement, corrections, and judicial responsibilities in a constitutional, effective, and professional manner;

Whereas our Nation's sheriffs are instrumental in planning and conducting programs designed to foster respect for the law by juveniles and to combat delinquency and unlawful behavior by youths;

Whereas the National Sheriffs' Association demonstrates its ongoing commitment to foster cooperation with public and private organizations dedicated to the reduction of crime and to the improvement of law enforcement, corrections, and other criminal justice activities throughout the United States;

Whereas for over 50 years, the National Sheriffs' Association has endeavored to develop and encourage the practice of the highest standards of personal and professional conduct among sheriffs and other law enforcement officers; and

Whereas the National Sheriffs' Association is holding its 1992 conference and exhibition in San Diego, California, from June 20 through 24, 1992, and it is expected to attract more than 3,000 persons to San Diego to participate in executive meetings, general educational seminars, and other activities: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week commencing June 21, 1992, is designated as "National Sheriffs' Week". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities, including programs designed to heighten the awareness of all citizens to the importance of our local sheriffs and county law enforcement officers in bringing peace to America's neighborhoods and streets.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, am I correct in my understanding that under the regular order, S. 55, the legislation dealing with striker replacement, will now be the pending business?

The PRESIDING OFFICER. The leader is correct.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

ECONOMIC MEASURES IMPOSED WITH RESPECT TO THE FEDERAL REPUBLIC OF YUGOSLAVIA—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 247

Under the authority of the order of the Senate of June 9, 1992, the Secretary of the Senate, on June 5, 1992, during the recess of the Senate, received the following message from the President of the United States, together with an accompanying paper; which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

On June 1, 1992, pursuant to section 204(b) of the International Emergency Economic Powers Act (50 U.S.C. 1703(b)), and section 301 of the National Emergencies Act (50 U.S.C. 1631), I reported to the Congress by letters to the President of the Senate and the Speaker of the House, dated May 30, 1992, that I had exercised my statutory authority to issue Executive Order No. 12808 of May 30, 1992, that declared a national emergency and blocked "Yugoslav Government" property and property of the Governments of Serbia and Montenegro.

On May 30, 1992, the United Nations Security Council adopted Resolution No. 757 calling on member states to impose a comprehensive economic embargo against the Federal Republic of Yugoslavia (Serbia and Montenegro). Today I have taken additional steps to ensure that the economic measures we are taking with respect to the Federal Republic of Yugoslavia (Serbia and Montenegro) conform to United Nations Security Council Resolution No. 757 of May 30, 1992.

Specifically, pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701, *et seq.*), the National Emergencies Act (50 U.S.C. 1601, *et seq.*), section 1114 of the Federal Aviation Act of 1958, as amended (49 U.S.C. App. 1514), section 5 of the United Nations Participation Act of 1945, as amended (22 U.S.C. 287c), and section 301 of title 3 of the United States Code, I have issued a second Executive order, "Blocking Property of and Prohibiting Transactions with the Federal Republic of Yugoslavia (Serbia and Montenegro)," a copy of which is enclosed.

Among other things, the order that I have issued on this day:

—prohibits exports and imports of goods and services between the United States and the Federal Republic of Yugoslavia (Serbia and

Montenegro), and any activity that promotes or is intended to promote such exportation and importation;

—prohibits any dealing by a U.S. person in connection with property originating in the Federal Republic of Yugoslavia (Serbia and Montenegro) exported from the Federal Republic of Yugoslavia (Serbia and Montenegro) after May 30, 1992, or intended for exportation to any country, and related activities;

—prohibits transactions related to transportation to or from the Federal Republic of Yugoslavia (Serbia and Montenegro), or the use of vessels or aircraft registered in the Federal Republic of Yugoslavia (Serbia and Montenegro), by U.S. persons or involving the use of U.S.-registered vessels and aircraft;

—prohibits the granting of permission to any aircraft to take off from, land in, or overfly the United States if that aircraft is destined to land in or take off from the territory of the Federal Republic of Yugoslavia (Serbia and Montenegro);

—prohibits the performance by any U.S. person of any contract in support of certain categories of projects in the Federal Republic of Yugoslavia (Serbia and Montenegro);

—continues to block all property of the Government of the Federal Republic of Yugoslavia (Serbia and Montenegro), as well as assets of the former Government of the Socialist Republic of Yugoslavia, located in the United States or in the possession or control of U.S. persons, including their foreign branches; and

—clarifies the definition of the Federal Republic of Yugoslavia (Serbia and Montenegro).

Today's order provides that the Secretary of the Treasury, in consultation with the Secretary of State, is authorized to take such actions, including the promulgation of rules and regulations, as may be necessary to carry out the purposes of the order.

The declaration of the national emergency made by Executive Order No. 12808 remains in force and is unaffected by today's order.

GEORGE BUSH.

THE WHITE HOUSE, *June 5, 1992.*

ANNUAL REPORT ON THE ADMINISTRATION OF THE FEDERAL RAILROAD SAFETY ACT—MESSAGE FROM THE PRESIDENT—PM 248

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

I transmit herewith the 1990 annual report on the Administration of the Federal Railroad Safety Act of 1970, pursuant to section 211 of the Act (45 U.S.C. 440(a)).

GEORGE BUSH.

THE WHITE HOUSE, *June 9, 1992.*

MESSAGES FROM THE HOUSE

At 12:20 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 joint resolutions, in which it requests the concurrence of the Senate:

H.J. Res. 429. Joint resolution designating May 2, 1993, through May 8, 1993, as "Be Kind to Animals and National Pet Week";

H.J. Res. 442. Joint resolution to designate July 5, 1992, through July 11, 1992, as "National Awareness Week for Lifesaving Techniques";

H.J. Res. 445. Joint resolution designating June 1992 as "National Scleroderma Awareness Month"; and

H.J. Res. 470. Joint resolution to designate the month of September 1992 as "National Spina Bifida Awareness Month".

MEASURES REFERRED

The following joint resolutions were read the first and second times by unanimous consent, and referred as indicated:

H.J. Res. 429. Joint resolution designating May 2, 1993, through May 8, 1993, as "Be Kind to Animals and National Pet Week"; to the Committee on the Judiciary.

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-3356. A communication from the Secretary of Agriculture, transmitting, a draft of proposed legislation to amend the Rural Electrification Act of 1936; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3357. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report on an impoundment of Department of Defense budget authority that should have been but was not reported to the Congress by the President; pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986; referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Armed Services.

EC-3358. A communication from the Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, the annual report of the Securities and Exchange Commission on intermarket coordination for calendar year 1991; to the Committee on Banking, Housing, and Urban Affairs.

EC-3359. A communication from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the annual report of the Federal Reserve System on the subject of retail fees and services of depository institutions for fiscal year 1991; to the Committee on Banking, Housing, and Urban Affairs.

EC-3360. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on direct spending or receipts legislation; to the Committee on the Budget.

EC-3361. A communication from the Secretary of Energy, transmitting, pursuant to law, a comprehensive report on a project entitled "Wabash River Coal Gasification Repowering Project" for fiscal year ending September 1991; to the Committee on Energy and Natural Resources.

EC-3362. A communication from the Secretary of Energy, transmitting, pursuant to law, a comprehensive report on a project entitled "Pinon Pine Integrated Gasification Combined Cycle Demonstration Project" for fiscal year 1991; to the Committee on Energy and Natural Resources.

EC-3363. A communication from the Secretary of State, transmitting, pursuant to law, a comprehensive report on a project entitled "Nicronized Coal Reburning Demonstration for NO_x Control on a 175-MWe Wall-Fired Unit" for fiscal year 1991; to the Committee on Energy and Natural Resources.

EC-3364. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a report concerning efforts made by the United Nations and the Specialized Agencies to employ a fair share of Americans; to the Committee on Foreign Relations.

EC-3365. A communication from the Comptroller of the Department of Defense, transmitting, pursuant to law, a report on proposed obligations for facilitating weapons destruction and nonproliferation in the former Soviet Union; to the Committee on Foreign Relations.

EC-3366. A communication from the Chairman of the Federal Election Commission, transmitting, pursuant to law, the semiannual report of the Inspector General of the Federal Election Commission for the period ending March 31, 1992; to the Committee on Governmental Affairs.

EC-3367. A communication from the Chairman and Chief Executive Officer of the Thrift Depositor Protection, transmitting, pursuant to law, the semiannual report of the Inspector General of the Resolution Trust Corporation for the period October 1, 1991, through March 31, 1992; to the Committee on Governmental Affairs.

EC-3368. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the semiannual report of the Inspector General of Department of Health and Human Services for the period October 1, 1991 through March 31, 1992; to the Committee on Governmental Affairs.

EC-3369. A communication from the Chairman of the Federal Election Commission, transmitting, pursuant to law, the annual report of the Federal Election Commission for fiscal year 1991; to the Committee on Rules and Administration.

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-376. A resolution adopted by the Assembly of the State of New Jersey; to the Committee on Armed Services.

"ASSEMBLY RESOLUTION NO. 53

"Whereas, On March 26, 1992, the United States Department of Defense announced its

plan to cut more than 140,000 National Guard and Reserve jobs nationwide over the next two years; and

"Whereas, As part of this proposal, New Jersey would witness the elimination of 4,725 positions and 28 military units, including the famed 50th Armored Division; and

"Whereas, The proposal would result in the elimination of nine Army National Guard units, 17 Army Reserve units, and two Naval Reserve units and the probable closing of '[12] *10*' of 41 armories in New Jersey, stripping the State of its most important equipment and expertise; and

"Whereas, While the proposed cuts represent a 30 percent reduction in National Guard troop structure nationwide, for New Jersey the cuts represent a 48 percent reduction in the State's military strength; and

"Whereas, In human terms, the cuts in the National Guard would result in the loss of $28 million in military-related salaries and the termination of 600 full-time and 2,700 part-time jobs in the State; and

"Whereas, The elimination of the 50th Armored Division would mean the end of a proud fighting unit whose tradition of military valor and service dates back to colonial America; and

"Whereas, A cutback of this magnitude cuts to the very core of New Jersey's military establishment and would destroy the identity of the Guard in the State today; and

"Whereas, If the proposal went into effect, the ability of the New Jersey National Guard to meet and deal effectively with State emergencies would be severely limited, if not devastated; and

"Whereas, It is fitting and proper for this House to urge Congress to reject the proposed cuts; now, therefore,

"Be it resolved by the General Assembly of the State of New Jersey:

"1. This House urges the Congress of the United States to reject the proposal by the Secretary of Defense to eliminate the 50th Armored Division of the New Jersey Army National Guard and other vital Guard and Reserve units in the State.

"2. Duly authenticated copies of this resolution, signed by the Speaker of the General Assembly and attested by the Clerk, shall be transmitted to the President of the Senate, the Speaker of the House of Representatives, every member of Congress elected from this State, the members of the Armed Services Committee in each House of Congress, Defense Secretary Richard Cheney and General Colin Powell, Chairman of the Joint Chiefs of Staff.

"Urges Congress to reject proposed elimination of 50th Armored Division of the New Jersey Army National Guard and other State Guard and Reserve units."

POM-377. A resolution adopted by the House of Representatives of the State of South Carolina; to the Committee on Armed Services:

"HOUSE RESOLUTION

"Whereas, the people of South Carolina support the South Carolina National Guard in the strongest possible terms, are immensely proud of the accomplishments of the Guard, and are extremely grateful for the services rendered by the Guard to this State and to the nation over the years; and

"Whereas, any reduction of National Guard forces in South Carolina will have a devastating effect on many areas of the State; and

"Whereas, because the National Guard plays a crucial role during times of civil unrest and in the aftermath of natural disasters and is important also as part of the nation's defense force, any reduction in the Guard's force levels in South Carolina should be avoided.

"Now, therefore, be it resolved by the House of Representatives:

"That the House of Representatives of the State of South Carolina, by this resolution, expresses support for the South Carolina National Guard and for maintaining the Guard's current force levels in the State.

"Be it further resolved that copies of this resolution be forwarded to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, the Secretary of Defense, and all eight members of the State's Congressional Delegation, all at Washington, D.C., and to the Adjutant General of the State of South Carolina."

POM-378. A concurrent resolution adopted by the Legislature of the State of Hawaii; to the Committee on Armed Services:

"SENATE CONCURRENT RESOLUTION 49

"Whereas, on the night of 30 July 1945, the American Navy heavy cruiser USS Indianapolis was torpedoed and sunk by a Japanese submarine; and

"Whereas, only 316 of the 1,196 crew members survived the attack and subsequent five day ordeal adrift at sea, during which the rest died from battle wounds, drowning, shark attacks, exposure, or lack of food and water, making the sinking of the Indianapolis the worst sea disaster in American naval history; and

"Whereas, the ship's captain, Charles Butler McVay III, had an excellent naval combat record throughout his career that included: participation in the landings in North Africa and Iwo Jima, a Silver Star for courage under fire earned during the Solomon Islands campaign, the assault on Okinawa during which the Indianapolis suffered a damaging kamikaze attack but was skillfully returned by Captain McVay and his crew to San Francisco for repairs, and the successful conference by his ship of vital parts for the atomic bomb used to end the war against Japan; and

"Whereas, the USS Indianapolis was based at Pearl Harbor, Hawaii and Captain McVay's sons, Kimo Wilder McVay, Charles Butler McVay IV and their mother Kinau Wilder, are kamaaina residents of Hawaii whose ancestors were among the first missionaries to arrive in the islands; and

"Whereas, Captain McVay came from a family steeped in naval tradition, had served with distinction as Chairman of the Joint Intelligence Committee of the Combined Chiefs of Staff, and would doubtless have continued a very distinguished naval career; and

"Whereas, prior to his last voyage, the Advance Headquarters of the Commander in Chief, Pacific Fleet (CINCPAC) failed to inform Captain McVay of intelligence in its possession about the activities of four Japanese submarines sighted along the route his ship would be sailing and where a Japanese submarine had previously sunk another American vessel; and

Whereas, despite having this information in its possession, the Navy instructed Captain McVay to sail a direct route between Guam and Leyte in the Philippines, although this route brought the ship to the crossroads between the Guam-Leyte and Palau-Okinawa routes, an area Japanese submarines would likely have heavily targeted due to the greater chance they had there of spotting American naval traffic; and

Whereas, various U.S. Navy shore offices compounded the errors which placed the Indianapolis in jeopardy by failing to report the ship's overdue arrival, thus never launching a search party, leaving the ship's survivors adrift for days until by chance they were spotted by a routine air patrol; and

Whereas, because the tragedy coincided with the ending of the war in the Pacific and thus threatened to detract from the Navy's role in that victory and from its desire for prominent status in the post-war military establishment, the Navy wrongfully court-martialed Captain McVay as a scapegoat for "suffering a vessel to be hazarded through negligence", thus making him the first American captain ever brought to trial for losing his ship in combat, despite the fact that over seven hundred ships had been lost in the war, including some under questionable circumstances; and

Whereas, Captain William Hillbert, the judge advocate at the Navy's 13 August 1945 inquiry into the matter, admitted that the trial was so rushed that they were ". . . starting the proceedings without having available all the necessary data,"; and

Whereas, the charge against Captain McVay was entirely predicated upon his failure to order the ship to maintain a zigzag course even though standing orders stated that zigzagging was not necessary during poor visibility (reported to have been at best "patchy" that night), and even though Mochitsura Hashimoto, the Japanese submarine commander who sank the ship, testified at the Navy's inquiry that it would not have made any difference if the ship were zigzagging or not, and even though CINCPAC concluded that the rule on zigzagging would not have applied since Captain McVay's routing orders gave him discretion on the matter and took precedence over all other orders (a point never made to the court by McVay's attorney); and

Whereas, CINCPAC disagreed with the Court's recommendations that Captain McVay receive a Letter of Reprimand and court-martial, stating that at worst Captain McVay was guilty only of an error in judgment and not gross negligence; now, therefore,

"Be It Resolved by the Senate of the Sixteenth Legislature of the State of Hawaii, Regular Session of 1992, the House of Representatives concurring, that Hawaii's Congressional Delegation is requested to pursue any and all means available to exonerate Captain McVay, including but not limited to the overturning of his conviction and the passing of a Joint Congressional Resolution to expunge the court-martial from the record and express the sense of Congress that a grave injustice was visited upon Captain McVay; and

"Be It Further Resolved that the President of the United States is requested to grant a Presidential Unit Citation to the crew and survivors of the USS Indianapolis for courage displayed in the face of tremendous hardship and adversity; and

"Be It Further Resolved that certified copies of this Concurrent Resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, each member of Hawaii's congressional delegation, and to each of the presiding officers of the legislative bodies of each state of the United States of America."

POM-379. A concurrent resolution adopted by the Legislature of the State of Hawaii; to the Committee on Commerce, Science, and Transportation:

"SENATE CONCURRENT RESOLUTION 161

"Whereas, earthquakes are a national problem requiring a national solution; the United States Congress and the United States Geological Service have found that portions of all fifty states are vulnerable to the hazards of earthquakes, and that thirty-seven states are especially susceptible to major or moderate quakes; and

"Whereas, the next major earthquake may well hit east of the Rocky Mountains, especially along the New Madrid Fault in Missouri, where the strongest seismic events ever recorded in American history occurred in 1811 and 1812; and

"Whereas, a midwestern and eastern earthquake will do more damage than a California earthquake, due to the relatively loose and moist soil conditions and the proliferation of structures in the east and midwest that are not built to withstand major quakes; and

"Whereas, California is not the only western state at risk. Other especially high-risk earthquake states include Alaska, Washington, Oregon, Idaho, Utah, Montana, Nevada, Wyoming, Arizona, New Mexico, and Hawaii; and

"Whereas, the probable maximum loss of a great earthquake (8.0 or larger on the Richter Scale) is estimated at fifty to sixty billion dollars, including claims for workers' compensation, business interruption, property loss, and injuries; and

"Whereas, the recent Loma Prieta earthquake which devastated northern California provided a preview of the potential destruction in business and the financial community brought on by a great quake; and

"Whereas, regardless of where in the United States an earthquake actually occurs, the financial implications will be nationwide. Some examples include the following:

"(1) Infrastructure damage will affect the entire nation. Major quakes can rupture pipelines, severing the entire Eastern seaboard, down transmission power lines, block river traffic, and destroy interstate highways;

"(2) The municipal bond market would be impacted by the sudden sale of billions of dollars in bonds by insurance companies to pay claims. Local communities all across the country may find it difficult to enter the municipal bond market for some after a major quake;

"(3) Policyholders nationwide would be impacted as some insurance companies would become insolvent and others would have insufficient reserves to write new coverage for conventional risk, such as auto and homeowners coverage; and

"(4) Taxpayers from the entire country would pay for disaster relief efforts. Taxpayers are currently paying for the four billions dollars federal rescue package passed by Congress in the aftermath of the recent California quake;

"and

"Whereas, the current system of earthquake coverage is unacceptable to both the insurance industry and policyholders, inviting adverse selection and resulting in earthquake insurance coverage being affordable for many and unavailable for those most susceptible to the perils of earthquakes; and

"Whereas, the recent Loma Prieta earthquake has shown the inefficiency of current coordination of federal and state relief funds, leaving many individuals without any assistance long after the earthquake has occurred; and

"Whereas, a prepaid insurance fund built up from premiums collected from homeowners and businesses throughout the nation could save the federal government money in the long run by reducing the need for disaster relief; and

"Whereas, insurance is a preferable protection against earthquakes over disaster aid because insurance:

"(1) Provides a better incentive to reduce risk since people contribute to their own assistance in the form of premiums;

"(2) Provides more complete compensation for damages and is more equitable;

"(3) gives people more control over their degree of protection;

"(4) Is more efficient in dispensing payments to victims; and

"(5) Is less expensive for the federal government in the long run;

"and

"Whereas, the principal beneficiaries of a federally cosponsored program would be the insurance policyholders themselves—America's homeowners and business owners who currently cannot afford earthquake insurance; such a program would also protect the nation's economic health, which would be jeopardized by the severe disruptions of a catastrophic earthquake; and

"Whereas, only a partnership between the federal government and the insurance industry will ensure the effective management of such an unpredictable and widespread risk; now, therefore,

"Be it resolved by the Senate of the Sixteenth Legislature of the State of Hawaii, Regular Session of 1992, the House of Representatives concurring, that the Legislature urges the United States Congress to support legislation proposed in "The Earthquake Project," which would provide nearly universal earthquake insurance coverage for homeowners and create a federally backed financial reserve to protect the national economy from the severe financial shock resulting from a major quake; and

"Be it further resolved that certified copies of this Concurrent Resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of Hawaii's congressional delegation."

POM-380. A concurrent resolution adopted by the Legislature of the State of Hawaii; to the Committee on Energy and Natural Resources:

"HOUSE CONCURRENT RESOLUTION 301

"Whereas, the United States, recognized as the leader in stimulating the pursuit of global democracy, promotes the extension of self-determination to all peoples, especially to those states and territories under its jurisdiction; and

"Whereas, the Legislature, as a member government of the United States of America, equally supports the need for each state and territory under the United States to seek the political standing best suited for its people; and

"Whereas, one example of this conviction is the Territory of Guam's quest for Commonwealth status; and

"Whereas, the Territory of Guam strives to provide its people with greater participation in deciding their destiny within the American community through recognition of their human rights and the establishment of a just political relationship between the people of Guam and the United States Government; and

"Whereas, there is growing recognition of the Territory of Guam's expressed desire for a closer political relationship with the United States in accordance with the Guam Commission on Self-Determination and the Commonwealth Act of Guam, as evidenced by policy statements and resolutions of the National Governors Association, the National Conference of State Legislatures, the Western Legislation Conference, and the United States Conference of Mayors; now, therefore,

"Be it resolved by the House of Representatives of the Sixteenth Legislature of the State of Hawaii, Regular Session of 1992, the Senate concurring, that the Legislature supports the Territory of Guam in its quest for Commonwealth status with the United States; and

"Be it further resolved that the legislature encourages the United States Government to allow the people of the Territory of Guam to determine their own political, social and economic futures; and

"Be it further resolved that copies of this Concurrent Resolution be transmitted to the Governor of Guam, the Speaker of the Guam Legislature, members of the Hawaii Congressional Delegation, the Speaker and President of the United States Congress, the President of the United States, the Secretary of the United States Department of State, and the Secretary of the United States Department of the Interior."

POM-381. A concurrent resolution adopted by the Legislature of the State of Minnesota; to the Committee on Environment and Public Works:

"RESOLUTION NO. 10

"Whereas, the Tenth Amendment to the U.S. Constitution, part of the original Bill of Rights, reads as follows, "The powers not delegated to the United States by the Constitution, nor prohibited by it to the states, are reserved to the states respectively, or to the people"; and

"Whereas, the limits on Congress' authority to regulate state activities prescribed by the Tenth Amendment have gradually been eroded and federal mandates to the states in these protected areas have become almost commonplace; and

"Whereas, the regulation of traffic and motor vehicle safety laws are constitutionally the province of state, not congressional, authority; and

"Whereas, a recently proposed federal mandate would reduce the apportionment of federal highway funds to states which do not enact statutes requiring the use of helmets by motorcyclists and the use of safety belts and child restraint systems by drivers and front seat passengers in automobiles by July 1, 1992; and

"Whereas, while the stated goals of this federal mandate, to reduce highway fatalities and injuries through increased use of motorcycle helmets and safety belts, are certainly praiseworthy, it is the opinion of this body that the passage of such legislation by the U.S. Congress would be a blatant transgression upon the state's regulatory authority under the Tenth Amendment; Now, therefore,

"Be it resolved by the Legislature of the State of Minnesota that it urges the Congress to refrain from imposing upon the states' constitutional authority to regulate traffic and motor vehicle safety within their respective boundaries, and specifically, to refrain from mandating the passage of state laws requiring the use of motorcycle helmets, safety belts, and child restraint systems.

"Be it further resolved that the Secretary of State of the State of Minnesota is directed to prepare certified copies of this memorial and transmit them to the President and Secretary of the United States Senate, the

Speaker and Chief Clerk of the United States House of Representatives, and Minnesota's Senators and Representatives in Congress."

POM-382. A concurrent resolution adopted by the Legislature of the State of Hawaii; to the Committee on Finance:

"HOUSE CONCURRENT RESOLUTION

"Whereas, in 1986, the United States Congress created the Low-Income Housing Tax Credit (LIHTC) Program through the Tax Reform Act of 1986; and

"Whereas, the federal low-income housing tax credit represented a new approach to the tax treatment of investment in low-income housing; and

"Whereas, the credit was enacted to offset the repeal of tax shelters and other incentives to build rental housing previously available, and to specifically target low-income rentals; and

"Whereas, this tax credit has been an essential ingredient in encouraging developers to undertake the construction of low-income housing and to stimulate rental housing; and

"Whereas, in 1988, the Hawaii State Legislature created a state low-income housing tax credit to be allocated to project owners participating under the Federal LIHTC Program in order to further increase the amount of affordable rental units produced under this Program; and

"Whereas, since the inception of the Program in Hawaii, a total of nine projects located throughout all four counties of the state have been assisted with federal and state tax credits, resulting in the creation of four hundred and sixty one affordable rental units for low-income families earning up to sixty per cent of the median income for the area; and

"Whereas, the Housing Finance and Development Corporation, the state agency responsible for the administration of the LIHTC Program, has experienced increased interest on the part of private developers in the Program; and

"Whereas, the LIHTC Program could be the key to the continued production of much needed affordable rental housing projects in the State of Hawaii by the private sector; and

"Whereas, the LIHTC Program was to be effective for the period of January 1, 1987 to December 31, 1989; and

"Whereas, the LIHTC Program has proven to be successful nationwide in providing approximately 100,000 affordable rental units annually to low-income families earning up to sixty per cent (60%) of the median income for the area and, as such, Congress subsequently extended the expiration date of the Program three (3) times, with the latest extension being effective to June 30, 1992; and

"Whereas, more than ever before, a permanent federal tax credit for low-income housing is crucial to promote the construction of low-income rental housing nationwide and to alleviate the growing disparity between housing supply and demand in Hawaii; and

"Whereas, in addition to the Low-Income Housing Tax Credit Program, it is also important that the Tax-Exempt Mortgage Revenue Bond (MRB) Program be extended on a permanent basis by Congress; and

"Whereas, the MRB Program provides below-market rate mortgages to low and moderate income first time homebuyers; and

"Whereas, in 1979, the State of Hawaii established a Tax-Exempt MRB Program known as the "Hula Mae Program"; and

"Whereas, the Hula Mae Program is targeted to assist first-time homebuyers whose limited incomes could not otherwise support a home purchase; and

"Whereas, through the issuance of over $953 million of tax exempt mortgage revenue bonds, the Hula Mae Program has assisted to date approximately 6,200 families realize their dreams of homeownership; and

"Whereas, like the Low-Income Housing Tax Credit Program, Congress has imposed a June 30, 1992 sunset date for the MRB Program, only six months longer than the previous December 31, 1991 sunset date; and

"Whereas, a permanent extension of the Mortgage Revenue Bond Program is essential to assure that a continuous supply of affordable mortgage money will be available for Hawaii's first-time homebuyers; and

"Whereas, President George Bush's recent veto of H.R. 4210 was disappointing since the bill included provisions extending the LIHTC Program permanently and the MRB Program for twelve months; and

"Whereas, it is imperative that action be taken to extend the LIHTC and MRB Programs beyond their scheduled sunset date of June 30, 1992; now therefore,

"Be it resolved by the House of Representatives of the Sixteenth Legislature of the State of Hawaii, Regular Session of 1992, the Senate concurring, that the United States Congress is hereby respectfully requested to permanently extend the Low Income Housing Tax Credit and Mortgage Revenue Bond Programs; and

"Be it further resolved that certified copies of this Concurrent Resolution be transmitted to the President of the United States, the United States Senate, the United States House of Representatives, members of Hawaii's Congressional Delegation, the Housing Finance and Development Corporation, and the Hawaii Community Reinvestment Corporation."

POM-383. A resolution adopted by the Assembly of the State of New Jersey; to the Committee on Finance:

"ASSEMBLY RESOLUTION NO. 17

"Whereas, Under the terms of the federal waiver of Medicare regulations which New Jersey initially received for a three-year period from 1980 through 1982, and which was subsequently renewed for a second three-year period from 1983 through 1985 and an additional three-year period from 1986 through 1988, the State was permitted to establish its own diagnosis related group, or DRG, rates for Medicare hospital inpatients and outpatients and Medicare agreed to reimburse for bad debts and indigent costs not attributable exclusively to Medicare patients, provided that the costs to the Medicare program under the New Jersey DRG system remained below the costs Medicare would incur under its own national prospective payment system; and

"Whereas, In 1986, federal cuts in Medicare rates began to limit Medicare contributions to uncompensated care, and when the federal waiver that allowed New Jersey's rate setting system to set Medicare payment rates ended in 1988, all of Medicare's share of uncompensated care was shifted to non-Medicare payers, thus sharply increasing their payments; and

"Whereas, The Medicare program stopped participating in the hospital uncompensated care program for outpatients at the end of 1986 and for inpatients at the end of 1988; and

"Whereas, Approximately 40% of hospital patient revenue Statewide is accounted for by Medicare patients, and when Medicare terminated its agreement to share uncompensated care payments, the uncompensated care surcharge to other payers of hospital bills, including the Medicaid program, Blue Cross and Blue Shield of New Jersey, Inc., commercial health insurance companies, health maintenance organizations and uninsured patients, virtually doubled; and

"Whereas, Business and insurers in New Jersey have expressed an increasing concern about funding hospital uncompensated care through the uncompensated care surcharge because of the growing financial burden it places on them due to the higher rates for hospital care which are a result of the increasing amount of uncompensated care being provided by hospitals; and

"Whereas, The failure by Medicare to share in the payment of uncompensated care costs reflects a continuing pattern by the federal government to shift to the States its fair share of the financial burden associated with the growing national problem of health care for the uninsured and the underinsured, requiring the states to shoulder the increasing financial burden of providing health care to this population; and

"Whereas, this national problem requires a national solution, and the federal government should recognize its proper responsibility under our federal system to address this problem, rather than simply shifting costs to the states and imposing increasingly heavy burdens upon them, as it has done, for example, through it recently mandated expansions of the Medicaid program; and

"Whereas, As an interim step, the federal government should address its responsibility to assist this State in meeting its hospital uncompensated care costs by restoring the New Jersey Medicare DRG waiver and sharing uncompensated care payments to New Jersey hospitals; now, therefore,

"Be it resolved *by the General Assembly of the State of New Jersey:*

"1. This House respectfully memorializes the Congress and the Secretary of Health and Human Services of the United States to restore the New Jersey Medicare DRG waiver and share uncompensated care payments to New Jersey hospitals.

"2. Duly authenticated copies of this resolution, signed by the Speaker of the General Assembly, and attested by the Clerk of the General Assembly, shall be forwarded to the Secretary of Health and Human Services of the United States and the presiding officers of the United States Senate and the House of Representatives, and to each of the members of the Congress of the United States elected from the State of New Jersey."

POM-384. A resolution adopted by the Senate of the State of Hawaii; to the Committee on Foreign Relations:

"SENATE RESOLUTION 200

"Whereas, the United Nations' Conference on Environment and Development, a gathering to include 160 world leaders, is scheduled to take place in June 1992 in Rio de Janeiro, Brazil, with the aim of forming a global alliance to address some of the world's growing environmental crises; and

"Whereas, the United Nations' so-called 'Earth Summit' has become the focus of serious allegations of lack of leadership and organization as the industrialized countries and developing countries continue to have strong ideological and economic differences which threaten the opportunity for progress in addressing the environmental challenges facing the entire planet; and

"Whereas, the United States Of America could positively influence the proceedings of the conference on Environment and Development by demonstrating a genuine commitment to provide strong and effective leadership on environmental issues, together with

a commitment to provide more resources and funding for global environment care and the establishment of new international environmental organizations; and

"Whereas, internal solutions to environmental problems that know no geographic boundaries must be developed, especially with regard to ozone depletion, acid rain, carbon dioxide reduction, protection of the rain and ancient forests, solid waste disposal, and protection of precious water resources; now, therefore,

"Be it resolved by the Senate of the Sixteenth Legislature of the State of Hawaii, Regular Session of 1992, that the United States of America is urged to commit to and provide strong environmental leadership at the United Nations' Conference on Environment and Development, beginning at the final negotiating meeting in New York City from March 2 to April 3, 1992, to prepare for the full conference in June 1992 in Brazil; and

"Be it further resolved that President Bush is urged to commit himself to personally attend the 'Earth Summit'; and

"Be it further resolved that certified copies of this Resolution be transmitted to the President of the United States, the Secretary of State of the United States, the United States Ambassador to the United Nations, the President and Secretary of the United States Senate, the Speaker and Chief Clerk of the United States House of Representatives, and Hawaii's Congressional Delegation."

POM-385. A concurrent resolution adopted by the Legislature of the State of Hawaii; to the Committee on Foreign Relations:

"SENATE CONCURRENT RESOLUTION 239

"Whereas, the United Nations' Conference on Environment and Development, a gathering to include 160 world leaders, is scheduled to take place in June 1992 in Rio de Janeiro, Brazil, with the aim of forming a global alliance to address some of the world's growing environmental crises; and

"Whereas, the United Nations' so-called "Earth Summit" has become the focus of serious allegations of lack of leadership and organization as the industrialized countries and developing countries continue to have strong ideological and economic differences which threaten the opportunity for progress in addressing the environmental challenges facing the entire planet; and

"Whereas, the United States of America could positively influence the proceedings of the Conference on Environment and Development by demonstrating a genuine commitment to provide strong and effective leadership on environmental issues, together with a commitment to provide more resources and funding for global environment care and the establishment of new international environmental organizations; and

"Whereas, international solutions to environmental problems that know no geographic boundaries must be developed, especially with regard to ozone depletion, acid rain, carbon dioxide reduction, protection of the rain and ancient forests, solid waste disposal, and protection of precious water resources; now, therefore,

"Be it resolved by the Senate of the Sixteenth Legislature of the State of Hawaii, Regular Session of 1992, the House of Representatives concurring, that the United States of America is urged to commit to and provide strong environmental leadership at the United Nations' Conference on Environment and Development, beginning at the final negotiating meeting in New York City from March 2 to April 3, 1992, to prepare for the full conference in June 1992 in Brazil; and

"Be it further resolved that President Bush is urged to commit himself to personally attend the "Earth Summit"; and

"Be it further resolved that certified copies of this Concurrent Resolution be transmitted to the President of the United States, the Secretary of State of the United States, the United States Ambassador to the United Nations, the President and Secretary of the United States Senate, the Speaker and Chief Clerk of the United States House of Representatives, and Hawaii's Congressional Delegation."

POM-386. A concurrent resolution adopted by the Legislature of the State of Hawaii; to the Committee on Foreign Relations:

"SENATE CONCURRENT RESOLUTION 239

"Whereas, the United Nations' Conference on Environment and Development, a gathering to include 160 world leaders, is scheduled to take place in June 1992 in Rio de Janeiro, Brazil, with the aim of forming a global alliance to address some of the world's growing environmental crises; and

"Whereas, the United Nation's so-called "Earth Summit" has become the focus of serious allegations of lack of leadership and organization as the industrialized countries and developing countries continue to have strong ideological and economic differences which threaten the opportunity for progress in addressing the environmental challenges facing the entire planet; and

"Whereas, the United States of America could positively influence the proceedings of the Conference on Environment and Development by demonstrating a genuine commitment to provide strong and effective leadership on environmental issues, together with a commitment to provide more resources and funding for global environment care and the establishment of new international environmental organizations; and

"Whereas, international solutions to environmental problems that know no geographic boundaries must be developed, especially with regard to ozone depletion, acid rain, carbon dioxide reduction, protection of the rain and ancient forests, solid waste disposal, and protection of precious water resources; now, therefore,

"Be it resolved by the Senate of the Sixteenth Legislature of the State of Hawaii, Regular Session of 1992, the House of Representatives concurring, that the United States of America is urged to commit to and provide strong environmental leadership at the United Nations' Conference on Environment and Development, beginning at the final negotiating meeting in New York City from March 2 to April 3, 1992, to prepare for the full conference in June 1992 in Brazil; and

"Be it further resolved that President Bush is urged to commit himself to personally attend the "Earth Summit"; and

"Be it further resolved that certified copies of this Concurrent Resolution be transmitted to the President of the United States, the Secretary of State of the United States, the United States Ambassador to the United Nations, the President and Secretary of the United States Senate, the Speaker and Chief Clerk of the United States House of Representatives, and Hawaii's Congressional Delegation."

POM-387. A concurrent resolution adopted by the Legislature of the State of Hawaii; to the Committee on Foreign Relations:

"SENATE CONCURRENT RESOLUTION 195

"Whereas, the Convention on Conservation of Nature in the South Pacific, commonly known as the "APIA Convention," was held in Apia, Western Samoa, in June, 1976, with the United States being a party thereto; and

"Whereas, the purpose of the Convention was to implement the principles set out in the declaration adopted by the United Nations Conference on the Human Environment, which was held in Stockholm in June, 1972; and

"Whereas, the participants were convinced of the need for urgent action inspired by those principles, especially in relation to the maintenance of the Earth's capacity to produce essential renewable resources, the safeguarding of representative samples of natural ecosystems, and the preservation of wildlife and its habitats; and

"Whereas, the participants were conscious of the importance of natural resources from nutritional, scientific, educational, cultural, and aesthetic points of view, as well as the dangers threatening those irreplaceable resources; and

"Whereas, the participants recognized the need to give due consideration to indigenous customs and traditional cultural practices in the South Pacific; and

"Whereas, the Articles of the Convention call for the creation of protected areas as well as the wise management and appropriate use of such areas for the purpose of preserving and safekeeping natural ecosystems (particularly of endangered species) of the South Pacific, which means are vital to the survival of the superlative scenery, striking geological formations, and regions and objects of aesthetic interest or of historic, cultural, or scientific value within the South Pacific; and

"Whereas, the United States has not signed the Articles of the Convention; and

"Whereas, the United States, a major delegate at the "APIA Convention," is requested to effectuate and enforce the Articles of the Convention, particularly in view of its prominent presence in the South Pacific; and

"Whereas, Federal agencies such as the U.S. Fish and Wildlife Service and the National Park Service would benefit from the implementation of the Articles of the Convention in their efforts to protect the natural resources of the Pacific; now therefore,

"Be it resolved by the Senate of the Sixteenth Legislature of the State of Hawaii, Regular Session of 1992, the House of Representatives concurring, that the President of the United States is respectfully requested to sign and the Senate of the United States to ratify the Articles of the Convention on Conservation of Nature in the South Pacific ("APIA Convention"); and

"Be it further resolved that certified copies of this Concurrent Resolution be transmitted to the President of the the United States, to the Majority and Minority Leaders of the Senate of the United States, and to Hawaii's Congressional Delegation."

Pom-388. A resolution adopted by the Senate of the State of Hawaii; to the Committee on Foreign Relations:

"SENATE RESOLUTION 200

"Whereas, The United Nations' Conference on Environment and Development, a gathering to include 160 world leaders, is scheduled to take place in June 1992 in Rio de Janeiro, Brazil, with the aim of forming a global alliance to address some of the world's growing environmental crises; and

"Whereas, the United Nation's so-called "Earth Summit" has become the focus of serious allegations of lack of leadership and organization as the industrialized countries and developing countries continue to have

strong ideological and economic differences which threaten the opportunity for progress in addressing the environmental challenges facing the entire planet; and

"Whereas, the United States of America could positively influence the proceedings of the Conference on Environment and Development by demonstrating a genuine commitment to provide strong and effective leadership on environmental issues, together with a commitment to provide more resources and funding for global environment care and the establishment of new international environmental organizations; and

"Whereas, International solutions to environmental problems that know no geographic boundaries must be developed, especially with regard to ozone depletion, acid rain, carbon dioxide reduction, protection of the rain and ancient forests, solid waste disposal, and protection of precious water resources; now, therefore,

"Be it resolved by the Senate of the Sixteenth Legislature of the State of Hawaii, Regular Session of 1992, that the United States of America is urged to commit to and provide strong environmental leadership at the United Nation's Conference on Environment and Development, beginning at the final negotiating meeting in New York City from March 2, to April 3, 1992, to prepare for the full conference in June 1992 in Brazil; and

"Be it further resolved that President Bush is urged to commit himself to personally attend the "Earth Summit"; and

"Be it further resolved that certified copies of this Resolution be transmitted to the President of the United States, the Secretary of State of the United States, and the United States Ambassador to the United Nations, the President and Secretary of the United States Senate, the Speaker and Chief Clerk of the United States House of Representatives, and Hawaii's Congressional Delegation."

POM—389. A petition from a citizen of Maitland, Florida opposing the "Gay Bill of Rights"; to the Committee on the Judiciary.

POM—390. A resolution adopted by the Senate of the State of Michigan; to the Committee on the Judiciary.

"SENATE RESOLUTION NO. 418

"Whereas, The seeming inability of the United States Congress to assume the fiscal responsibility necessary to bring the escalating federal budget deficit under control continues to drain the resources of the federal government and of our citizens. Indeed, the increasing use of omnibus budget legislation suggests that congress has consciously undermined the president's power to veto what may be unjustified budget items, and, in turn, reduce the federal deficit; and

"Whereas, A practical and reasonable budgetary device that has been employed in forty-three states for many years has been the line item veto power afforded to governors. This useful fiscal tool has helped make both governors and state legislatures more accountable for their decisions on spending; and

"Whereas, Giving the President of the United States the line item veto would restore what has become a substantially eroded presidential veto power that has upset the delicate balance between the legislative and executive branches of government—a balance that is crucial for effective representative government; now, therefore, be it

"Resolved by the Senate, That we hereby memorialize the United States Congress to pass and submit to the state legislatures for ratification an amendment to the United States Constitution to permit line item vetoes for the President of the United States; and be it further

"Resolved, That a copy of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation."

POM—391. A resolution adopted by the Senate of the State of Michigan; to the Committee on the Judiciary:

"SENATE RESOLUTION NO. 417

"Whereas, Unchecked federal budget deficits present a clear danger not only to the vitality of our economy, but also to the long-term stability of the nation. Indeed, there is a consensus throughout the country that the enormous national debt casts a dark shadow over our economic future;

"Whereas, This institutionalized imbalance between revenues and expenditures in the federal budget process is tearing at the social fabric of this nation. Unless something is done to address the problem, our children and grandchildren will be assessed an enormous toll for our intransigence; now, therefore, be it.

"Resolved by the Senate, That we hereby memorialize the Congress of the United States to pass and submit to the state legislatures for ratification an amendment to the United States Constitution to require a balanced federal budget; and be it further

"Resolved, That a copy of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the Michigan congressional delegation."

POM-392. A resolution adopted by the Assembly of the State of New Jersey; to the Committee on the Judiciary:

"ASSEMBLY RESOLUTION NO. 70

"Whereas, The recent jury verdict to acquit four Los Angeles police officers in the beating of Rodney G. King has generated intense public outcry and frustration, which tragically manifested itself in civil unrest in Los Angeles, California and in other parts of the country; and

"Whereas, In a recent Newsweek poll conducted by the Gallup Organization, a large majority of Americans disagree with the acquittal of the police officers; and

"Whereas, This questionable verdict may seriously undermine the sense of faith and respect many Americans have in the system of justice in the United States; and

"Whereas, The United States Attorney General and the federal grand jury should pursue vigorously their responsibility to determine whether civil rights laws were violated in the beating of Rodney G. King; and

"Whereas, Such steps will hopefully reinforce for the nation and for the people of Los Angeles our society's commitment to civil rights and its intolerance for any type of violence which violates those civil rights; and

"Whereas, Such efforts would strengthen the faith Americans have in the system of justice in the United States, which has been undermined by the proceedings of this case; and

"Whereas, New Jersey should feel pride that while its citizens were equally outraged by the decision in the Rodney G. King case, the public's reaction, while freely expressed, has been measured and focused; and

"Whereas, In many respects, this peaceful protest can be traced to the sense of communication and cooperation that exists between New Jersey's civic, religious, and community leaders and the people of our great State; now therefore,

"Be it resolved by the General Assembly of the State of New Jersey:

"1. This House respectfully memorializes the President of the United States, the Congress, and the United States Attorney General to vigorously pursue possible civil rights violations in the beating of Rodney G. King in Los Angeles and calls upon the United States Attorney General to investigate any possible irregularities in the jury deliberations that resulted in a not guilty verdict for the police officers accused of his beating.

"2. This House urges the citizens and residents of this State and Nation to show restraint in these difficult times and urges all Americans to recommit themselves to eliminating poverty, racism, ignorance, injustice, and all other barriers between people.

"3. Duly authenticated copies of this resolution shall be transmitted to the President of the United States, the presiding officers of the United States Senate and House of Representatives, to every member of Congress elected from the State of New Jersey, and to the United States Attorney General.

"STATEMENT

"This resolution memorializes the President of the United States, the Congress, and the United States Attorney General to vigorously pursue possible civil rights violations in the beating of Rodney G. King in Los Angeles and calls upon the United States Attorney General to investigate any possible irregularities in the jury deliberations that resulted in a not guilty verdict for the police officers accused of his beating. Such an action will reinforce for the Nation and for the people of Los Angeles our society's commitment to civil rights and its intolerance for any type of violence which violates those civil rights. It will also strengthen the faith Americans have for the system of justice in the United States, which has been undermined by the proceedings of this case. The resolution also singles out the cooperation and communication that exists between New Jersey's civic, religious, and community leaders and the citizens of the State as a major factor in the measured, focused and freely expressed protests in New Jersey.

"Memorializes the President of the United States, the Congress, and the United States Attorney General to vigorously pursue possible civil rights violations in the beating of Rodney G. King in Los Angeles."

POM-393. A concurrent resolution adopted by the Legislature of the State of Hawaii; to the Committee on Labor and Human Resources:

"SENATE CONCURRENT RESOLUTION 18

"Whereas, RU-486, a major new drug, has been in use in France since 1988, has more recently been approved for use in Great Britain and is likely to be marketed soon in the Scandinavian countries; and

"Whereas, when prescribed with another drug, RU-486 has been shown to be an effective, safe and non-invasive treatment for the termination of early pregnancy; and

"Whereas, research continues under the auspices of a task force of the World Health Organization on RU-486's potential for contraceptive use; and

"Whereas, RU-486 has also been found to be useful in easing labor and an effective treatment for Cushing's syndrome; and

"Whereas, the medical community has identified RU-486 as a promising treatment for a number of other conditions, including

some breast and brain cancers, prostate cancer, endometriosis, ovarian cancer, osteoporosis and AIDS; and

"Whereas, before RU-486 can be made available for use in the United States it must be subjected to clinical trials by the Federal Drug Administration; and

"Whereas, the drug's maker, Roussel-Uclaf, and its parent company, Hoechst, have indicated that they will not ask to market the drug in this country because of the perceived political climate and their fear of a possible boycott of all their other products; and

"Whereas, the FDA has given no indication that it will conduct such tests and in 1989 banned the importation of RU-486 for personal use; and

"Whereas, RU-486 has been used safely over 80,000 times in France where there has been only one fatality in a high risk patient; and

"Whereas, the ban not only denies Americans access to an important drug, it has also caused most American research in this area to come to a stop; and

"Whereas, The American Medical Association, the American Public Health Association, the American College of Obstetricians and Gynecologists, and the American Association for the Advancement of Science have formally recognized the importance of RU-486 and have acted to support the testing of RU-486 and related agents in the United States; and

"Whereas, the Hawaii State Legislature, together with the above organizations, supports freedom of medical research for American scientists and decries barriers to access to promising drugs and important new technologies; and

"Whereas, political considerations should not stand in the way of the right of American women to have access to the least invasive and safest care available in terminating early pregnancies; now, therefore

"Be it resolved by the Senate of the Sixteenth Legislature of the State of Hawaii, Regular Session of 1992, the House of Representatives concurring, that the Hawaii State Legislature urges the President of the United States and the Congress to rescind the ban imposed by the Food and Drug Administration and support the use of RU-486 and other related agents for all appropriate research and, if indicated, clinical trials; and

"Be it further resolved that certified copies of this Senate Resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, Hawaii's congressional delegation, to the manufacturer of RU-486, Roussel-UCLAF, 35 Boulevard des Invalides 75007, Paris France and to the Commissioner of the federal Food and Drug Administration."

POM-394. A concurrent resolution adopted by the Legislature of the State of South Carolina; to the Committee on Labor and Human Resources:

"CONCURRENT RESOLUTION

"Whereas, Public Law 101-508 (Omnibus Reconciliation Act) amended the social security requirements to require that part-time employees such as poll managers would be required to come under the Social Security law and have deductions made from their income; and

"Whereas, an amendment to the Older Americans Act has passed the United States House of Representatives and, pending consideration in the United States Senate, would raise the exemption to one thousand dollars benefiting these part-time employees; and

"Whereas, the passage of this amendment would greatly aid part-time employees in the upcoming elections; and

"Whereas, the members of the General Assembly express their desire to the South Carolina Congressional Delegation, especially Senators Hollings and Thurmond, that they vote for the passage of this amendment. Now, therefore,

"Be it resolved by the House of Representatives, the Senate concurring:

"That the members of the General Assembly memorialize the United States Congress to enact the amendment to the Older Americans Act which raises the exemption to one thousand dollars for money earned and which would benefit poll managers in the upcoming elections.

"Be it further resolved that a copy of this resolution be forwarded to the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of the South Carolina Congressional Delegation."

POM-395. A concurrent resolution adopted by the Legislature of the State of Missouri; to the Select Committee on POW/MIA Affairs:

"SENATE CONCURRENT RESOLUTION NO. 22

"Whereas, there are more than 88,000 American service personnel missing from World War II, Korea, and Vietnam; and

"Whereas, recent information has been released regarding American service personnel being held against their will after World War II, Korea, and Vietnam; and

"Whereas, the United States Senate Foreign Relations Committee released an interim report in October, 1990, that concluded that American service personnel were held in Southeast Asia after the end of the Vietnam War and that information available to the United States government does not rule out the probability that American service personnel are still being held in Southeast Asia; and

"Whereas, the Senate Interim Report states that Congressional inquiries in the POW/MIA issue have been hampered by incomplete access to information that was concealed from committee members or "misinterpreted or manipulated" in government files; and

"Whereas, the POW/MIA truth bill would direct the heads of the federal government agencies and departments to disclose information concerning the United States service personnel classified as prisoners of war or missing in action from World War II, Korea, and Vietnam; and

"Whereas, if enacted, this bill would sensor out the sources of information and the methods for obtaining information available to the United States government regarding POWs and MIAs; and

"Whereas, the POW/MIA truth bill does not rule out the possibility that United States citizens are still being held in Southeast Asia;

"Now, therefore, be it resolved that the members of the Missouri Senate of the Eighty-sixth General Assembly, the House of Representatives concurring therein, hereby request the Congress of the United States to enact the POW/MIA truth bill in order to effectively conclude its POW/MIA investigation so vital to resolving the POW/MIA issue in Southeast Asia; and

"Be it further resolved that the Secretary of the Senate be instructed to prepare properly inscribed copies of this resolution for the President and Secretary of the United States Senate, the Speaker and Chief Clerk of the United States House of Representatives and for each member of the Missouri Congressional delegation."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BIDEN, from the Committee on the Judiciary:

Report to accompany the bill (S. 1623) to amend title 17, United States Code, to implement a royalty payment system and a serial copy management system for digital audio recording, to prohibit certain copyright infringement actions, and for other purposes (Rept. No. 102-294).

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. ROBB:

S. 2816. A bill to authorize a certificate of documentation for the vessel Bay Lady; to the Committee on Commerce, Science, and Transportation.

By Mr. INOUYE:

S. 2817. A bill to establish a national health care program, and for other purposes; to the Committee on Finance.

By Mr. ROTH:

S. 2818. A bill to suspend until January 1, 1995, the duty on Triphenylmethyl chloride, Imidazole Intermediate, 1, 3-Dihydroxyacetone, N-Chlorosuccinimide, Losartan (active), and AVISTAR (formulation); to the Committee on Finance.

S. 2819. A bill to suspend until January 1, 1995, the duty on 4- Picolylchloride Hcl, 2H-indol-2-one, 1,3-dihydro-1-phenyl-3-(4-pyridinylmethylene), Linopirdine (active), 3,3-bis(4-pyridinylmethyl)- 1,3-dihydro-1-phenyl-2H-indole-2-one, and AVIVA (tablet formulation); to the Committee on Finance.

S. 2820. A bill to suspend until January 1, 1995, the duty on (+)- Methylp-{2-hydroxy-3-(isopropylamino) propoxy} hydrocinnamate hydrochloride; to the Committee on Finance.

S. 2821. A bill to suspend until January 1, 1995, the duty on NEUROLITE (complete dosage kits); to the Committee on Finance.

S. 2822. A bill to suspend until January 1, 1995, the duty on CARDIOLITE (complete dosage kits); to the Committee on Finance.

S. 2823. A bill to suspend until January 1, 1995, the duty on 3-(a- acetonyl benzyl)-4-hydroxycoumarin sodium salt; to the Committee on Finance.

By Mr. FOWLER:

S. 2824. A bill to authorize a study of the feasibility and suitability of designating the Augusta Canal National Historic Landmark District as a National Heritage Area, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. AKAKA (for himself, Mr. BREAUX, Mr. INOUYE, and Mr. JOHNSTON):

S. 2825. A bill to amend the Foreign Trade Zones Act to clarify that crude oil consumed in refining operations is not subject to duty under the Harmonized Tariff Schedule of the United States; to the Committee on Finance.

By Mr. KENNEDY (for himself, Mr. HATFIELD, Mr. PELL, Mr. SIMON, Mr. DECONCINI, Mr. KERRY, and Mr. BRADLEY):

S. 2826. A bill to reaffirm the obligation of the United States to refrain from the invol-

untary return of refugees outside the United States; to the Committee on Foreign Relations.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. LOTT:

S. Res. 310. A resolution to express the sense of the Senate in disapproving of the action of the District of Columbia Council in approving the Health Care Benefits Expansion Act of 1992; to the Committee on Governmental Affairs.

By Mr. MITCHELL (for himself and Mr. COHEN):

S. Res. 311. A resolution to commend Fryeburg Academy, located in Fryeburg, Maine, on the occasion of its bicentennial; considered and agreed to.

By Mr. MITCHELL (for himself and Mr. DOLE):

S. Res. 312. A resolution to authorize testimony by employee of the Senate in Louis C. Smit v. Department of the Treasury; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. INOUYE:

S. 2817. A bill to establish a national health care program; to the Committee on Finance.

NATIONAL HEALTH CARE ACT

• Mr. INOUYE. Mr. President, I rise today to introduce the National Health Care Act of 1992, a comprehensive proposal that was developed by the National Association of Social Workers [NASW] and significantly changes the way our Nation finances and delivers health care. I am very impressed with the level of commitment demonstrated by NASW in crafting a proposal of this magnitude, and I am very pleased to introduce this legislation on their behalf.

It is not really surprising that the NASW would dedicate the time and resources necessary to develop this national health care proposal. Social workers are employed in every facet of the Nation's health and mental care delivery systems. From positions in public health, health planning, and health administration to their roles as primary health care providers in hospitals, community health and mental health centers, home health agencies, nursing homes, end stage renal disease programs, employee assistance programs and private practice, the social work profession is very uniquely situated to provide its own extensive perspective on health care reform. Additionally, members of the profession are often in the challenging position of trying to assist individuals piece together financing for needed care that is not covered through a health insurance plan. As you might anticipate, this part of the job is becoming increasingly difficult, and the stress placed on families who find themselves in this situation is particularly severe. It is an untenable burden for families who are already fragile in these economically hard times.

I believe that the NASW proposal will add an invaluable contribution to our health care reform debate in Congress. Like other single-payer national health care proposals, this bill would replace the patchwork of multiple public and private insurance plans with one publicly financed health insurance plan that is administered by the Federal and State governments. The plan would cover expanded comprehensive care—much more than is currently available in the typical insurance package. The benefits would include primary care services, hospital care, dental and vision care, mental health and substance abuse treatment, rehabilitation services, and prescription drugs. The proposal also provides a long-term care benefit that includes home and community-based care for the chronically ill of all ages. Every American would receive the same level of comprehensive benefits through the use of a uniform, single system that allows for equitable, cost-effective care to all.

What sets this health care reform plan apart from all of the rest that we have seen introduced thus far in Congress is that it goes beyond recommendations for a new payment and administrative system. What makes this plan unique is that it provides a vision for the delivery of quality health and mental health care. It takes into account, for example, Secretary Sullivan's promotion of the individual's responsibility for a healthy lifestyle—but this plan takes the point a step further and helps us consumers work toward that goal through the use of health education and promotion programs in the schools, workplace and other community settings. In addition, the plan both emphasizes and makes available preventive and primary care services, essential components to the maintenance of good health.

Of particular importance to me is the plan's view of mental health care and substance abuse treatment. Mental health has always been one of my top priorities, and this plan treats mental health care and substance abuse treatment in the same fashion as care that would be provided for a physical ailment. No arbitrary limits on care are imposed, nor are added copayments and deductibles attached to mental health services to decrease the utilization of needed care. The plan recognizes that mental health and substance abuse service needs, like those for physical health care, can be considered in a framework that includes preventive care, primary care, and long-term care. Card coordination and an emphasis on the use of home and community-based treatment are viewed as the primary means of managing chronic and/or costly care in mental health and substance abuse, just as they may be used in managing chronic and long-term health care.

Care coordination is a central theme in the NASW proposal. Care coordination services are identified as a specific benefit that is available through all primary care providers. For long-term care, screening and care coordination that is provided by a multidisciplinary team of providers is the point of entry. The availability of these services is regarded as an essential element to ensure access to appropriate care.

Many service delivery system improvements are contained in this proposal to enhance continuity of care and service efficiency. One such model is the integrated health service plan, a not-for-profit, consumer-controlled system that provides comprehensive outpatient care to an enrolled population in its own facility. While consumers' ability to choose their own providers is maintained through the plan, options are also included to assist consumers in locating appropriate, quality care. Additionally, the development of innovative methods of delivering services will be fostered through the use of targeted demonstration grant funds to States and communities.

This legislation takes into account the fact that access to health insurance coverage does not always translate into access to care. Many provisions exist in this legislation to promote increased access to care in rural, urban, and other health professional shortage areas. Provisions also exist to encourage innovative approaches in prevention and treatment for underserved populations who have traditionally had difficulty in obtaining care.

Many might ask why a Senator from the State of Hawaii, which has achieved almost universal access of its residents to health insurance coverage, would introduce this national health care proposal. First of all, the health care crisis is threatening our entire Nation, and we must all work toward the goal of assuring that all Americans have access to the quality of care that is available in the United States. Second, this plan incorporates some of the major provisions in the Hawaii plan that keep the health insurance premiums in our State relatively low—that is, the focus on providing preventive and primary care services that maintain our population's health and the use of a large risk pool to keep costs down. While Hawaii does not have a single-payer plan, it benefits from many of the advantages of a single-payer system because insurance coverage is primarily provided by two insurers. Thirdly, I believe that this plan advances the national health care debate by going beyond recommendations on financing and administration to is-

sues of health policy and delivery system improvement that must surely be addressed as well if our goal is to provide appropriate, quality care for all.

I congratulate the National Association of Social Workers in its development of this plan, and I particularly wish to congratulate NASW executive director, Mark Battle, for his leadership in directing the association's efforts.

Mr. President, I request unanimous consent that the text and a summary of this bill be printed in the RECORD.

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

S. 2817

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "National Health Care Act of 1992".

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

Sec. 1. Short title; table of contents.
Sec. 2. Purpose.
Sec. 3. Definitions.

TITLE I—NATIONAL HEALTH CARE PROGRAM

Sec. 101. Establishment.
Sec. 102. Approval of State programs.
Sec. 103. Eligibility for enrollment.
Sec. 104. Enrollment.
Sec. 105. Portability.

TITLE II—BENEFITS AND PROVISION OF SERVICES

Subtitle A—Scope of Services

Sec. 201. Covered services.
Sec. 202. Exclusions.
Sec. 203. Prohibitions on limitations.
Sec. 204. Eligibility.
Sec. 205. Additional and duplicate services.

Subtitle B—Provision of Services

Sec. 211. Health care providers.
Sec. 212. Delivery systems.
Sec. 213. State long-term care coordination agencies.
Sec. 214. Incorporation of miscellaneous medicare-related provisions.
Sec. 215. Nondiscrimination.

TITLE III—REVENUE

Subtitle A—Budget Process

Sec. 301. National and State health budgets.
Sec. 302. Payments to States.
Sec. 303. Establishment of exchange program.

Subtitle B—Payments to Health Care Providers

Sec. 311. Payments to health care providers.
Sec. 312. Payments to institutional health care providers.
Sec. 313. Payments for services by individual health care providers.
Sec. 314. Payments to integrated health service plans.
Sec. 315. Grievance procedure.

Subtitle C—Sources of Revenue

Sec. 321. Federal sources of revenue.
Sec. 322. State sources of revenue.
Sec. 323. Cost-sharing.
Sec. 324. National Health Care Trust Fund.

TITLE IV—ADMINISTRATION

Subtitle A—Federal Administration

Sec. 401. National Health Care Administration.
Sec. 402. National Health Board.
Sec. 403. National Council on Quality Assurance and Consumer Protection.
Sec. 404. Medical Malpractice Commission.
Sec. 405. Utilization and quality control peer review organizations.
Sec. 406. Public Health Functions and Activities Commission.
Sec. 407. Technical assistance centers.

Subtitle B—State and Local Administration

Sec. 411. State agency.
Sec. 412. State and local planning boards.

TITLE V—TRANSITION AND RELATIONSHIP TO OTHER PROGRAMS

Sec. 501. Effective date.
Sec. 502. Repeals and incorporations.
Sec. 503. Transition.
Sec. 504. Rules governing congressional consideration.
Sec. 505. Relation to Employee Retirement Income Security Act of 1974.

TITLE VI—MISCELLANEOUS PROVISIONS

Sec. 601. Bill of rights.
Sec. 602. Research and demonstration projects.
Sec. 603. Prevention, health promotion, and health awareness program grants.

SEC. 2. PURPOSE.

The purpose of this Act is to establish a single-payer national program of health care services that is administered by the States under Federal guidelines and provides—

(1) a right to health care services for every United States citizen and resident, regardless of race, color, religion, sex, national origin, age, health condition, sexual preference, income, language, or geographic residence in an urban or rural area;

(2) comprehensive health benefits that—

(A) enable consumers to achieve and maintain physical and mental health, maximize potential for enhanced social and physical functioning, and sustain a meaningful quality of life; and

(B) provide a major emphasis on primary prevention and health promotion;

(3) a broad range of involvement on the local level by health care providers, public agencies, consumers, civic organizations, schools, employers, and unions;

(4) cost-conscious delivery of high quality services through prospective global budgeting for the States and hospitals, negotiated fee schedules for health care providers, efficient use of health care facilities and equipment, and the elimination of unnecessary medical procedures;

(5) the right of consumers to participate in the decisions that directly affect their lives, and in the decisions that relate to the design and implementation of covered services;

(6) a simplified administrative structure that enhances access and reduces administrative waste;

(7) freedom of choice of consumers to select health care providers within the framework of a national health care program;

(8) primary financing through progressive Federal taxation;

(9) an integrated health delivery system that—

(A) provides a continuum of care that links all levels of the health care program;

(B) addresses the physical, mental, and psychosocial health needs of the consumer and the family; and

(C) promotes multidisciplinary collaboration in the delivery of services;

(10) a health care program that reflects the demographic and sociocultural diversity and needs of the community;

(11) professional standards linked to performance for all health care providers that ensure the delivery of high-quality health care services and accountability to both health care providers and consumers;

(12) special resources to address the medical, mental, and social health needs of medically underserved populations and health professional shortage areas;

(13) education and training programs for professional, allied, and paraprofessional personnel in health professional shortage areas, and the assurance that the programs offer equal access to minorities and women;

(14) continued commitment to and strengthening of basic public health functions to provide for a safe environment, control of infectious diseases, and promotion of a healthy lifestyle and behavior;

(15) support of research efforts that will—

(A) enhance the physical, mental, and social well-being of major segments of society;

(B) improve the delivery of cost-conscious, quality health care services; and

(C) enable health care providers and consumers to make more informed decisions; and

(16) continued commitment to basic biomedical and comprehensive mental health research.

SEC. 3. DEFINITIONS.

As used in this Act:

(1) ADMINISTRATION.—The term "Administration" means the National Health Care Administration, established in section 401(a).

(2) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Administration, appointed under section 401(b)(1).

(3) BOARD.—The term "Board" means the National Health Board, established in section 402.

(4) CONSUMER.—The term "consumer" means an eligible individual who receives covered services.

(5) COVERED SERVICE.—The term "covered service" means a service described in section 201, provided under a State program.

(6) ELIGIBLE INDIVIDUAL.—The term "eligible individual" means an individual who is eligible—

(A) for enrollment, as described in section 103; and

(B) with respect to a covered service, to receive the service, as described in section 204.

(7) HEALTH CARE FACILITY.—The term "health care facility" means a facility entitled under the law of a State to provide covered services.

(8) HEALTH CARE PROVIDER.—The term "health care provider" means a person entitled under the law of a State to provide covered services, and a health care facility.

(9) HEALTH PROFESSIONAL SHORTAGE AREA.—The term "health professional shortage area" has the meaning given the term in section 332(a)(1) of the Public Health Service Act (42 U.S.C. 254e(a)(1)).

(10) INTEGRATED HEALTH SERVICE PLAN.—The term "Integrated Health Service Plan" means a nonprofit, consumer-controlled, health plan that—

(A) provides all covered services; and

(B) operates as a single organization in the health care facilities of the organization.

(11) LOCAL PLANNING AREA.—The term "local planning area" means an area designated under section 412.

(12) MEDICALLY UNDERSERVED POPULATION.—The term "medically underserved population" has the meaning given the term in section 330(b)(3) of the Public Health Service Act (42 U.S.C. 254c(b)(3).

(13) NATIONAL HEALTH CARE DATA BASE.—The term "national health care data base"

means the data base established in section 401(h).

(14) NATIONAL HEALTH CARE PROGRAM.—The term "national health care program" means the program established in section 101.

(15) NURSING FACILITY.—The term "nursing facility" has the meaning given the term in section 1919(a) of the Social Security Act (42 U.S.C. 1396r(a)).

(16) STATE.—The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(17) STATE AGENCY.—The term "State agency" means an agency designated under section 411.

(18) STATE PROGRAM.—The term "State program" means a program approved under section 102.

(19) TRUST FUND.—The term "Trust Fund" means, except as otherwise specifically provided, the fund established in section 324.

TITLE I—NATIONAL HEALTH CARE PROGRAM

SEC. 101. ESTABLISHMENT.

The Administrator shall establish and carry out a national health care program in accordance with this Act. In carrying out the national health care program, the Administrator shall make payments under section 302 to assist the States in establishing and carrying out State programs that provide covered services to eligible individuals.

SEC. 102. APPROVAL OF STATE PROGRAMS.

(a) IN GENERAL.—The Administrator shall provide for the review, and approval or disapproval, of programs as State programs under this Act.

(b) APPLICATION.—For purposes of obtaining the approval described in subsection (a), a State agency shall submit an application to the Administrator at such time, in such manner, and containing such information as the Administrator may require, including a State plan that contains information describing a State program for providing covered services to eligible individuals in the State. At a minimum, the plan shall specify—

(1) procedures for enrollment of individuals described in subsection (a) or (b) of section 103 in the State program in accordance with this title;

(2) covered services to be provided by the State program in accordance with subtitle A of title II, including a description of the manner in which each health care provider shall provide care coordination services;

(3) requirements for provision of covered services in the State program in accordance with subtitle B of title II;

(4) procedures for establishing an exchange program in accordance with section 303;

(5) procedures for making payments to health care providers in accordance with subtitle B of title III;

(6) sources of State revenues for the State program, and cost-sharing procedures, in accordance with sections 322 and 323, respectively;

(7) an assurance that the State will comply with the State administrative and planning requirements set forth in subtitle B of title IV;

(8) an assurance that the State program will reflect the demographic and sociocultural diversity and needs of the communities with the State; and

(9) an assurance that the State agency shall annually prepare and submit to the Administrator a report concerning the operation of the State program.

(c) NOTIFICATION OF APPROVAL.—Not later than 90 days after the date the State agency submits the plan described in subsection (b) the Administrator shall notify the State agency of the decision of the Administration approving or disapproving the State plan.

(d) ENFORCEMENT.—

(1) MONITORING.—The Administration shall monitor the compliance of State programs with the applicable requirements of this Act, including the provisions specified in subsection (b).

(2) RECORDS.—Each State program shall maintain such records regarding the implementation of the State program as the Administrator may by regulation require.

(3) ACCESS.—Any officer, employee, or representative of a State program shall, upon request of an officer, employee, or representative of the Administration, duly designated by the Administrator, furnish information relating to the implementation of the State program and permit the officer, employee, or representative at all reasonable times to have access to, and to copy, the records described in paragraph (2).

(e) WITHDRAWAL OF APPROVAL.—If the Administrator determines, after notice and opportunity for a hearing, that a program that has been previously approved as a State program no longer meets the applicable requirements of this Act, the Administrator may require corrective action or withdraw approval of the program. If the Administrator withdraws approval of a program within a State, the Administrator shall, by grant or contract, carry out a program that provides covered services to eligible individuals in accordance with the requirements, within the State served by the State program.

SEC. 103. ELIGIBILITY FOR ENROLLMENT.

(a) IN GENERAL.—An individual shall be eligible to enroll in the national health care program for covered services under a State program, if the individual—

(1) maintains a primary residence in the State; and

(2) is—

(A) a citizen of the United States;

(B) a national of the United States;

(C) a lawful resident alien of the United States; or

(D) an alien nonimmigrant made eligible under subsection (b).

(b) ALIEN NONIMMIGRANTS.—

(1) IN GENERAL.—The Administration may make eligible to enroll in the national health care program, as described in subsection (a), individuals within such classes of aliens admitted to the United States as nonimmigrants as the Administrator may provide in regulations prescribed under section 401(e)(1)(A).

(2) CONSIDERATIONS.—In providing for eligibility under paragraph (1), the Administration shall consider reciprocity in health care services offered to United States citizens who are nonimmigrants to other foreign states, and such other factors as the Administration determines to be appropriate.

(c) NONDISCRIMINATION.—

(1) IN GENERAL.—Any State that receives assistance under this Act shall not discriminate in the enrollment of individuals eligible for enrollment under subsection (a) or (b) in the plan on the basis of race, color, religion, sex, national origin (except in accordance with regulations promulgated under subsection (b)(1)), age, health condition, sexual preference, income, language, or geographic residence in an urban or a rural area within the State.

(2) RULES AND REGULATIONS.—

(A) IN GENERAL.—In carrying out this section, a State agency shall implement eligibility procedures in accordance with regulations prescribed under section 401(e)(1)(A).

(B) ENFORCEMENT.—The Administrator shall promulgate rules and regulations to provide for the enforcement of this section, including provisions for summary suspension of assistance for not more than 30 days, on an emergency basis, until the Administration can provide notice and an opportunity to be heard.

(d) DEFINITION.—As used in this section, the term "lawful resident alien" means an alien lawfully admitted for permanent residence and any other alien lawfully residing permanently in the United States under color of law, including an alien granted asylum or with lawful temporary status under section 210, 210A, or 245A of the Immigration and Nationality Act (8 U.S.C. 1160, 1161, or 1255a).

SEC. 104. ENROLLMENT.

(a) ENROLLMENT PROCESS.—In order to be eligible to receive a payment under section 302, each State program shall provide a mechanism, in accordance with regulations prescribed under section 401(e)(1)(B), for the enrollment of individuals described in subsection (a) or (b) of section 103 in the national health care program.

(b) LOCATION.—Enrollment may occur at offices of the State program and other locations specified by the State agency.

(c) AUTOMATIC ENROLLMENT.—The mechanism under subsection (a) shall include a process for the automatic enrollment of individuals at the time of birth in the United States or at the time of immigration into the United States or other acquisition of lawful resident status in a State. Such mechanism shall also provide for the enrollment of eligible individuals as of January 1, 1995.

(d) ISSUANCE OF CARD.—On enrollment of an individual in the national health care program, the State program shall issue the individual a card that may be used for purposes of identification and processing of claims for covered services.

SEC. 105. PORTABILITY.

(a) REIMBURSEMENT.—Each State program shall, in accordance with regulations issued by the Administrator, include procedures for portability of coverage and reimbursement for individuals who are enrolled in the State program and require a covered service in another State or country.

(b) ENROLLMENT IN OTHER STATE PROGRAMS.—Each State agency shall agree to provide covered services, under such conditions as the Administrator shall by regulation specify, to individuals enrolled in other State programs.

(c) REQUIREMENTS.—Each State program—

(1) shall not impose any minimum period of residence in the State, or waiting period, in excess of 3 months before residents of the State are eligible for or entitled to covered services; and

(2) shall provide for, and be administered and operated, so as to provide for the payments of amounts for the cost of covered services provided to enrolled persons while temporarily absent from the State on the basis that—

(A) if covered services are provided within another State with a State program, payment for covered services shall be at the rate that is approved by the State program in the State in which the services are provided, unless the States concerned agree to apportion the cost between the States in a different manner; and

(B) if the covered services are provided out of the United States, or in a State that does not have a State program, payment shall be made on the basis of the amount that would have been paid by the State in which the en-

rolled persons reside for similar services rendered in the State, with due regard, in the case of hospital services, to the size of the hospital, standards of service, and other relevant factors.

(d) PRIOR CONSENT FOR SERVICES PROVIDED TO TEMPORARILY ABSENT RESIDENTS PERMITTED.—Notwithstanding any other provision of this section, a State program may require that the prior consent of the State program be obtained for elective insured health services provided to a resident of the State while temporarily absent from the State if the services in question are available on a substantially similar basis in the State.

(e) DEFINITION.—For the purposes of this section, the term "elective insured health services" means covered services other than services that are provided in an emergency or in any other circumstance in which health care services are required without delay.

TITLE II—BENEFITS AND PROVISION OF SERVICES

Subtitle A—Scope of Services

SEC. 201. COVERED SERVICES.

(a) IN GENERAL.—The covered services provided under this Act by the national health care program are all medically necessary services, except as provided in section 202, that contribute to the physical, mental, or psychosocial health of an individual or family, as determined in accordance with regulations prescribed under section 401(e)(1)(C), including—

(1) primary prevention and health promotion services;

(2) primary care services;

(3) inpatient and outpatient hospital services, including emergency and trauma services;

(4) laboratory and radiology services;

(5) care coordination services;

(6) rehabilitation services;

(7) mental health services;

(8) substance abuse treatment and rehabilitation services;

(9) long-term care services provided in accordance with section 213(c);

(10) hospice care services;

(11) provision of drugs, medical supplies, and durable medical equipment prescribed by a health care provider;

(12) dental care services;

(13) hearing and speech services;

(14) vision care services;

(15) occupational health services;

(16) organ transplant services; and

(17) other inpatient and outpatient professional services.

(b) DEFINITIONS.—As used in this title:

(1) CARE COORDINATION SERVICES.—The term "care coordination services" means services that—

(A) are provided through an individual health care provider or a multidisciplinary team of health care providers, including physicians, nurses, social workers, and other nonphysician health care providers; and

(B)(i) promote physical, mental, and psychosocial health maintenance;

(ii) provide for the coordination and monitoring of health care services for consumers, as well as maintenance of appropriate records; and

(iii) provide transition management from inpatient facilities to other needed community-based care services.

(2) DENTAL CARE SERVICES.—The term "dental care services" means all medically necessary dental care and routine dental examinations, provided as frequently as the Administrator shall by regulation specify for consumers within specified age groups.

(3) HEARING AND SPEECH SERVICES.—The term "hearing and speech services" means all medically necessary screening, treatment, and provision of devices, relating to promotion of hearing and speech.

(4) HOSPICE CARE SERVICES.—The term "hospice care services" means—

(A) hospice care, as defined in section 1861(dd)(1) of the Social Security Act (42 U.S.C. 1395x(dd)(1))—

(i) whether provided in the home, through community-based services, or on an inpatient basis; and

(ii) except that the reference to "medical social services" in subparagraph (C) of such section is deemed a reference to "medical social work services"; and

(B) counseling services, including bereavement counseling.

(5) LONG-TERM CARE COORDINATION SERVICES.—The term "long-term care coordination services" means ongoing services that—

(A) provide entry to and management of long-term care services and covered services for individuals described in section 204(1); and

(B) ensure—

(i) effective, cost-efficient, and coordinated delivery of such services to a consumer; and

(ii) comprehensive, continuous, and coordinated care that meets the physical, mental, and psychosocial health needs of such individuals.

(6) LONG-TERM CARE SERVICES.—The term "long-term care services" means items and services provided to individuals described in section 204(1) under a written plan of care through home and community-based care programs and nursing facilities and constitutes—

(A) long-term care coordination services;

(B) information and referral services;

(C) skilled and intermediate nursing home services;

(D) day treatment or partial hospitalization;

(E) nursing care;

(F) services of a homemaker or home health aide, personal care services, and heavy chore services;

(G) social work services;

(H) physical, occupational, speech, and any other appropriate therapy services;

(I) day health care services and social day care;

(J) respite care for caregivers;

(K) consumer and health care provider education, training, and counseling, regarding health care services;

(L) medical, skilled nursing, and social support services, for residents of foster care programs, board and care facilities, and other assisted living programs;

(M) medical supplies and minor remodeling changes to the home required by a health condition;

(N) Meals on Wheels;

(O) nutrition and dietary counseling;

(P) assisted transportation;

(Q) emergency alarm response systems;

(R) coverage of health care needs of people with chronic illnesses;

(S) coverage of acute health care, if required, in a hospital, nursing facility, rehabilitation facility, or other inpatient or outpatient facility; and

(T) home and community-based services to assist people recovering from illness, disease, or injury.

(7) MENTAL HEALTH SERVICES.—The term "mental health services" means services related to the diagnosis and treatment of mental illnesses and the promotion of mental health, including—

(A) inpatient services, including services provided at hospitals and other inpatient facilities, such as residential treatment centers;

(B) partial hospitalization and other types of day programs;

(C) crisis intervention;

(D) outpatient services, with particular emphasis on outpatient services for children and adolescents, provided through—

(i) community-based health care facilities and systems; or

(ii) autonomous health care providers, including psychiatrists, clinical psychologists, clinical social workers, psychiatric nurse specialists, or such other qualified health care providers as the Administrator shall by regulation specify; and

(E) community-based residential programs, particularly programs that prepare individuals for independent living.

(8) OCCUPATIONAL HEALTH SERVICES.—The term "occupational health services" means—

(A) prevention and health promotion activities to be carried out in high risk workplaces and workplaces with sizable work forces; and

(B) specific health monitoring activities to be carried out in workplaces that are determined, in consultation with the Occupational Safety and Health Administration, by the Federal Government to pose a significant threat to the health and safety of the workers.

(9) ORGAN TRANSPLANT SERVICES.—The term "organ transplant services" means organ transplants for which screening indicates a likelihood of significant and sustained improvement in the quality of life of the consumer.

(10) PRIMARY CARE SERVICES.—The term "primary care services" means services provided by a health care provider that provide—

(A) comprehensive services focused on the maintenance of physical, mental and psychosocial health; and

(B) care coordination services.

(11) PRIMARY PREVENTION AND HEALTH PROMOTION SERVICES.—The term "primary prevention and health promotion services" means—

(A) comprehensive well-child care services, including health education services, for consumers below age 22, including immunizations and early, routine assessment, diagnosis, and treatment, that—

(i) will help to ensure prevention of disease and early identification before onset of illness; and

(ii) assess a wide array of health conditions;

(B) perinatal and infant health care services, including prenatal care and follow-up for a mother and an infant through the first year of the life of the infant;

(C) routine, age-appropriate, clinical health maintenance examinations for consumers age 22 and older;

(D) family planning and reproductive health services; and

(E) school-based primary prevention and health promotion programs, which may include school-based clinics, mobile programs, or satellite clinics serving several schools in close proximity.

(12) PROFESSIONAL SERVICES.—The term "professional services" means services of physicians, registered nurses, nurse practitioners, nutritionists, podiatrists, physician's assistants, psychologists, social workers, nurse midwives, and physical, speech, and occupational therapists, and such other health care providers as the Administrator shall approve.

(13) REHABILITATION SERVICES.—The term "rehabilitation services" means, except as used within the term "substance abuse treatment and rehabilitation services"—

(A) physical therapy, occupational therapy, speech-language therapy, pathology, and audiology, provided by autonomous health care providers or by health care facilities;

(B) social work services;

(C) provision of medical appliances, including prosthetic devices;

(D) community-based residential programs for the disabled, including group homes that prepare consumers for independent living; and

(E) such additional services as the Administrator may determine, after consultation with appropriate State review boards, to be necessary to address special cases or circumstances,

provided on an inpatient or outpatient basis.

(14) SUBSTANCE ABUSE TREATMENT AND REHABILITATION SERVICES.—The term "substance abuse treatment and rehabilitation programs" means services to promote recovery from substance abuse, including—

(A) inpatient and outpatient hospital services;

(B) partial hospitalization and other types of day programs;

(C) crisis intervention;

(D) residential treatment or rehabilitation programs certified under Federal regulation;

(E) outpatient substance abuse treatment services provided through—

(i) community-based health care facilities and treatment programs; or

(ii) autonomous health care providers, including psychiatrists, clinical psychologists, clinical social workers, psychiatric nurse specialists, and such other qualified health care providers as the Administrator shall by regulation specify; and

(F) community-based residential programs, particularly programs that prepare individuals for independent living.

(15) VISION CARE SERVICES.—The term "vision care services" means—

(A) routine eye examinations, provided as frequently as the Administrator shall by regulation specify for consumers within specified age groups;

(B) provision of glasses and contact lenses, as frequently as the Administrator shall by regulation specify; and

(C) all medically necessary vision treatment.

SEC. 202. EXCLUSIONS.

Covered services do not include—

(1) cosmetic surgery, except medically necessary reconstructive surgery;

(2) cosmetic orthodontics;

(3) such amenities in inpatient facilities as the Administrator shall by regulation specify, such as private rooms, unless the amenities are medically necessary;

(4) medical examinations and medical reports required for purchasing or renewing life insurance policies, or as part of a civil action for the recovery of settlement or damages; or

(5) any service that a health care provider determines not to be medically necessary.

SEC. 203. PROHIBITIONS ON LIMITATIONS.

A State program may not limit the covered services provided to a consumer on the basis of a health condition of the individual that existed on the date of the enrollment of the consumer in the national health care program for services under the State program.

SEC. 204. ELIGIBILITY.

Persons enrolled under section 104 who are eligible for covered services shall include—

(1) with respect to long-term care services, individuals—

(A) over 18 years of age determined (in a manner specified by the Secretary)—

(i) to be unable to perform, without the assistance of an individual, at least 2 of the following 5 activities of daily living (or who has a similar level of disability due to cognitive impairment)—

(I) bathing;

(II) eating;

(III) dressing;

(IV) toileting; and

(V) transferring in and out of a bed or in and out of a chair; or

(ii) due to cognitive or mental impairments, requires supervision because the individual behaves in a manner that poses health or safety hazards to the individual or others; or

(B) under 19 years of age determined (in a manner specified by the Secretary) to meet such alternative standard of disability for children as the Secretary develops;

(2) with respect to hospice care services, terminally ill individuals, regardless of the cause of illness;

(3) with respect to services to be provided in schools, workplaces, and assisted living programs, such individuals as may be specified in the State plan described in section 102(b); and

(4) with respect to covered services not described in paragraphs (1) through (3), all individuals.

SEC. 205. ADDITIONAL AND DUPLICATE SERVICES.

(a) ADDITIONAL SERVICES.—

(1) CONSTRUCTION.—Except as provided in section 202, nothing in this Act shall be construed as limiting the health care services that a State program may provide.

(2) STATE FINANCING OF ADDITIONAL SERVICES.—There shall be no Federal financing available under this Act for health care services other than covered services.

(b) COVERAGE OF SERVICES.—

(1) PROHIBITION ON DUPLICATE PRIVATE INSURANCE.—No person may sell private insurance that provides coverage for health care services that duplicate covered services.

(2) COVERAGE OF ADDITIONAL BENEFITS.—Nothing in this Act shall be construed as prohibiting the sale of private insurance that provides health care services other than covered services.

(c) PRIVATE CARE.—

(1) ARRANGEMENTS.—Except as provided in paragraph (2), nothing in this Act shall be construed as prohibiting arrangements between a health care provider and an individual for the provision of covered services.

(2) LIMITATION.—Arrangements described in paragraph (1) shall provide for acceptance of payment as described in section 311(b)(1).

Subtitle B—Provision of Services

SEC. 211. HEALTH CARE PROVIDERS.

(a) CERTIFICATION AND LICENSING.—State programs shall include procedures for certification and licensing of health care providers participating in the national health care program in accordance with regulations prescribed under section 401(e)(1)(H) and other applicable Federal and State law.

(b) QUALITY ASSURANCE AND CONSUMER PROTECTION STANDARDS.—State agencies shall regulate the health care providers, and shall ensure compliance with quality assurance standards prescribed under section 401(e)(1)(G), consumer protection standards prescribed under section 401(e)(1)(I), and other applicable Federal and State law.

(c) ENFORCEMENT.—A State agency that determines, after notice and an opportunity for a hearing, that a health care provider has repeatedly violated the quality assurance standards, or has been convicted of an offense involving medical malpractice, shall debar the provider from receiving payment under the State program. The State agency shall develop appropriate procedures for determining the length of the debarment and for terminating a debarment in an appropriate case.

SEC. 212. DELIVERY SYSTEMS.

(a) INNOVATIVE DELIVERY SYSTEMS.—State programs may implement innovative delivery systems of covered services, including private health services, State-operated health services, and Integrated Health Service Plans, to provide covered services.

(b) INTEGRATED HEALTH SERVICE PLANS.—

(1) IN GENERAL.—Each State agency shall provide for the review, and approval or disapproval, of health plans as Integrated Health Service Plans in the State for purposes of this Act.

(2) APPLICATION.—For purposes of obtaining the approval described in paragraph (1), an entity shall submit an application to the head of the State agency at such time, in such manner, and containing such information as the head of the State agency may require.

(3) NOTIFICATION OF APPROVAL.—Not later than 60 days after the date the entity submits the application described in paragraph (2), the head of the State agency shall notify the entity of the decision of the State agency approving or disapproving the plan.

(4) WITHDRAWAL OF APPROVAL.—If the head of the State agency determines, after notice and an opportunity for a hearing, that a health plan that has been previously approved as an Integrated Health Service Plan no longer meets the applicable requirements of this Act, the head of the State agency shall withdraw approval of the plan and shall, in accordance with regulations prescribed under section 401(e)(1)(B), provide a procedure under which individuals enrolled in the plan may be enrolled in other Integrated Health Service Plans.

SEC. 213. STATE LONG-TERM CARE COORDINATION AGENCIES.

(a) ESTABLISHMENT.—State agencies shall establish State long-term care coordination agencies, to ensure a continuum of care for every individual described in section 204(1).

(b) SERVICES.—Services provided through the agencies shall include—

(1) services of certified public or nonprofit coordination agencies, provided through qualified professionals that meet such professional standards as the Administrator shall prescribe under section 401(e)(1)(H), to serve as resources for health care facilities, physicians, and other health care providers; and

(2) long-term care coordination services as an integral part of long-term care services, as described in subsection (c), and of home and community-based benefits.

(c) LONG-TERM CARE SERVICES.—

(1) IN GENERAL.—State long-term care coordination agencies shall be responsible for screening all potential recipients of long-term care services and authorizing needed services.

(2) REQUIREMENTS.—State long-term care coordination agencies shall provide services in accordance with the following requirements:

(A) SETTING AND LEVEL OF CARE.—The setting and level of care to be provided to persons needing long-term care services shall be

based on an assessment of the severity of cognitive impairment, inability to perform specified activities of daily living (as well as certain functional tasks), the level of disability, the need for regular ongoing care, behavioral and emotional problems, and the ability of family caregivers to care for persons in need.

(B) COORDINATION.—Long-term care services shall be coordinated with the provision of acute health care and other health care and mental health services if needed.

(C) REQUESTS.—All requests for services shall be processed in a timely manner.

(D) INTENSITY.—The intensity of care coordination provided under this subsection shall depend on the severity of need and the level of services required to meet the needs.

(E) OUTPATIENT EMPHASIS.—The agency shall place priority on maintaining consumers in their homes (with the necessary supports) or in community-based residential programs rather than inpatient facilities and nursing homes.

(F) EMERGENCY SITUATIONS.—The agency shall make provisions to respond to emergency situations, including first-time requests and consumers who are receiving ongoing services and who have a sudden change of status or condition.

(G) COST-EFFICIENT APPROACHES.—States shall have the flexibility to develop cost-efficient approaches to respond to requests for limited home and community-based services.

(H) COORDINATION.—State long-term care coordination agencies shall ensure coordination and continuity of care between service levels and different settings if applicable, which includes the ability to respond to crisis situations.

(I) QUALIFICATION STANDARDS.—Care coordination provided under this subsection shall meet defined qualification standards.

(J) OTHER HEALTH CARE DISCIPLINES.—Care coordinators shall utilize the services of other health care disciplines, and interdisciplinary teams if appropriate.

(K) CONSUMER INVOLVEMENT.—Consumers shall, to the extent the consumers are able, be involved in all decisions regarding long-term care services. Family or caregiver involvement shall occur if appropriate.

(3) CONTRACTS AND AGREEMENTS.—

(A) IN GENERAL.—State long-term care coordination agencies shall, with respect to the geographic area served by the agencies—

(i) enter into contracts or agreements with providers of long-term care services; and

(ii) authorize and disburse all funds for long-term care services.

(B) CRITERIA.—The contracts or agreements shall require performance criteria in accordance with Federal guidelines. Criteria shall address such issues as certification and licensure of the health care provider, expected level of service, staff qualifications, supervision, role of the long-term care coordination agency, rights of the consumer and health care providers, and provisions for necessary changes in level of care.

(4) INDEPENDENCE.—State long-term care coordination agencies shall be independent from any providers of long-term care services.

SEC. 214. INCORPORATION OF MISCELLANEOUS MEDICARE-RELATED PROVISIONS.

(a) PROVISIONS IN TITLE XVIII.—Except as otherwise specifically provided in this Act, the following provisions of the Social Security Act shall apply to this Act in the same manner as the provisions applied to title XVIII of the Social Security Act as of the day before the date of the enactment of this Act:

(1) Section 1819 (relating to requirements for, and assuring quality of care in, skilled nursing facilities), except that any reference in the section to a "skilled nursing facility" is deemed a reference to a "nursing facility".

(2) Section 1846 (relating to intermediate sanctions for providers of clinical diagnostic laboratory tests).

(3) Sections 1863 through 1865 (relating to consultation with State agencies and other organizations to develop conditions of participation for providers of services, use of State agencies to determine compliance by providers of services with conditions of participation, and effect of accreditation).

(4)(A) Subject to subparagraph (B), section 1866 (relating to agreements with providers of services).

(B)(i) The provisions of section 1866(a)(1)(N) shall not apply.

(ii) Under section 1866(a)(2), a health care provider may not impose any charge for covered services under this Act.

(iii) In the case of a hospital, the provider agreement under section 1866 shall prohibit a hospital from denying care to any eligible individual on any ground other than the hospital's inability to provide the care required.

(5) Section 1867 (relating to examination and treatment for emergency medical conditions and women in labor).

(6) Section 1869 (relating to determinations and appeals).

(7) Section 1870 (relating to overpayment on behalf of individuals and settlement of claims for covered services on behalf of deceased individuals).

(8) Sections 1871 through 1874 (relating to regulations, application of certain provisions of title II of the Social Security Act, designation of organization or publication by name, and administration).

(9)(A) Subject to subparagraph (B), section 1876 (relating to payments to health maintenance organizations and competitive medical plans) shall apply to eligible individuals under this Act in the same manner as it applies to individuals entitled to benefits under part A, and enrolled under part B, of title XVIII of the Social Security Act.

(B) In applying section 1876 under this Act—

(i) the provisions of such section relating only to individuals enrolled under part B of title XVIII of the Social Security Act shall not apply;

(ii) subject to subparagraph (C), any reference to a Trust Fund established under title XVIII of such Act and to benefits under such title is deemed a reference to the National Health Care Trust Fund and to covered services under this Act;

(iii) subject to subparagraph (C), the adjusted average per capita cost and adjusted community rate shall be determined on the basis of covered services under this Act; and

(iv) subsection (f) shall not apply.

(C) For purposes of subparagraph (B), covered services under this Act may, at the option of an eligible organization, not include benefits for nursing facility services that are not post-hospital extended care services and benefits for home and community-based services.

(10) Section 1877 (relating to limitation on certain physician referrals).

(11) Section 1878 (relating to the provider reimbursement review board), except that the hearings pursuant to such section shall be on the approval of budgets under section 312 rather than the determination of payment amounts under title XVIII of the Social Security Act.

(12) Section 1891 (relating to conditions of participation for home health agencies; home health quality).

(13) Section 1892 (relating to offset of payments to individuals to collect past-due obligations arising from breach of scholarship and loan contract).

(b) TITLE XI PROVISIONS.—The following provisions of the Social Security Act shall apply to this Act in the same manner as they applied to title XVIII of the Social Security Act:

(1) Sections 1124, 1126, and 1128 through 1128B (relating to fraud and abuse).

(2) Section 1134 (relating to nonprofit hospital philanthropy).

(3) Section 1138 (relating to hospital protocols for organ procurement and standards for organ procurement agencies).

(4) Section 1142 (relating to research on outcomes of health care services and procedures), except that any reference in such section to a Trust Fund is deemed a reference to the National Health Care Trust Fund.

(5) Part B of title XI of the Social Security Act (relating to peer review of the utilization and quality of health care services).

SEC. 215. NONDISCRIMINATION.

(a) IN GENERAL.—No individual with responsibility for the administration of a State plan that receives assistance under this Act shall discriminate in the provision of covered services to eligible individuals on the basis of race, color, religion, sex, national origin, age, health condition, sexual preference, income, language, or geographic residence in an urban or rural area within the State.

(b) RULES AND REGULATIONS.—The Administrator shall promulgate rules and regulations to provide for the enforcement of this section, including provisions for summary suspension of assistance for not more than 30 days, on an emergency basis, until the Administration can provide notice and an opportunity to be heard.

TITLE III—REVENUE

Subtitle A—Budget Process

SEC. 301. NATIONAL AND STATE HEALTH BUDGETS.

(a) IN GENERAL.—

(1) EXPENDITURES AND REVENUES.—For each calendar year the Administrator shall establish a national health budget and, for each State, a State health budget that specifies—

(A) the level and application of expenditures to be made under this Act in the year in the United States and in the State, respectively; and

(B) the amount in and source of revenues of the Trust Fund in such year.

(2) BASIS.—Each State health budget established by the Administrator under this subsection shall—

(A) be based on—

(i) the population of the State;

(ii) reasonable differences in the prices for goods and services;

(iii) any special social, environmental, or other condition affecting health conditions or the need for health care services; and

(iv) the geographic distribution of the population of the State population, including the proportion of the population residing in rural or health professional shortage areas;

(B) be adjusted to account for States—

(i) with large populations;

(ii) with substantial numbers of residents in age categories that make disproportionately greater use of covered services;

(iii) with substantial numbers of residents below the income official poverty line, as defined by the Office of Management and Budg-

et, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902(2)); and

(iv) whose residents exhibit a high incidence of certain health conditions, such as a high incidence of Acquired Immune Deficiency Syndrome or infant mortality; and

(C) not disproportionately discriminate against States with substantial rural populations.

(b) EXPENDITURE LEVEL.—The total level of expenditures to be specified in the national health budget under subsection (a) for a year may not exceed the level of expenditures for covered services under this Act made in the year preceding the effective date of this Act increased in a compounded manner for each succeeding year (up to the year involved) by the annual percentage increase in the gross national product for the preceding year.

(c) INSTITUTIONAL CAPITAL BUDGET.—

(1) IN GENERAL.—Each national health budget established under subsection (a) shall include an amount for total expenditures for capital-related items, provide for State capital budgets and specify the general manner in which such expenditures for capital-related items are to be distributed among the different types of health care facilities.

(2) FACTORS.—Each State capital budget under this section shall be established based solely on—

(A) the factors described in subparagraphs (A) and (C) through subsection (a)(2); and

(B) reasonable differences in the prices for goods and services, as such differences affect the prices of the appropriate capital goods.

(d) HEALTH TRAINING BUDGET.—Each national health budget established under subsection (a) shall include an amount for total expenditures for direct medical education expenses for institutions receiving payments under section 312. Such budgets shall specify the general manner in which such expenditures are to be taken into account, shall be based on a national plan for training of medical personnel developed by the Administrator that shall emphasize training for primary and preventive care, and shall provide for State budgets for direct medical education expenses. Payments under such budgets for such expenditures shall take into account the method for payment for direct medical education expenses as described in section 1886(h) of the Social Security Act.

SEC. 302. PAYMENTS TO STATES.

The Administrator shall make payments from amounts in the Trust Fund to States with approved State programs.

SEC. 303. ESTABLISHMENT OF EXCHANGE PROGRAM.

The Administration shall establish a program under which a State that furnishes covered services to residents of another State receives credit for payments for the services against the amounts to which the other State is otherwise entitled to receive.

Subtitle B—Payments to Health Care Providers

SEC. 311. PAYMENTS TO HEALTH CARE PROVIDERS.

(a) IN GENERAL.—Each State program shall provide for a timely and administratively simple mechanism for the payment and reimbursement of health care providers in a manner consistent with this subtitle and in accordance with regulations prescribed under section 401(e)(1)(E).

(b) MANDATORY ASSIGNMENT.—

(1) ACCEPTANCE OF PAYMENTS.—Each health care provider that receives funding under the national health care program shall accept the payment amount recognized under the State program for covered services as payment in full for such services, provided to consumers, or to individuals entering into an arrangement described in section 205(c), and may not impose any charges for such services other than charges permitted with respect to such services under section 323.

(2) PROHIBITION ON ADDITIONAL BILLING.—Health care providers shall only bill consumers for services that are not covered services.

(c) CONTINUUM OF HEALTH CARE SERVICES.—State programs, in order to avoid fragmented care and promote a continuum of health care services, shall develop financial incentives in the payment methods provided under this subtitle.

(d) EQUIPMENT AND CONSTRUCTION.—

(1) LIMITATIONS.—A State program shall, in accordance with regulations prescribed by the Administrator—

(A) limit acquisition of highly specialized or expensive medical equipment, which shall be carefully regulated to ensure appropriate and equitable utilization and distribution; and

(B) eliminate acquisition of expensive, highly specialized equipment by individual physicians and group practices, although the State program may make exceptions in rural health professional shortage areas.

(2) APPROVAL.—Approval for construction and renovation funds shall only be considered on the basis of utilization data and within the context of the State planning process under section 412.

(e) RURAL AND HEALTH PROFESSIONAL SHORTAGE AREAS.—In establishing the mechanism for payment and reimbursement of health care providers under this subtitle the State program shall establish schedules and incentives in a manner that will encourage health care providers to practice or locate in rural and health professional shortage areas.

SEC. 312. PAYMENTS TO INSTITUTIONAL HEALTH CARE PROVIDERS.

(a) IN GENERAL.—Except as provided in subsection (c), payment for institutional care, including hospital services, shall be made in each State on the basis of an annual prospective budgeting system, established by the State consistent with the State health budget established under section 301 and after negotiations with institutional health care providers.

(b) HOSPITALS.—

(1) BUDGET.—

(A) IN GENERAL.—Each hospital shall receive prospectively a global budget. The budget will be developed through annual negotiations between the State agency and the hospital.

(B) FACTORS.—In developing the budget, the State agency shall consider the health needs of the area, the past expenditures of the hospital, inflation, previous financial and clinical performance (based on utilization data collected through the national health care data base), projected levels of services, technological advances or changes, wages and other costs, proposed new programs, type of hospital, and costs associated with meeting Federal and State regulations.

(C) ADJUSTMENTS.—End-of-the-year adjustments may be made to hospital budgets based on unforeseen factors, such as an increase or decrease in consumer load.

(2) OPERATING EXPENSES.—Global hospital budgets shall be used for operating expenses. Operating expenses shall include replacement of standard equipment and funds to promote innovation in health services. None of the operating budget may be used for physical expansion, profit, marketing, or the purchase of expensive, highly specialized equipment.

(3) CAPITAL EXPANSION AND EQUIPMENT.—Separate funds for capital expansion and purchase of expensive equipment shall be subject to approval by the State agency, and consistent with the State capital budgets described in section 301(c)(1).

(4) FUNDRAISING.—Under Federal guidelines, hospitals may raise funds from private sources to pay for special services. Such additional funds may not change the operating budget. Any anticipated changes in the operating budget as a result of special services shall be negotiated with the State agency.

(5) HEALTH PROFESSIONAL SHORTAGE AREAS.—State programs shall provide subsidies to rural and urban hospitals in health professional shortage areas, including teaching hospitals, to ensure the viability of the health care facilities.

(c) OTHER HEALTH CARE FACILITIES.—

(1) DEFINITION.—As used in this subsection, the term "other health care facilities" shall include community clinics, migrant health centers, nursing homes, community-based programs, home health agencies, rehabilitation facilities, and renal dialysis facilities.

(2) PAYMENT.—States may determine whether other health care facilities shall be paid on the basis of a prospective global budget or per capita fee. Certain services, such as day health care centers, may be reimbursed on a per diem basis. The Administration shall determine whether the States may determine the per capita fee rates, or whether the rates shall be set by the Administration with regional variations.

(3) LIMITATIONS.—The same limitations described in subsection (b) regarding capital expenditures and operating expenses for hospitals shall apply to other health care facilities.

(4) HEALTH CARE PROVIDERS.—Health care providers employed in other health care facilities shall be salaried. Contractual arrangements shall be permitted for specialists that are not on the staff of such a facility.

(5) RURAL FACILITIES.—State programs shall provide special State subsidies for other health care facilities that are essential facilities in rural areas, to ensure the viability of the facilities.

SEC. 313. PAYMENTS FOR SERVICES BY INDIVIDUAL HEALTH CARE PROVIDERS.

(a) FEE SCHEDULES.—

(1) IN GENERAL.—Except as otherwise provided in this section, payment for services by individual health care providers shall be on a fee-for-service basis and based on payment schedules established by each State program in accordance with regulations prescribed under section 401(e)(1)(F).

(2) SCHEDULES.—Such schedules—

(A) shall be established after negotiations with organizations representing physicians and other health care providers;

(B) shall be based on a national relative value scale, developed by the Administration taking into account the relative value scale developed under section 1848 of the Social Security Act (42 U.S.C. 1395w-4), as in effect on the day before the date of the enactment of this Act;

(C) shall take into consideration regional variations; and

(D) shall be in amounts consistent with the State health budget adopted under section 301.

(3) TARGETS.—Expenditure targets on the annual State allocation of fee-for-service payments for each category of health care provider shall be established under the State programs. If a group of health care providers exceeds the annual expenditure target, State agencies shall have the flexibility to nego-

tiate with the Administration and the health care provider group to modify the fee schedule for the following year to correct for overspending in the previous budget year.

(b) ALTERNATIVE PAYMENT MECHANISMS.—Payment for services by individual health care providers may be based on alternative payment methodologies, including capitation methods, annual salary and hourly payments, so long as the amount of payments under such methodology do not exceed, in the aggregate, the amount of payments that would otherwise be made under the methodology described in subsection (a).

(c) BILLING.—Individual health care providers shall submit bills to the State agency.

(d) COVERED EXPENSES.—Payment to individual health care providers shall cover health care provider earnings and basic operating expenses, and shall not include reimbursement for expensive, highly specialized equipment. Operating expenses shall include administrative overhead, employee wages, and replacement of standard equipment.

(e) GROUP PRACTICES.—Group practices may elect to be paid prospectively on a per capita basis rather than on a fee-for-service basis.

SEC. 314. PAYMENTS TO INTEGRATED HEALTH SERVICE PLANS.

(a) PAYMENT.—Integrated Health Service Plans shall be paid prospectively on a per capita basis or by means of a negotiated global budget, as determined by the State agency.

(b) INPATIENT CARE.—Such payment shall not cover inpatient care services. Inpatient facilities operated by the Integrated Health Service Plans will be paid for covered services on the same basis as all other inpatient facilities.

(c) HOSPITALS.—Integrated Health Service Plan-operated hospitals shall be paid for covered services on the same basis as all other hospitals under section 312.

(d) HEALTH CARE PROVIDERS.—All health care providers employed by the Integrated Health Service Plans shall be salaried. An Integrated Health Service Plan may enter into contractual arrangements with specialty health care providers not available on staff.

(e) DEVELOPMENT.—State programs shall provide incentives for the development of Integrated Health Service Plans.

SEC. 315. GRIEVANCE PROCEDURE.

(a) BOARD.—The head of each State agency shall establish a State Payment Grievance Board. In selecting members of the State Payment Grievance Board, the head of the State agency shall ensure that members shall not perform duties inconsistent with their duties and responsibilities as members, and shall ensure that an employee or agent engaged in the performance of investigative or prosecuting functions for the State agency in a case shall not, in the case or a factually related case, participate or advise in the decision, recommended decision, or State agency review of the decision, except as witness or counsel in public proceedings.

(b) APPEALS.—

(1) HEALTH CARE PROVIDERS.—A health care provider who is denied payment by an employee of a State agency, or a State long-term care coordination agency, for covered services may appeal the decision of the State agency, not later than 30 days after the decision, to a State Payment Grievance Board.

(2) PATIENTS.—In any case in which a health care provider determines that a requested service is not medically necessary with respect to a consumer, the health care provider shall inform the consumer of the opportunity to appeal the decision of the health care provider, not later than 30 days after the decision, to a State Payment Grievance Board.

(c) PROCEDURES.—Each State agency shall provide for effective procedures for the State Payment Grievance Board for hearing and resolving appeals brought under subsection (b) and for State agency review of the appeals.

Subtitle C—Sources of Revenue

SEC. 321. FEDERAL SOURCES OF REVENUE.

(a) PERSONAL INCOME TAX RATE INCREASE.—

(1) IN GENERAL.—Subsections (a) through (e) of section 1 of the Internal Revenue Code of 1986 (relating to tax imposed) are each amended by striking "15%", "28%", and "31%" each place they appear and inserting "20%", "31%", and "39%", respectively.

(2) TECHNICAL AMENDMENTS.—

(A) Subsection (f) of section 1 of such Code is amended—

(i) by striking "1990" in paragraph (1) and inserting "1994", and

(ii) by striking "1989" in paragraph (3)(B) and inserting "1993".

(B) Subparagraph (B) of section 32(i)(1) of such Code is amended by striking "1989" and inserting "1993".

(C) Subparagraph (C) of section 41(e)(5) of such Code is amended by striking "1989" each place it appears and inserting "1993".

(D) Subparagraph (B) of section 63(c)(4) of such Code is amended by striking "1989" and inserting "1993".

(E) Clause (ii) of section 135(b)(2)(B) of such Code is amended by striking "1989" and inserting "1993".

(F) Subparagraphs (A)(ii) and (B)(ii) of section 151(d)(4) of such Code are each amended by striking "1989" and inserting "1993".

(G) Clause (ii) of section 513(h)(2)(C) of such Code is amended by striking "1989" each place it appears and inserting "1993".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 1993.

(b) CORPORATE INCOME TAX RATE INCREASE.—

(1) IN GENERAL.—Subsection (b) of section 11 of the Internal Revenue Code of 1986 (relating to tax imposed on corporations) is amended by striking "34 percent" each place it appears and inserting "39 percent".

(2) CONFORMING AMENDMENTS.—

(A) Section 852(b)(3)(D)(iii) of such Code is amended by striking "66 percent" and inserting "61 percent".

(B) Section 1201(a) of such Code is amended by striking "34 percent" each place it appears and inserting "39 percent".

(C) Paragraphs (1) and (2) of section 1445(e) of such Code are each amended by striking "34 percent" and inserting "39 percent".

(D) Section 7518(g)(6)(A) of such Code and section 607(h)(6)(A) of the Merchant Marine Act, 1936 are each amended by striking "34 percent" and inserting "39 percent".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 1993.

(c) ALTERNATIVE MINIMUM TAX INCREASE.—

(1) GENERAL RULE.—Subparagraph (A) of section 55(b)(1) (relating to tentative minimum tax) is amended by striking "20 percent (24 percent" and inserting "23 percent (27 percent".

(2) CONFORMING AMENDMENT.—Paragraph (2) of section 897(a) is amended by striking "21" in the heading of such paragraph and in subparagraph (A) and inserting "27".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 1993.

(d) INCREASE IN TAX ON CIGARETTES.—

(1) RATE OF TAX.—Subsection (b) of section 5701 of the Internal Revenue Code of 1986 (relating to rate of tax on cigarettes) is amended—

(A) by striking "$12 per thousand ($10 per thousand on cigarettes removed during 1991 or 1992)" in paragraph (1) and inserting "$20 per thousand"; and

(B) by striking "$25.20 per thousand ($21 per thousand on cigarettes removed during 1991 or 1992)" in paragraph (2) and inserting "$42 per thousand".

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to articles removed after December 31, 1993.

(3) FLOOR STOCKS.—

(A) IMPOSITION OF TAX.—On cigarettes manufactured in or imported into the United States which are removed before January 1, 1994, and held on such date for sale by any person, there shall be imposed the following taxes:

(i) SMALL CIGARETTES.—On cigarettes, weighing not more than 3 pounds per thousand, $10 per thousand;

(ii) LARGE CIGARETTES.—On cigarettes, weighing more than 3 pounds per thousand, $21 per thousand; except that, if more than 6½ inches in length, they shall be taxable at the rate prescribed for cigarettes weighing not more than 3 pounds per thousand, counting each 2¾ inches, or fraction thereof, of the length of each as one cigarette.

(B) LIABILITY FOR TAX AND METHOD OF PAYMENT.—

(i) LIABILITY FOR TAX.—A person holding cigarettes on January 1, 1994, to which any tax imposed by subparagraph (A) applies shall be liable for such tax.

(ii) METHOD OF PAYMENT.—The tax imposed by subparagraph (A) shall be treated as a tax imposed under section 5701 of the Internal Revenue Code of 1986 and shall be due and payable on February 15, 1994, in the same manner as the tax imposed under such section is payable with respect to cigarettes removed on January 1, 1994.

(C) CIGARETTE.—For purposes of this paragraph, the term "cigarette" shall have the meaning given to such term by subsection (b) of section 5702 of the Internal Revenue Code of 1986.

(D) EXCEPTION FOR RETAIL STOCKS.—The taxes imposed by subparagraph (A) shall not apply to cigarettes in retail stocks held on January 1, 1994, at the place where intended to be sold at retail.

(E) FOREIGN TRADE ZONES.—Notwithstanding the Act of June 18, 1934 (19 U.S.C. 81a et seq.) or any other provision of law—

(i) cigarettes—

(I) on which taxes imposed by Federal law are determined, or customs duties are liquidated, by a customs officer pursuant to a request made under the first proviso of section 3(a) of the Act of June 18, 1934 (19 U.S.C. 81c(a)) before January 1, 1994, and

(II) which are entered into the customs territory of the United States on or after January 1, 1994, from a foreign trade zone, and

(ii) cigarettes which—

(I) are placed under the supervision of a customs officer pursuant to the provisions of the second proviso of section 3(a) of the Act of June 18, 1934 (19 U.S.C. 81c(a)) before January 1, 1994, and

(II) are entered into the customs territory of the United States on or after January 1, 1994, from a foreign trade zone,

shall be subject to the tax imposed by subparagraph (A) and such cigarettes shall, for

purposes of subparagraph (A), be treated as being held on January 1, 1994, for sale.

(e) INCREASE IN EXCISE TAXES ON DISTILLED SPIRITS, WINE, AND BEER.—

(1) DISTILLED SPIRITS.—

(A) IN GENERAL.—Paragraphs (1) and (3) of section 5001(a) of the Internal Revenue Code of 1986 (relating to rate of tax on distilled spirits) are each amended by striking "$13.50" and inserting "$29.00".

(B) TECHNICAL AMENDMENT.—Paragraphs (1) and (2) of section 5010(a) of such Code (relating to credit for wine content and for flavors content) are each amended by striking "$13.50" and inserting "$29.00".

(2) WINE.—

(A) WINES CONTAINING NOT MORE THAN 14 PERCENT ALCOHOL.—Paragraph (1) of section 5041(b) of such Code (relating to rates of tax on wines) is amended by striking "$1.07" and inserting "$6.00".

(B) WINES CONTAINING MORE THAN 14 (BUT NOT MORE THAN 21) PERCENT ALCOHOL.—Paragraph (2) of section 5041(b) of such Code is amended by striking "$1.57" and inserting "$8.50".

(C) WINES CONTAINING MORE THAN 21 (BUT NOT MORE THAN 24) PERCENT ALCOHOL.—Paragraph (3) of section 5041(b) of such Code is amended by striking "$3.15" and inserting "$11.00".

(D) ARTIFICIALLY CARBONATED WINES.—Paragraph (5) of section 5041(b) of such Code is amended by striking "$3.30" and inserting "$11.00".

(3) BEER.—

(A) IN GENERAL.—Paragraph (1) of section 5051(a) of such Code (relating to imposition and rate of tax on beer) is amended by striking "$18" and inserting "$81".

(B) SMALL BREWERS.—Subparagraph (A) of section 5051(a)(2) of such Code (relating to reduced rate for certain domestic production) is amended by striking "$7" each place it appears and inserting "$31.50".

(4) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on January 1, 1994.

(5) FLOOR STOCKS TAXES.—

(A) IMPOSITION OF TAX.—

(i) IN GENERAL.—In the case of any tax-increased article—

(I) on which tax was determined under part I of subchapter A of chapter 51 of the Internal Revenue Code of 1986 or section 7652 of such Code before January 1, 1994, and

(II) which is held on such date for sale by any person,

there shall be imposed a tax at the applicable rate on each such article.

(ii) APPLICABLE RATE.—For purposes of clause (i), the applicable rate is—

(I) $15.50 per proof gallon in the case of distilled spirits,

(II) $4.93 per wine gallon in the case of wine described in paragraph (1) of section 5041(b) of such Code, and

(III) $6.93 per wine gallon in the case of wine described in paragraph (2) of section 5041(b) of such Code, and

(IV) $7.85 per wine gallon in the case of wine described in paragraph (3) of section 5041(b) of such Code, and

(V) $7.70 per wine gallon in the case of wine described in paragraph (5) of section 5041(b) of such Code,

(VI) $63 per barrel in the case of beer described in paragraph (1) of section 5051(a) of such Code, and

(VII) $13.50 per barrel in the case of beer described in subparagraph (A) of section 5051(a)(2) of such Code.

In the case of a fraction of a gallon or barrel, the tax imposed by clause (i) shall be the same fraction as the amount of such tax imposed on a whole gallon or barrel.

(iii) TAX-INCREASED ARTICLE.—For purposes of this paragraph, the term "tax-increased article" means distilled spirits, wine described in paragraph (1), (2), (3), or (5) of section 5041(b) of such Code, and beer.

(B) EXCEPTION FOR CERTAIN SMALL WHOLESALE OR RETAIL DEALERS.—No tax shall be imposed by subparagraph (A) on tax-increased articles held on January 1, 1994, by any dealer if—

(i) the aggregate liquid volume of tax-increased articles held by such dealer on such date does not exceed 500 wine gallons, and

(ii) such dealer submits to the Secretary (at the time and in the manner required by the Secretary) such information as the Secretary shall require for purposes of this subparagraph.

(C) LIABILITY FOR TAX AND METHOD OF PAYMENT.—

(i) LIABILITY FOR TAX.—A person holding any tax-increased article on January 1, 1994, to which the tax imposed by subparagraph (A) applies shall be liable for such tax.

(ii) METHOD OF PAYMENT.—The tax imposed by subparagraph (A) shall be paid in such manner as the Secretary shall prescribe by regulations.

(iii) TIME FOR PAYMENT.—The tax imposed by subparagraph (A) shall be paid on or before June 30, 1994.

(D) CONTROLLED GROUPS.—

(i) CORPORATIONS.—In the case of a controlled group the 500 wine gallon amount specified in subparagraph (B), shall be apportioned among the dealers who are component members of such group in such manner as the Secretary shall by regulations prescribe. For purposes of the preceding sentence, the term "controlled group" has the meaning given to such term by subsection (a) of section 1563 of such Code; except that for such purposes the phrase "more than 50 percent" shall be substituted for the phrase "at least 80 percent" each place it appears in such subsection.

(ii) NONINCORPORATED DEALERS UNDER COMMON CONTROL.—Under regulations prescribed by the Secretary, principles similar to the principles of clause (i) shall apply to a group of dealers under common control where 1 or more of such dealers is not a corporation.

(E) OTHER LAWS APPLICABLE.—

(i) IN GENERAL.—All provisions of law, including penalties, applicable to the comparable excise tax with respect to any tax-increased article shall, insofar as applicable and not inconsistent with the provisions of this paragraph, apply to the floor stocks taxes imposed by subparagraph (A) to the same extent as if such taxes were imposed by the comparable excise tax.

(ii) COMPARABLE EXCISE TAX.—For purposes of clause (i), the term "comparable excise tax" means—

(I) the tax imposed by section 5001 of such Code in the case of distilled spirits,

(II) the tax imposed by section 5041 of such Code in the case of wine, and

(III) the tax imposed by section 5051 of such Code in the case of beer.

(F) DEFINITIONS.—For purposes of this paragraph—

(i) IN GENERAL.—Terms used in this paragraph which are also used in subchapter A of chapter 51 of such Code shall have the respective meanings such terms have in such part.

(ii) PERSON.—The term "person" includes any State or political subdivision thereof, or any agency or instrumentality of a State or political subdivision thereof.

(iii) SECRETARY.—The term "Secretary" means the Secretary of the Treasury or his delegate.

(G) TREATMENT OF IMPORTED PERFUMES CONTAINING DISTILLED SPIRITS.—For purposes of this paragraph, any article described in section 5001(a)(3) of such Code shall be treated as distilled spirits; except that the tax imposed by subparagraph (A) shall be imposed on a wine gallon basis in lieu of a proof gallon basis. To the extent provided by regulations prescribed by the Secretary, the preceding sentence shall not apply to any article held on January 1, 1994, on the premises of a retail establishment.

(f) PAYROLL TAXES.—

(1) TAX ON EMPLOYEES.—Section 3101 of the Internal Revenue Code of 1986 (relating to rate of tax on employees) is amended by redesignating subsections (c) and (d) as subsections (d) and (e) and by inserting after subsection (b) the following new subsection:

"(c) NATIONAL HEALTH CARE PROGRAM.—In addition to the taxes imposed by the preceding subsections, there is hereby imposed on the income of every individual a tax equal to 1.45 percent of the wages (as defined in section 3121(a)) received by such individual after December 31, 1994, with respect to employment (as defined in section 3121(b)).".

(2) TAX ON EMPLOYERS.—Section 3111 of such Code (relating to rate of tax on employers) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) NATIONAL HEALTH CARE PROGRAM.—In addition to the taxes imposed by the preceding subsections, there is hereby imposed on every employer an excise tax, with respect to having individuals in such employer's employ, equal to 7.45 percent of the wages (as defined in section 3121(a)) paid by such employer during each calendar year beginning after December 31, 1994, with respect to employment (as defined in section 3121(b)).".

(3) TAX ON SELF-EMPLOYMENT INCOME.—Section 1401 of such Code (relating to rate of tax on self-employment income for hospital insurance) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) NATIONAL HEALTH CARE PROGRAM.—In addition to the taxes imposed by the preceding subsections, there shall be imposed for each taxable year, on the self-employment income of every individual, a tax equal to the sum of—

"(1) 1.45 percent, plus

"(2) 7.45 percent

of the amount of the self-employment income for such taxable year.".

(4) RAILROAD RETIREMENT TAXES.—Sections 3201(a), 3211(a), and 3221(a) of such Code (relating to tier 1 taxes) are each amended by striking "subsections (a) and (b)" each place it appears and inserting "subsections (a), (b), and (c)".

(5) ELIMINATION OF LIMIT ON EMPLOYER-PORTION OF WAGES OR SELF-EMPLOYMENT INCOME SUBJECT TO NATIONAL HEALTH CARE PROGRAM TAX.—

(A) WAGES.—Subsection (x) of section 3121 of the Internal Revenue Code of 1986 (relating to applicable contribution base) is amended by adding at the end thereof the following new paragraph:

"(3) NATIONAL HEALTH CARE PROGRAM.—For purposes of the taxes imposed by section 3111(c), the applicable contribution base for any calendar year is equal to the remuneration for employment paid to an individual for such calendar year.".

(B) SELF-EMPLOYMENT INCOME.—Subsection (k) of section 1402 of such Code (relating to

applicable contribution base) is amended by adding at the end thereof the following new paragraph:

"(3) NATIONAL HEALTH CARE PROGRAM.—For purposes of the tax imposed by section 1401(c)(2), the applicable contribution base for any calendar year is equal to the individual's net earnings from self-employment for such calendar year.".

(C) CONFORMING AMENDMENTS

(i) Paragraph (2) of section 3121(x) of such Code is amended—

(I) by striking "section 3101(b) and 3111(b)" and inserting "sections 3101(b), 3111(b), and 3101(c)", and

(II) by striking "HOSPITAL INSURANCE" in the heading and inserting "HEALTH CARE".

(ii) Paragraph (2) of section 1402(k) of such Code is amended—

(I) by striking "section 1401(b)" and inserting "sections 1401(b) and 1401(c)(1)", and

(II) by striking "HOSPITAL INSURANCE" in the heading and inserting "HEALTH CARE".

(iii) Clause (i) of section 3231(e)(2)(B) of such Code is amended—

(I) by striking "subclause (II)" in subclause (I) and inserting "subclauses (II) and (III)", and

(II) by adding at the end thereof the following new subclauses:

"(III) EMPLOYER-PORTION OF NATIONAL HEALTH CARE PROGRAM.—For purposes of applying so much of the rate applicable under section 3221(a) as does not exceed the rate of tax in effect under section 3111(c), and for purposes of applying so much of the rate of tax applicable under section 3211(a)(1) as does not exceed the rate of tax in effect under section 1401(c)(2), the term 'applicable base' means for any calendar year the applicable contribution base determined under section 3121(x)(3) or 1401(k)(3) (as the case may be) for such calendar year.

"(IV) EMPLOYEE-PORTION OF NATIONAL HEALTH CARE PROGRAM.—For purposes of applying so much of the rate applicable under section 3201(a) as does not exceed the rate of tax in effect under section 3101(c), and for purposes of applying so much of the rate of tax applicable under section 3211(a)(1) as does not exceed the rate of tax in effect under section 1401(c)(1), the term 'applicable base' means for any calendar year the applicable contribution base determined under section 3121(x)(2) or 1401(k)(2) (as the case may be) for such calendar year.".

(iv) Subsection (c) of section 6413 of such Code is amended by adding at the end thereof the following new paragraph:

"(4) SEPARATE APPLICATION FOR NATIONAL HEALTH CARE PROGRAM TAXES.—In applying this subsection with respect to—

"(A) the tax imposed by section 3101(c) (or any amount equivalent to such tax), and

"(B) so much of the tax imposed by section 3201 as is determined at a rate not greater than the rate in effect under section 3101(c),

the applicable contribution base determined under section 3121(x)(3) for any calendar year shall be substituted for 'contribution and benefit base (as determined under section 230 of the Social Security Act)' each place it appears.".

(6) ADDITIONAL STATE AND LOCAL EMPLOYEES SUBJECT TO NATIONAL HEALTH CARE PROGRAM TAXES.—Paragraph (2) of section 3121(u) of such Code is amended by striking subparagraphs (C) and (D).

(7) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to remuneration paid after December 31, 1994, and with respect to earnings from self-employment attributable to taxable years beginning after such date.

(g) TERMINATION OF HOSPITAL INSURANCE PAYROLL TAXES.—

(1) TAX ON EMPLOYEES.—Section 3101(b) of the Internal Revenue Code of 1986 (relating to rate of tax on employees for hospital insurance) is amended—

(A) by striking "and" at the end of paragraph (5), and

(B) by striking paragraph (6) and inserting the following new paragraphs:

"(6) with respect to wages received during the calendar years 1986 through 1994, the rate shall be 1.45 percent; and

"(7) with respect to wages received after December 31, 1994, the rate shall be 0 percent.".

(2) TAX ON EMPLOYERS.—Section 3111(b) of such Code (relating to rate of tax on employers for hospital insurance) is amended—

(A) by striking "and" at the end of paragraph (5), and

(B) by striking paragraph (6) and inserting the following new paragraphs:

"(6) with respect to wages received during the calendar years 1986 through 1994, the rate shall be 1.45 percent;

"(7) with respect to wages received after December 31, 1994, the rate shall be 0 percent.".

(3) TAX ON SELF-EMPLOYMENT INCOME.—Section 1401(b) of such Code (relating to rate of tax on self-employment income for hospital insurance) is amended by striking the table and inserting the following new table:

"In the case of a taxable year

Beginning after:	*And before:*	*Percent:*
December 31, 1985	January 1, 1995.	2.90
December 31, 1994	.....	0.".

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to remuneration paid after December 31, 1994, and with respect to earnings from self-employment attributable to taxable years beginning after such date.

(i) EMPLOYERS' MAINTENANCE OF EFFORT FOR RETIREES.—

(1) IN GENERAL.—Subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to normal taxes and surtaxes) is amended by adding at the end thereof the following new part:

"PART VIII—HEALTH CARE TAXES

"Sec. 59B. Employers health care tax.

"SEC. 59B. EMPLOYERS HEALTH CARE TAX.

"(a) IN GENERAL.—In the case of an employer, there is imposed (in addition to any other tax imposed by this subtitle) a tax equal to the actuarially equivalent aggregate amount which would have been paid or incurred by the employer (or predecessor employer) during the taxable year for individual or family coverage of retired employees with respect to whom such employer had a contractual obligation on December 31, 1993, under group health plans (as defined in section 5000(b)(1)) in existence on such date.

"(b) TERMINATION.—This section shall not apply in any taxable year beginning after December 31, 2012.".

(2) CONFORMING AMENDMENT.—The table of parts of subchapter A of chapter 1 of such Code is amended by adding at the end thereof the following new item:

"Part VIII. Health care taxes.".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 1993.

(j) TREATMENT OF HEALTH CARE DEDUCTIONS, EXCLUSIONS, AND CREDITS.—

(1) LIMITATION ON EXCLUSION OF COMPENSATION FOR INJURIES OR SICKNESS.—Subsection (a) of section 104 of the Internal Revenue Code of 1986 (relating to compensation for injuries or sickness) is amended—

(A) by striking paragraph (3) and inserting the following new paragraph:

"(3) amounts received through the national health care program for personal injuries or sickness;", and

(B) by striking the second sentence thereof.

(2) TERMINATION OF EXCLUSION FOR AMOUNTS RECEIVED UNDER ACCIDENT AND HEALTH PLANS.—

(A) IN GENERAL.—Section 105 of such Code (relating to amounts received under accident and health plans) is amended—

(i) by striking "income" and all that follows in subsection (a) and inserting "income.",

(ii) by striking subsections (b), (e), (f), (g), and (h), and

(iii) by redesignating subsections (c) and (i) as subsections (b) and (c), respectively.

(B) CONFORMING AMENDMENT.—Paragraph (6) of section 7871(a)(6) of such Code is amended by striking subparagraph (A) and by redesignating subparagraphs (B), (C), and (D) as subparagraphs (A), (B), and (C), respectively.

(3) TERMINATION OF EXCLUSION FOR CONTRIBUTIONS BY EMPLOYER TO ACCIDENT AND HEALTH PLANS.—

(A) IN GENERAL.—Section 106 of such Code (relating to contributions by employer to accident and health plans) is repealed.

(B) CONFORMING AMENDMENTS.—

(i) Subsection (c) of section 104 of such Code is amended to read as follows:

"(c) CROSS REFERENCE.—

"For exclusion of part of disability retirement pay from the application of subsection (a)(4) of this section, see section 1403 of title 10, United States Code (relating to career compensation laws)."

(ii) Sections 414(n)(3)(C), 414(t)(2), and 6039D(d)(1) of such Code are each amended by striking "106,".

(4) LIMITATION ON CAFETERIA PLANS.—Subsection (g) of section 125 of such Code (relating to cafeteria plans) is amended by striking paragraph (2) and by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(5) BUSINESS EXPENSE DEDUCTION FOR EMPLOYER-PROVIDED FIRST AID ASSISTANCE.—Subsection (l) of section 162 of such Code (relating to trade or business expenses) is amended to read as follows:

"(l) FIRST AID ASSISTANCE.—The expenses paid or incurred by an employer for on-site first aid assistance provided to the employees of such employer shall be allowed as a deduction under this section.".

(6) TERMINATION OF DEDUCTION FOR MEDICAL EXPENSES.—

(A) IN GENERAL.—Section 213 of such Code (relating to medical, dental, etc., expenses) is repealed.

(B) CONFORMING AMENDMENTS.—

(i) Paragraph (1) of section 56 of such Code is amended by striking subparagraph (B) and by redesignating subparagraph (C), (D), (E), and (F) as subparagraphs (B), (C), (D), and (E), respectively.

(ii) Subsection (b) of section 67 of such Code is amended by striking paragraph (5) and by redesignating paragraphs (6) through (13) as paragraphs (5) through (12), respectively.

(iii) Subsection (t) of section 72 of such Code is amended—

(I) in paragraph (2), by striking subparagraph (B) and by redesignating subparagraph (C) as subparagraph (B), and

(II) by striking "(B), and (C)" in paragraph (3)(A) and inserting "and (B)".

(iv) Subsection (e) of section 152 of such Code is amended by striking paragraph (6).

(7) TERMINATION OF PENSION PAYMENT OF MEDICAL BENEFITS.—Subsection (h) of section 401 of such Code (relating to qualified pension, profit-sharing, and stock bonus plans) is repealed.

(8) TERMINATION OF CHILD HEALTH INSURANCE CREDIT.—Clause (i) of section 32(b)(2)(A) of such Code (relating to health insurance credit) is amended by inserting "(0 percent for taxable years beginning after December 31, 1993)" after "6 percent".

(9) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to taxable years beginning after December 31, 1993.

(k) INCREASE IN INCOME TAXES ON SOCIAL SECURITY BENEFITS.—

(1) INCREASE IN AMOUNT OF BENEFITS TAKEN INTO ACCOUNT.—Subsections (a) and (b) of section 86 of such Code (relating to social security and tier 1 railroad retirement benefits) are each amended by striking "one-half" each place it appears and inserting "85 percent".

(2) INCOME THRESHOLDS REDUCED.—Subsection (c) of section 86 of such Code (defining base amount) is amended—

(A) by striking "$25,000" in paragraph (1) and inserting "$8,000", and

(B) by striking "$32,000" in paragraph (2) and inserting "$16,000".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 1993.

(l) SECTION 15 NOT TO APPLY.—No amendment made by this section shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

(k) NATIONAL HEALTH CARE PROGRAM PREMIUM FOR THE ELDERLY.—

(1) IN GENERAL.—Except as provided in paragraph (2), each individual who at any time in a month beginning after December 31, 1994, is 65 years of age or older and is eligible for benefits under this Act in the month shall pay a national health care program premium equal to the sum of:

(A) the amount of the premium for such month determined under section 1839 of the Social Security Act, determined as if such section had not been repealed under this Act, plus

(B) $25.

(2) REDUCTION FOR LOW-INCOME ELDERLY.—Individuals with an adjusted gross income (as defined in section 62 of the Internal Revenue Code of 1986) which does not exceed 120 percent of the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) are not liable for the premium imposed under paragraph (1)(B).

(3) COLLECTION OF PREMIUM.—The premium imposed under this subsection shall be collected in the same manner (including deduction from Social Security checks) as the premium imposed under part B of title XVIII of the Social Security Act was collected under section 1840 of such Act as of the date of the enactment of this Act.

SEC. 322. STATE SOURCES OF REVENUE.

(a) IN GENERAL.—Each State shall be responsible for establishing a financing program for the implementation of the State program in the State. Such financing program may include State funding from general revenues, earmarked taxes, sales taxes, and such other measures consistent with this Act, including regulations prescribed under section 401(e)(1)(D), as the State may provide.

(b) MAINTENANCE OF EFFORT.—

(1) CONDITION OF COVERAGE.—Notwithstanding any other provision of this Act, no individual who is a resident of a State is eligible for covered services under this Act for a month in a calendar year, unless the State makes available under the financing program (in a manner and at a time specified by the Administrator), in addition to funds made available under subsection (c), in the month of the sum of—

(A) the product of $7.083 and the number of residents who are residents of the State and otherwise eligible for covered services under this Act in the month; and

(B) 85 percent of 1/12 of the amount specified in paragraph (2) for the year;

or, if less, 1/12 of the limiting amount specified in paragraph (3).

(2) MAINTENANCE OF EFFORT AMOUNT.—The amount of payment specified in this paragraph for a State for a year is equal to the amount of payment (net of Federal payments) made by a State under its State plan under title XIX of the Social Security Act for the year preceding the effective date of this Act, increased for the year involved by the compounded sum of the percentage increase in the gross national product of the State for each year after that year and up to the year before the year involved.

(3) LIMITING AMOUNT.—For purposes of paragraph (1), the limiting amount specified in this paragraph—

(A) for 1995, is the total amount of payment made by a State (net of any Federal payments made to the State) for health care services in 1994; or

(B) for any subsequent year, is the amount specified in this paragraph for the State for the previous year increased for the year involved by the compounded sum of the percentage increase in the gross national product of the State for each year after 1992 and up to the year before the year involved.

(c) BLOCK GRANT FUNDS.—Under the financing program, each State shall make available all State health block grant funds, including maternal and child health block grant funds made available under title V of the Social Security Act (42 U.S.C. 701 et seq.).

SEC. 323. COST-SHARING.

(a) MINIMUM COST-SHARING REQUIREMENTS.—Except as provided in subsection (b), each State program shall impose cost-sharing for payment to a health care facility of a portion (not to exceed 25 percent) of the cost of room and board for consumers receiving—

(1) the long-term care services described in section 201(b)(6)(C);

(2) the mental health services described in section 201(b)(7)(E);

(3) the rehabilitation services described in subparagraphs (D) and (E) of section 201(b)(13); and

(4) the substance abuse treatment and rehabilitation services described in section 201(b)(14)(F).

(b) WAIVER.—Each State agency shall waive the cost-sharing requirements described in subsection (a) for consumers below the income official poverty line, as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902(2)).

SEC. 324. NATIONAL HEALTH CARE TRUST FUND.

(a) TRUST FUND ESTABLISHED.—

(1) IN GENERAL.—There is hereby created on the books of the Treasury of the United States a trust fund to be known as the "National Health Care Trust Fund". The Trust Fund shall consist of such gifts and bequests as may be made and such amounts as may be deposited in, or appropriated to, such Trust Fund as provided in this Act.

(2) TRANSFER OF AMOUNTS EQUIVALENT TO CERTAIN TAXES AND PREMIUMS.—

(A) TAX AND PREMIUM REVENUES.—There are hereby appropriated to the Trust Fund amounts equivalent to the additional revenues received in the Treasury as the result of the provisions of, and amendments made by, section 321.

(B) TRANSFERS BASED ON ESTIMATES.—The amounts appropriated by subparagraph (A) shall be transferred from time to time (not less frequently than monthly) from the general fund in the Treasury to the Trust Fund, such amounts to be determined on the basis of estimates by the Secretary of the Treasury of the taxes and premiums, specified in such subparagraph, paid to or deposited into the Treasury; and proper adjustments shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or were less than the taxes and premiums specified in such subparagraph.

(3) TRANSFER OF FUNDS.—All amounts, not otherwise obligated, that remain in the Federal Hospital Insurance Trust Fund and the Federal Supplemental Medical Insurance Trust Fund on January 1, 1995 shall be transferred to the Trust Fund.

(4) INCORPORATION OF TRUST FUND PROVISIONS.—The provisions of subsections (b) through (i) of section 1841 of the Social Security Act (42 U.S.C. 1395t), as in effect on the day before the date of the enactment of this Act, shall apply to the Trust Fund in the same manner as such provisions apply to the Federal Supplemental Medical Insurance Trust Fund, except that any reference to the Secretary of Health and Human Services or the Administrator of the Health Care Financing Administration shall be deemed a reference to the Administration.

(5) APPROPRIATION OF ADDITIONAL SUMS.—There are hereby authorized to be appropriated to the Trust Fund such additional sums as may be required to make expenditures referred to in subsection (b).

(b) EXPENDITURES.—

(1) TO STATES.—Payments in each calendar year to each State from the Trust Fund under section 302 are hereby authorized and appropriated.

(2) OTHER GRANT PROGRAMS.—Amounts in the Trust Fund shall be available, as provided by appropriation Acts, for grant programs relating to health care services.

(3) ADMINISTRATIVE EXPENSES.—There are hereby authorized and appropriated such sums as are necessary for the administrative expenses of the Administration for each fiscal year, not to exceed 3 percent of the total payments made to the States for such fiscal year under section 302.

(c) TRUST FUND OFF-BUDGET.—The receipts and disbursements of the Trust Fund and the taxes described in subsection (a)(2) shall not be included in the totals of the budget of the United States Government as submitted by the President or of the congressional budget and shall be exempt from any general budget limitation imposed by statute on expenditures and net lending (budget outlays) of the United States Government.

TITLE IV—ADMINISTRATION

Subtitle A—Federal Administration

SEC. 401. NATIONAL HEALTH CARE ADMINISTRATION.

(a) ESTABLISHMENT.—There is established a National Health Care Administration that shall administer the programs established under this Act. The Administration shall be an independent establishment, as defined in section 104 of title 5, United States Code.

(b) ADMINISTRATOR OF HEALTH CARE.—

(1) APPOINTMENT.—There shall be in the Administration an Administrator of Health Care who shall be appointed by the President, with the advice and consent of the Senate.

(2) COMPENSATION.—The Administrator shall be compensated at the rate provided for level I of the Executive Schedule.

(3) TERM.—The Administrator shall be appointed for a term of 4 years coincident with the term of the President, or until the appointment of a qualified successor.

(4) QUALIFICATIONS.—The Administrator shall be selected on the basis of proven competence as a manager.

(5) POWERS.—The Administrator shall be responsible for the exercise of all powers and the discharge of all duties of the Administration, and shall have authority and control over all personnel and activities of the Administration.

(6) DELEGATION.—The Administrator may, with respect to the administration of the national health care program, assign duties, and delegate, or authorize successive redelegations of, authority to act and to render decisions, to such officers and employees as the Administrator may find necessary. Within the limitations of such delegations, redelegations, or assignments, all official acts and decisions of such officers and employees shall have the same force and effect as though performed or rendered by the Administrator.

(7) COORDINATION.—The Administrator and the Secretary of Health and Human Services shall consult, on an ongoing basis, to ensure the coordination of the programs administered by the Administrator under this Act with the programs administered by the Secretary under the Social Security Act (42 U.S.C. 301 et seq.) and the Public Health Service Act (42 U.S.C. 201 et seq.).

(c) PERSONNEL.—The Administrator shall appoint such additional officers and employees as the Administrator considers necessary to carry out the functions of the Administration under this Act. Except as otherwise provided in any other provision of law, such officers and employees shall be appointed, and their compensation shall be fixed, in accordance with title 5, United States Code.

(d) EXPERTS AND CONSULTANTS.—The Administrator may procure the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code.

(e) REGULATIONS.—

(1) IN GENERAL.—The Administrator may prescribe such policies and regulations regarding the national health care program as the Administrator determines to be necessary or appropriate, including policies and regulations relating to—

(A) eligibility;

(B) enrollment;

(C) covered services;

(D) State funding levels;

(E) payment of health care providers;

(F) fee schedules for health care providers;

(G) quality assurance standards for health care facilities, other health care providers, and covered services;

(H) certification and licensing of health care providers;

(I) consumer protection standards;

(J) cost-sharing, as described in section 323;

(K) health care goals and priorities in consultation with the Public Health Service; and

(L) education and training programs for health care providers.

(2) QUALITY ASSURANCE, CERTIFICATION, AND LICENSING.—

(A) BASIS.—

(i) INFORMATION.—In developing regulations under paragraph (1)(G), the Administrator shall take into consideration information from the national health care data base.

(ii) PROFESSIONAL OPINIONS.—In developing regulations under subparagraphs (G) and (H) of paragraph (1), the Administrator shall consider the opinions of all appropriate professional organizations.

(iii) PEER REVIEW ORGANIZATIONS.—In developing regulations under paragraph (1)(G), the Administrator shall consider the recommendations of utilization and quality control peer review organizations established under section 1152 of the Social Security Act (42 U.S.C. 1320c-1).

(iv) COUNCIL.—In developing regulations under subparagraphs (G) and (I) of paragraph (1), the Administrator shall consider the recommendations of the National Council on Quality Assurance and Consumer Protection.

(B) FACILITIES AND SERVICES.—The Administrator shall prescribe regulations under paragraph (1)(G) covering all covered services and all health care facilities and other health care providers participating in the national health care program, including individual and group practitioners, hospitals, other inpatient and outpatient facilities, ambulatory facilities and services, home health agencies, care coordination services, and hospital discharge planning services.

(f) PLANNING FUNCTIONS.—The Administration shall—

(1) ensure that State health budgets under section 301 reflect the goals and priorities recommended by State and local planning boards; and

(2) meet at least biannually with representatives of State and local planning boards to—

(A) assess implementation;

(B) assist the boards in determining the goals and priorities for meeting health care needs; and

(C) assist the boards in planning, on the basis of cost and utilization data available through the national health care data base, for the efficient and effective use of existing health resources, within each State and local planning area.

(g) PROGRAMS.—The Administration shall establish and carry out, directly or through grants or contracts, Federal—

(1) ombudsman programs;

(2) hotlines for complaints; and

(3) consumer and health care provider information and education programs designed to increase public understanding of the national health care program, including programs to distribute information from the national health care data base.

(h) NATIONAL HEALTH CARE DATA BASE.—The Administration shall establish and maintain a national health care data base, which shall include information regarding the quality, effectiveness, utilization, and cost of all covered services.

SEC. 402. NATIONAL HEALTH BOARD.

(a) ESTABLISHMENT OF BOARD.—There shall be established in the Administration a National Health Board.

(b) FUNCTIONS OF THE BOARD.—

(1) IN GENERAL.—The Board shall advise the Administrator on policies related to the national health care program established under this Act.

(2) SPECIFIC FUNCTIONS.—Specific functions of the Board shall include—

(A) studying and making recommendations regarding implementation of this Act and the most effective methods of providing covered services under this Act;

(B) studying and making recommendations relating to the coordination of other programs that provide health care services;

(C) reviewing and assessing the quality of service that the Administration provides to the public;

(D) reviewing and assessing the progress of the Administration in developing needed improvements in the management of programs;

(E) in consultation with the Administrator, reviewing the development and implementation of a long-range research and program evaluation plan for the Administration;

(F) reviewing and assessing any major studies of health care services as may come to the attention of the Board;

(G) assessing, for each region of the country, the information described in section 412(b)(1); and

(H) conducting such other reviews and assessments as the Board determines to be appropriate.

(c) STRUCTURE AND MEMBERSHIP OF THE BOARD.—The Board shall be composed of 25 members who shall be appointed by the President, with the advice and consent of the Senate, including—

(1) 4 members representing consumers;

(2) 4 members representing health care providers, each of whom shall represent a different provider group;

(3) 4 representatives of Federal departments and agencies, including at least one individual representing a public health agency;

(4) 4 representatives of State and local governments, including at least one individual representing a public health agency;

(5) 1 member of the National Council on Quality Assurance and Consumer Protection;

(6) 1 member representing the business community; and

(7) 1 member representing organized labor.

(d) TERMS OF APPOINTMENT.—Each member of the Board shall serve for a term of 5 years, except that—

(1) a member appointed to fill a vacancy occurring prior to the expiration of the term for which a predecessor was appointed, shall be appointed for the remainder of such term; and

(2) the terms of service of the members initially appointed shall be (as specified by the President) for such fewer number of years as will provide for the expiration of terms on a staggered basis.

(e) VACANCIES.—Any vacancy occurring in the membership of the Board shall be filled in the same manner as the original appointment. The vacancy shall not affect the power of the remaining members to execute the duties of the Board.

(f) CHAIRPERSON.—The Board shall select a Chairperson from among its members.

(g) COMPENSATION AND EXPENSES.—

(1) COMPENSATION.—Each member of the Board who is not an employee of the Federal Government shall receive compensation at the daily equivalent of 120 percent of the rate specified for GS-15 of the General Schedule under section 5332 of title 5, United States Code; for each day the member is en-

gaged in the performance of duties for the Board, including attendance at meetings and conferences of the Board, and travel to conduct the duties of the Board.

(2) TRAVEL EXPENSES.—Each member of the Board shall receive travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, for each day the member is engaged in the performance of duties away from the home or regular place of business of the member.

(h) PERSONNEL.—

(1) STAFF DIRECTOR.—The Chairperson of the Board shall, without regard to title 5, United States Code, appoint a staff director who shall be paid at a rate equivalent to the rate for the Senior Executive Service.

(2) ADDITIONAL STAFF.—The Chairperson of the Board is authorized, without regard to title 5, United States Code, to appoint and fix the compensation of such staff as the Board determines to be necessary to carry out the functions of the Board.

(3) LIMITATIONS.—The rate of compensation for each staff member appointed under paragraph (2) shall not exceed the daily equivalent of 120 percent of the rate specified for GS-15 of the General Schedule under section 5332 of title 5, United States Code, for each day the staff member is engaged in the performance of duties for the Board. The Board may otherwise appoint and determine the compensation of staff without regard to the provisions of title 5, United States Code, that govern appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, that relate to classification and General Schedule pay rates.

(i) TERMINATION.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply with respect to the Commission.

SEC. 403. NATIONAL COUNCIL ON QUALITY ASSURANCE AND CONSUMER PROTECTION.

(a) IN GENERAL.—The Administrator shall establish a National Council on Quality Assurance and Consumer Protection (referred to in this section as the "Council"), to conduct studies and oversight, and prepare recommendations concerning quality assurance and consumer protection procedures.

(b) DUTIES.—

(1) STUDY AND REPORT.—The Council shall conduct a study of quality assurance and consumer protection procedures. The Council shall submit a report to the Administrator containing the results of the study, including recommendations for regulations prescribed under subparagraphs (G) and (I) of section 401(e)(1).

(2) OVERSIGHT.—The Council shall collect information regarding the implementation of the regulations on a regular basis. The Council shall submit a report to the Administrator containing the information and recommendations for reform.

(c) MEMBERSHIP.—The Council shall be composed of 18 members appointed by the Administrator, including—

(1) 6 individuals with expertise regarding quality assurance in medical and mental health fields;

(2) 6 individuals representing consumers; and

(3) 4 individuals representing health care providers.

(d) TERM OF OFFICE.—Each member of the Council shall serve for a term of 5 years, except that—

(1) a member appointed to fill a vacancy occurring prior to the expiration of the term for which a predecessor was appointed, shall be appointed for the remainder of such term; and

(2) the term of service of the members initially appointed shall be (as specified by the Administrator) for such fewer number of years as will provide for the expiration of terms on a staggered basis.

(e) VACANCIES.—Any vacancy occurring in the membership of the Council shall be filled in the same manner as the original appointment for the position being vacated. The vacancy shall not affect the power of the remaining members to execute the duties of the Council.

(f) CHAIRPERSON.—The Council shall select a Chairperson from among its members.

(g) COMPENSATION AND EXPENSES.—

(1) COMPENSATION.—Each member of the Council who is not an employee of the Federal Government shall receive compensation at the daily equivalent of 120 percent of the rate specified for GS-15 of the General Schedule under section 5332 of title 5, United States Code, for each day the member is engaged in the performance of duties for the Council, including attendance at meetings and conferences of the Council, and travel to conduct the duties of the Council.

(2) TRAVEL EXPENSES.—Each member of the Council shall receive travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, for each day the member is engaged in the performance of duties away from the home or regular place of business of the member.

(h) POWERS.—The Council is authorized to—

(1) hold such hearings and sit and act at such times;

(2) take such testimony;

(3) have such printing and binding done;

(4) enter into such contracts and other arrangements;

(5) make such expenditures; and

(6) take such other actions,

as the Council may determine to be necessary to carry out the duties of the Council.

(i) OATHS.—Any member of the Council may administer oaths or affirmations to witnesses appearing before the Council.

(j) OBTAINING INFORMATION FROM FEDERAL AGENCIES.—The Chairperson of the Council may secure directly from any Federal agency, information necessary to enable the Council to carry out the duties of the Council, if the information may be disclosed under section 552 of title 5, United States Code. Subject to the previous sentence, on the request of the Chairperson, the head of the agency shall furnish the information to the Council.

(k) VOLUNTARY SERVICE.—Notwithstanding section 1342 of title 31, United States Code, the Chairperson of the Council may accept for the Council voluntary services provided by a member of the Council.

(l) GIFTS AND DONATIONS.—The Council may accept, use, and dispose of gifts or donations of property in order to carry out the duties of the Council.

(m) USE OF MAIL.—The Council may use the United States mails in the same manner and under the same conditions as Federal agencies.

(n) STAFF.—

(1) APPOINTMENT AND COMPENSATION.—The Council may appoint and determine the compensation of such staff as the Council determines to be necessary to carry out the duties of the Council.

(2) LIMITATIONS.—The rate of compensation for each staff member shall not exceed the daily equivalent of 120 percent of the rate specified for GS-15 of the General Schedule under section 5332 of title 5, United States Code; for each day the staff member is engaged in the performance of duties for the Council. The Council may otherwise appoint and determine the compensation of staff without regard to the provisions of title 5, United States Code, that govern appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, that relate to classification and General Schedule pay rates.

(o) EXPERTS AND CONSULTANTS.—The Chairperson of the Council may obtain such temporary and intermittent services of experts and consultants and compensate the experts and consultants in accordance with section 3109(b) of title 5, United States Code, as the Council determines to be necessary to carry out the duties of the Council.

(p) DETAIL OF FEDERAL EMPLOYEES.—On the request of the Chairperson of the Council, the head of any Federal agency shall detail, without reimbursement, any of the personnel of the agency to the Council to assist the Council in carrying out its duties. Any detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

(q) TECHNICAL ASSISTANCE.—On the request of the Chairperson of the Council, the head of a Federal agency shall provide such technical assistance to the Council as the Council determines to be necessary to carry out its duties.

(r) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Council such sums as may be necessary to carry out the provisions of this subtitle. The sums shall remain available until expended, without fiscal year limitation.

(s) TERMINATION.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply with respect to the Council.

SEC. 404. MEDICAL MALPRACTICE COMMISSION.

(a) IN GENERAL.—The Administrator shall establish a Medical Malpractice Commission (referred to in this section as the "Commission"), to conduct a study and prepare recommendations concerning medical malpractice.

(b) MALPRACTICE STUDY.—

(1) STUDY.—The Commission shall conduct a study of medical malpractice. In conducting the study, the Commission shall examine methods for—

(A) reducing costs associated with malpractice insurance;

(B) reducing the basis for malpractice claims;

(C) targeting physicians and other health care providers who are incompetent; and

(D) developing mechanisms that will protect consumers who are victims of malpractice.

(2) REPORT.—Not later than 18 months after the date of the enactment of this subtitle, the Commission shall prepare and submit to the President and the appropriate committees of Congress a written report containing—

(A) the findings and conclusions of the Commission resulting from the study conducted under paragraph (1); and

(B) recommendations for medical malpractice reform, based on the findings and conclusions described in subparagraph (A).

(c) MEMBERSHIP.—The Commission shall be composed of 18 members appointed by the Administrator, including—

(1) 3 individuals with expertise regarding health care services;

(2) 3 individuals representing persons receiving health care services;

(3) 3 individuals representing public payers;

(4) 3 individuals representing private payers; and

(5) 3 individuals representing providers of health care services.

(d) TERM OF OFFICE.—Members shall be appointed for the life of the Commission.

(e) VACANCIES.—Any vacancy occurring in the membership of the Commission shall be filled in the same manner as the original appointment for the position being vacated. The vacancy shall not affect the power of the remaining members to execute the duties of the Commission.

(f) CHAIRPERSON.—The Commission shall select a Chairperson from among its members.

(g) COMPENSATION AND EXPENSES.—

(1) COMPENSATION.—Each member of the Commission who is not an employee of the Federal Government shall receive compensation at the daily equivalent of 120 percent of the rate specified for GS-15 of the General Schedule under section 5332 of title 5, United States Code, for each day the member is engaged in the performance of duties for the Commission, including attendance at meetings and conferences of the Commission, and travel to conduct the duties of the Commission.

(2) TRAVEL EXPENSES.—Each member of the Commission shall receive travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, for each day the member is engaged in the performance of duties away from the home or regular place of business of the member.

(h) POWERS.—The Commission is authorized to—

(1) hold such hearings and sit and act at such times;

(2) take such testimony;

(3) have such printing and binding done;

(4) enter into such contracts and other arrangements;

(5) make such expenditures; and

(6) take such other actions,

as the Commission may determine to be necessary to carry out the duties of the Commission.

(i) OATHS.—Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission.

(j) OBTAINING INFORMATION FROM FEDERAL AGENCIES.—The Chairperson of the Commission may secure directly from any Federal agency, information necessary to enable the Commission to carry out the duties of the Commission, if the information may be disclosed under section 552 of title 5, United States Code. Subject to the previous sentence, on the request of the Chairperson, the head of the agency shall furnish the information to the Commission.

(k) VOLUNTARY SERVICE.—Notwithstanding section 1342 of title 31, United States Code, the Chairperson of the Commission may accept for the Commission voluntary services provided by a member of the Commission.

(l) GIFTS AND DONATIONS.—The Commission may accept, use, and dispose of gifts or donations of property in order to carry out the duties of the Commission.

(m) USE OF MAIL.—The Commission may use the United States mails in the same manner and under the same conditions as Federal agencies.

(n) STAFF.—

(1) APPOINTMENT AND COMPENSATION.—The Commission may appoint and determine the compensation of such staff as the Commission determines to be necessary to carry out the duties of the Commission.

(2) LIMITATIONS.—The rate of compensation for each staff member shall not exceed the daily equivalent of 120 percent of the rate specified for GS-15 of the General Schedule under section 5332 of title 5, United States Code for each day the staff member is engaged in the performance of duties for the Commission. The Commission may otherwise appoint and determine the compensation of staff without regard to the provisions of title 5, United States Code, that govern appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, that relate to classification and General Schedule pay rates.

(o) EXPERTS AND CONSULTANTS.—The Chairperson of the Commission may obtain such temporary and intermittent services of experts and consultants and compensate the experts and consultants in accordance with section 3109(b) of title 5, United States Code, as the Commission determines to be necessary to carry out the duties of the Commission.

(p) DETAIL OF FEDERAL EMPLOYEES.—On the request of the Chairperson of the Commission, the head of any Federal agency shall detail, without reimbursement, any of the personnel of the agency to the Commission to assist the Commission in carrying out its duties. Any detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

(q) TECHNICAL ASSISTANCE.—On the request of the Chairperson of the Commission, the head of a Federal agency shall provide such technical assistance to the Commission as the Commission determines to be necessary to carry out its duties.

(r) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Commission such sums as may be necessary to carry out the provisions of this subtitle. The sums shall remain available until expended, without fiscal year limitation.

(s) TERMINATION.—Notwithstanding section 14 of the Federal Advisory Committee Act (5 U.S.C. App.), the Commission shall terminate 3 years after the date of the enactment of this Act.

SEC. 405. UTILIZATION AND QUALITY CONTROL PEER REVIEW ORGANIZATIONS.

(a) ORGANIZATION.—Section 1152 of the Social Security Act (42 U.S.C 1320c-1) is amended by striking paragraph (1) and inserting the following new paragraph:

"(1)(A) is composed of a substantial number of licensed health care providers who are—

"(i) engaged in the practice of providing covered services under the National Health Care Act of 1992;

"(ii) representative of the practicing health care providers in the area, designated by the Secretary under section 1153, with respect to which the entity shall perform services under this part; and

"(iii) representative of the groups of health care providers providing services under the Act, with no group providing a majority of the membership of the organization; or

"(B) has available to it, by arrangement or otherwise, the services of a sufficient number of the licensed health care providers described in subparagraph (A) to ensure adequate peer review of the services provided by the various medical specialties and subspecialties of health care providers under the Act;".

(b) FUNCTIONS.—Section 1154(a) of the Social Security Act (42 U.S.C. 1320c-2(a)) is amended by adding at the end the following new paragraphs:

"(17) The organization shall make recommendations to the Administrator of the National Health Care Administration regarding establishment and revision of regulations prescribed under section 401(e)(1)(G) of the National Health Care Act of 1992.

"(18) The organization shall submit such reports to a Consumer Board established under section 1165(a) as the Secretary may by regulation require.".

(c) CONSUMER BOARDS.—Part B of title XI of the Social Security Act (42 U.S.C. 1301 et seq.) is amended by adding at the end the following new section:

"SEC. 1165. CONSUMER BOARDS.

"(a) ESTABLISHMENT.—The Administrator shall establish Peer Review Organization Consumer Boards (referred to individually within this section as a 'Board') within geographic regions specified by the Administrator.

"(b) DUTIES.—

"(1) STUDY AND REPORT.—A Board shall conduct annual evaluations of the organizations described in section 1152 within the geographic region served by the Board. The Board shall submit a report to the Administrator of the National Health Care Administration (hereafter in this section referred to as the 'Administrator'), the National Board on Quality Assurance and Consumer Protection, and each Governor of a State within the region, containing the results of the evaluation, including recommendations for awards of contracts under this part.

"(2) EDUCATION PROGRAMS.—A Board shall establish and carry out education programs for consumers to provide information related to—

"(A) implementation of the quality assurance regulations prescribed under section 401(e)(1)(G) of the National Health Care Act of 1992; and

"(B) availability of assistance for consumers.

"(c) MEMBERSHIP.—

"(1) IN GENERAL.—The Board shall be composed of 5 to 11 members, depending on the size of the region, appointed by the Administrator.

"(2) REPRESENTATION.—In appointing members to the Board, the Administrator shall ensure that the members are representative of the racial and ethnic composition of the geographic region served by the Board.

"(3) ORGANIZATION REPRESENTATIVES.—The Administrator shall appoint to each Board not fewer than two members who shall serve on the Board of Directors of an organization described in section 1152 within the region and who shall not be health care providers.

"(d) TERM OF OFFICE.—Each member of the Board shall serve for a term of 3 years, except that—

"(1) a member appointed to fill a vacancy occurring prior to the expiration of the term for which a predecessor was appointed, shall be appointed for the remainder of such term; and

"(2) the terms of service of the members initially appointed shall be (as specified by the Administrator) for such fewer number of years as will provide for the expiration of terms on a staggered basis.

"(e) VACANCIES.—Any vacancy occurring in the membership of the Board shall be filled in the same manner as the original appointment for the position being vacated. The vacancy shall not affect the power of the remaining members to execute the duties of the Board.

"(f) CHAIRPERSON.—The Board shall select a Chairperson from among its members.

"(g) COMPENSATION AND EXPENSES.—

"(1) COMPENSATION.—Each member of the Board who is not an employee of the Federal Government shall receive compensation at the daily equivalent of 120 percent of the rate specified for GS-15 of the General Schedule under section 5332 of title 5, United States Code, for each day the member is engaged in the performance of duties for the Board, including attendance at meetings and conferences of the Board, and travel to conduct the duties of the Board.

"(2) TRAVEL EXPENSES.—Each member of the Board shall receive travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, for each day the member is engaged in the performance of duties away from the home or regular place of business of the member.

"(h) POWERS.—The Board is authorized to—

"(1) hold such hearings and sit and act at such times;

"(2) take such testimony;

"(3) have such printing and binding done;

"(4) enter into such contracts and other arrangements;

"(5) make such expenditures; and

"(6) take such other actions,

as the Board may determine to be necessary to carry out the duties of the Board.

"(i) OATHS.—Any member of the Board may administer oaths or affirmations to witnesses appearing before the Board.

"(j) OBTAINING INFORMATION FROM FEDERAL AGENCIES.—The Chairperson of the Board may secure directly from any Federal agency, information necessary to enable the Board to carry out the duties of the Board, if the information may be disclosed under section 552 of title 5, United States Code. Subject to the previous sentence, on the request of the Chairperson, the head of the agency shall furnish the information to the Board.

"(k) VOLUNTARY SERVICE.—Notwithstanding section 1342 of title 31, United States Code, the Chairperson of the Board may accept for the Board voluntary services provided by a member of the Board.

"(l) GIFTS AND DONATIONS.—The Board may accept, use, and dispose of gifts or donations of property in order to carry out the duties of the Board.

"(m) USE OF MAIL.—The Board may use the United States mails in the same manner and under the same conditions as Federal agencies.

"(n) STAFF.—

"(1) APPOINTMENT AND COMPENSATION.—The Board may appoint and determine the compensation of such staff as the Board determines to be necessary to carry out the duties of the Board.

"(2) LIMITATIONS.—The rate of compensation for each staff member shall not exceed the daily equivalent of 120 percent of the rate specified for GS-15 of the General Schedule under section 5332 of title 5, United States Code for each day the staff member is engaged in the performance of duties for the Board. The Board may otherwise appoint and determine the compensation of staff without regard to the provisions of title 5, United States Code, that govern appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, that relate to classification and General Schedule pay rates.

"(o) EXPERTS AND CONSULTANTS.—The Chairperson of the Board may obtain such temporary and intermittent services of experts and consultants and compensate the experts and consultants in accordance with section 3109(b) of title 5, United States Code, as the Board determines to be necessary to carry out the duties of the Board.

"(p) DETAIL OF FEDERAL EMPLOYEES.—On the request of the Chairperson of the Board, the head of any Federal agency shall detail, without reimbursement, any of the personnel of the agency to the Board to assist the Board in carrying out its duties. Any detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

"(q) TECHNICAL ASSISTANCE.—On the request of the Chairperson of the Board, the head of a Federal agency shall provide such technical assistance to the Board as the Board determines to be necessary to carry out its duties.

"(r) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Board such sums as may be necessary to carry out the provisions of this subtitle. The sums shall remain available until expended, without fiscal year limitation.

"(s) TERMINATION.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply with respect to the Board.".

(d) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Except as otherwise specifically provided in this subsection, sections 1153, 1154, 1155, 1160, and 1164 of the Social Security Act (42 U.S.C. 1320c-2, 1320c-3, 1320c-4, 1320c-9, and 1320c-13) are amended by striking "title XVIII" each place the term appears and inserting "the National Health Care Act of 1992".

(2) Section 1153(a)(2)(B) of the Social Security Act (42 U.S.C. 1320c-2(a)(2)(B)) is amended by striking "title XIX" and inserting "the National Health Care Act of 1992".

(3) Section 1154(a)(3)(A) of the Social Security Act (42 U.S.C. 1320c-3(a)(3)(A)) is amended by striking "title XVIII of this Act" and inserting "the National Health Care Act of 1992".

(4) Section 1154(a)(14) of the Social Security Act (42 U.S.C. 1320c-3(a)(14)) is amended by striking "under such title" and inserting "under the National Health Care Act of 1992".

(5) Section 1156 of the Social Security Act (42 U.S.C. 1320c-5) is amended by striking "under this Act" each place the term appears and inserting "under the National Health Care Act of 1992".

(6) Section 1158(a) of the Social Security Act (42 U.S.C. 1320c-7(a)) is amended by striking "title XIX of this Act" and inserting "the National Health Care Act of 1992".

(7) Section 1161(5) of the Social Security Act (42 U.S.C. 1320c-12(5)) is amended by striking "title XVIII and XIX of this Act" and inserting "the National Health Care Act of 1992".

(8) Section 1164(c)(2) of the Social Security Act (42 U.S.C. 1320c-13(c)(2)) is amended by striking "part A or part B of title XVIII" and inserting "the National Health Care Act of 1992".

SEC. 406. PUBLIC HEALTH FUNCTIONS AND ACTIVITIES COMMISSION.

(a) IN GENERAL.—The Administrator shall establish a Public Health Functions and Activities Commission (referred to in this section as the "Commission").

(b) DUTIES.—

(1) STUDY AND RECOMMENDATIONS.—Not later than 6 months after the members of the Commission are appointed under subsection (c), the Commission shall conduct studies and prepare recommendations concerning—

(A) public health functions and activities that should remain separate from the national health care program; and

(B) the integration of public health programs into the national health care program.

(2) REPORT.—The Commission shall prepare and submit to the Administrator a report containing the recommendations described in paragraph (1).

(c) MEMBERSHIP.—The Commission shall be composed of 9 members appointed by the Administrator, including—

(1) 4 individuals representing public health agencies at the Federal, State, and local levels;

(2) 1 health economist; and

(3) 3 other health professionals.

(d) TERM OF OFFICE.—Each member of the Commission shall serve for the life of the Commission.

(e) VACANCIES.—Any vacancy occurring in the membership of the Commission shall be filled in the same manner as the original appointment for the position being vacated. The vacancy shall not affect the power of the remaining members to execute the duties of the Commission.

(f) CHAIRPERSON.—The Commission shall select a Chairperson from among its members.

(g) COMPENSATION AND EXPENSES.—

(1) COMPENSATION.—Members of the Commission shall not receive compensation for service on the Commission.

(2) TRAVEL EXPENSES.—Each member of the Commission shall receive travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, for each day the member is engaged in the performance of duties away from the home or regular place of business of the member.

(h) POWERS.—The Commission is authorized to—

(1) hold such hearings and sit and act at such times;

(2) take such testimony;

(3) have such printing and binding done;

(4) enter into such contracts and other arrangements;

(5) make such expenditures; and

(6) take such other actions,

as the Commission may determine to be necessary to carry out the duties of the Commission.

(i) OATHS.—Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission.

(j) OBTAINING INFORMATION FROM FEDERAL AGENCIES.—The Chairperson of the Commission may secure directly from any Federal agency, information necessary to enable the Commission to carry out the duties of the Commission, if the information may be disclosed under section 552 of title 5, United States Code. Subject to the previous sentence, on the request of the Chairperson, the head of the agency shall furnish the information to the Commission.

(k) VOLUNTARY SERVICE.—Notwithstanding section 1342 of title 31, United States Code, the Chairperson of the Commission may accept for the Commission voluntary services provided by a member of the Commission.

(l) GIFTS AND DONATIONS.—The Commission may accept, use, and dispose of gifts or donations of property in order to carry out the duties of the Commission.

(m) USE OF MAIL.—The Commission may use the United States mails in the same manner and under the same conditions as Federal agencies.

(n) STAFF.—

(1) APPOINTMENT AND COMPENSATION.—The Commission may appoint and determine the compensation of such staff as the Commission determines to be necessary to carry out the duties of the Commission.

(2) LIMITATIONS.—The rate of compensation for each staff member shall not exceed the daily equivalent of 120 percent of the rate specified for GS-15 of the General Schedule under section 5332 of title 5, United States Code for each day the staff member is engaged in the performance of duties for the Commission. The Commission may otherwise appoint and determine the compensation of staff without regard to the provisions of title 5, United States Code, that govern appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, that relate to classification and General Schedule pay rates.

(o) EXPERTS AND CONSULTANTS.—The Chairperson of the Commission may obtain such temporary and intermittent services of experts and consultants and compensate the experts and consultants in accordance with section 3109(b) of title 5, United States Code, as the Commission determines to be necessary to carry out the duties of the Commission.

(p) DETAIL OF FEDERAL EMPLOYEES.—On the request of the Chairperson of the Commission, the head of any Federal agency shall detail, without reimbursement, any of the personnel of the agency to the Commission to assist the Commission in carrying out its duties. Any detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

(q) TECHNICAL ASSISTANCE.—On the request of the Chairperson of the Commission, the head of a Federal agency shall provide such technical assistance to the Commission as the Commission determines to be necessary to carry out its duties.

(r) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Commission such sums as may be necessary to carry out the provisions of this subtitle. The sums shall remain available until expended, without fiscal year limitation.

(s) TERMINATION.—The Commission shall terminate on submission of the report described in subsection (b)(2).

SEC. 407. TECHNICAL ASSISTANCE CENTERS.

(a) CENTERS.—The Administration shall provide on a regional basis (either directly or through contracts with nonprofit organizations) technical assistance centers for States and localities in—

(1) health program planning, development, and implementation;

(2) training;

(3) quality assurance, monitoring, and evaluation;

(4) budgeting;

(5) payment procedures; and

(6) development of integrated automated data processing systems.

(b) STATES WITH LIMITED CAPACITY.—The technical assistance centers shall provide resources to assist States that lack the capacity to implement certain aspects of the national health care program.

Subtitle B—State and Local Administration

SEC. 411. STATE AGENCY.

(a) IN GENERAL.—In order for a State to be eligible to receive payments under section 302, the State shall, in accordance with regulations established by the Administration, designate a State agency to be the sole State agency to carry out a State program under this Act.

(b) PLANNING FUNCTIONS.—The State agency shall develop, on the basis of recommendations made by State and local planning boards under section 412(c)—

(1) goals and priorities for developing health policy and programs;

(2) a plan for the equitable distribution of health resources, including the development of specialty health centers that—

(A) concentrate highly specialized medical procedures, equipment, and trained specialists; and

(B) avoid duplication of services; and

(3) a plan for the integration of health services with appropriate social and human services.

SEC. 412. STATE AND LOCAL PLANNING BOARDS.

(a) PLANNING BOARDS.—

(1) STATE BOARD.—Each State agency shall establish, in accordance with regulations established by the Administration, a State planning board, which shall be composed of 12 members who shall be appointed by the head of the State program, including—

(A) 4 members representing consumers, who shall be representative of the population of the State;

(B) 3 members representing health care providers;

(C) 1 member representing the business community;

(D) 1 member representing organized labor; and

(E) 2 representatives of appropriate State agencies, including health, public health, social services, education, public welfare, and employment agencies.

(2) LOCAL BOARDS.—Each State shall establish, in accordance with regulations established by the Administration, local planning boards, which shall be composed of 7 members who shall be appointed by the head of the State program, including—

(A) 2 members representing consumers, who shall be representative of the population of the local planning area;

(B) 2 members representing health care providers; and

(C) 2 representatives of appropriate local agencies, including health, public health, social services, education, public welfare, and employment agencies.

(3) TERMS OF APPOINTMENT.—Each member of a State or local planning board shall serve for a term of 3 years, except that a member appointed to fill a vacancy occurring prior to the expiration of the term for which a predecessor was appointed, shall be appointed for the remainder of such term.

(4) VACANCIES.—Any vacancy occurring in the membership of a State or local planning board shall be filled in the same manner as the original appointment. The vacancy shall not affect the power of the remaining members to execute the duties of the board.

(b) ASSESSMENT.—

(1) INFORMATION.—The State and local planning boards shall assess, for each State or local planning area, respectively—

(A) the demand for, and quality, supply, and distribution of, health resources, including—

(i) acute care hospitals;

(ii) specialized inpatient facilities;

(iii) outpatient facilities;

(iv) health care providers;

(v) specialized medical equipment; and

(vi) home and community-based health programs; and

(B) the medical, mental, and psychosocial health needs.

(2) EMPHASIS.—In conducting the assessment described in paragraph (1), the State and local planning boards shall give special attention to health professional shortage areas and special populations of consumers.

(3) DATA.—In conducting the assessment, the State and local planning boards shall consider utilization and cost data from the national health care data base.

(c) RECOMMENDATIONS.—The State and local planning boards shall make recommendations to the State agency regarding the goals, priorities, and plans described in section 411(b), and shall make recommendations to the Administration regarding the State budget described in section 301.

TITLE V—TRANSITION AND RELATIONSHIP TO OTHER PROGRAMS

SEC. 501. EFFECTIVE DATE.

The national health care program shall first apply to covered services furnished after January 1, 1995.

SEC. 502. REPEALS AND INCORPORATIONS.

(a) REPEAL OF MEDICARE AND MEDICAID.—

(1) REPEAL.—Titles XVIII and XIX of the Social Security Act (42 U.S.C. 1395 et seq. and 1396 et seq.) are repealed.

(b) REPEAL OF CHAMPUS PROVISIONS.—

(1) IN GENERAL.—

(A) AMENDMENTS TO CHAPTER 55 OF TITLE 10.—Sections 1079 through 1083, 1086, and 1097 through 1100 of title 10, United States Code, are repealed.

(B) TABLE OF SECTIONS.—The table of sections at the beginning of chapter 55 of title 10, United States Code, is amended by striking the items relating to the sections referred to in subparagraph (A).

(2) CONFORMING AMENDMENTS.—Chapter 55 of title 10, United States Code, is amended as follows:

(A) DEFINITION.—Section 1072 is amended by striking paragraph (4).

(B) REIMBURSEMENT OF THE DEPARTMENT OF VETERANS AFFAIRS.—Section 1104(b) is amended—

(i) in the subsection heading, by striking "from CHAMPUS funds"; and

(ii) by striking "from funds" and all that follows and inserting "for medical care provided by the Department of Veterans Affairs pursuant to such agreement.".

(3) IMPLEMENTATION.—

(A) TERMINATION OF HEALTH CARE.—No health care may be provided under a CHAMPUS contract on or after the effective date of this section.

(B) SAVINGS PROVISION.—Payments for health care provided pursuant to a CHAMPUS contract before such date shall be made in accordance with such contract and the provisions of law referred to in paragraphs (1)(A) and (2), as such provisions of law were in effect on the day before such effective date.

(C) DEFINITION.—As used in this subsection, the term "CHAMPUS contract" means—

(i) a contract for an insurance, medical service, or health care plan entered into pursuant to section 1079(a) of title 10, United States Code;

(ii) a contract for health benefits under such a plan entered into pursuant to section 1086(a) of such title; and

(iii) a contract for the delivery of health care entered into pursuant to section 1097 of such title.

(c) REPEAL OF DEPARTMENT OF VETERANS AFFAIRS MEDICAL CARE PROVISIONS.—

(1) IN GENERAL.—Title 38, United States Code, is amended as follows:

(A) CHAPTER 17.—Chapter 17 is repealed.

(B) CHAPTER 73.—Chapter 73 is repealed.

(C) CHAPTER 81.—Chapter 81 is repealed.

(D) CHAPTER 82.—Chapter 82 is repealed.

(2) CONFORMING AMENDMENTS.—

(A) RELATING TO CHAPTER 17.—The table of chapters at the beginning of title 38, United States Code, and part II of such title are amended by striking out the item relating to chapter 17.

(B) RELATING TO CHAPTER 73.—The table of chapters at the beginning of such title and part V of such title are amended by striking out the item relating to chapter 73.

(C) RELATING TO CHAPTERS 81 AND 82.—The table of chapters at the beginning of such title and part VI of such title are amended by striking out the items relating to chapter 81 and 82.

(3) IMPLEMENTATION.—

(A) TERMINATION OF HEALTH CARE AND OTHER ASSISTANCE.—No health care, nursing home care, domiciliary care, other medical care, or financial or other assistance related to such care may be provided by contract or otherwise under chapter 17, 73, 81, or 82 of title 38, United States Code, on or after the effective date of this section.

(B) SAVINGS PROVISION.—

(i) IN GENERAL.—Payments pursuant to contracts and agreements referred to in clause (ii) before such date shall be made in accordance with such contracts and agreements and the provisions of law referred to in paragraph (1) as such provisions were in effect on the day before such effective date.

(ii) CONTRACTS AND AGREEMENTS.—Contracts and agreements referred to in clause (i) are contracts and agreements under title 38, United States Code that are:

(I) contracts for hospital care and medical services in non-Department of Veterans Affairs facilities under section 603;

(II) contracts with organizations for emergency medical services under section 611;

(III) contracts for medical treatment in such facilities under section 612(a)(6);

(IV) contracts for counseling and related medical health services under section 612A(e);

(V) contracts for prosthetic appliances under section 614(a);

(VI) contracts for therapeutic and rehabilitative services under section 618(b);

(VII) contracts for nursing home care and adult day health care under section 620(d)(1);

(VIII) contracts for treatment of alcohol, drug abuse, or abuse disabilities under section 620A(a)(1);

(IX) contracts for hospital care, medical services and nursing home care abroad under section 624(c);

(X) contracts to provide care and treatment by the Veterans Memorial Medical Center of the Philippines under section 632(a);

(XI) contracts for activities conducted by employees of the Federal Government other than employees of the Department of Veterans Affairs under section 5010(c);

(XII) sharing agreements with the Department of Defense under section 5011(d);

(XIII) contracts for furnishing health-care services to members of the Armed Forces under section 5011(b);

(XIV) contracts for prosthetic appliances under section 5023;

(XV) contracts for procurement of health-care items under section 5025(b); and

(XVI) contracts for securing specialized medical resources under section 5053(a).

(d) REPEAL OF FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM.—Chapter 89 of title 5, United States Code, is repealed.

(e) PROVISION OF SERVICES BY INDIAN HEALTH SERVICE.—Notwithstanding any other provision of law, the Secretary of Health and Human Services shall provide covered services to eligible individuals not enrolled in the Program through the Indian Health Service in lieu of health services provided by the Service on the date of the enactment of this Act, including services provided under sections 201 through 204 of the Indian Health Care Improvement Act (25 U.S.C. 1621 et seq.).

(f) EFFECTIVE DATE.—Except as provided in section 503(b), this section and the amendments made by this section shall take effect on January 1, 1995.

SEC. 503. TRANSITION.

(a) STATE PROGRAM GRANTS.—

(1) ESTABLISHMENT.—The Administrator shall award grants to States to enable the States to plan and develop State programs.

(2) ELIGIBILITY.—To be eligible to receive a grant under paragraph (1), a State shall submit an application to the Administrator at such time, in such manner, and containing such information as the Administrator may require.

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection such sums as may be necessary for each of the 1993 through 1995 fiscal years.

(b) STUDY AND REPORT.—

(1) STUDY.—The Administrator shall, in consultation with the Secretary of Health and Human Services, the Secretary of Defense, the Secretary of Veterans Affairs, and the Director of the Office of Personnel Management examine possible strategies for accomplishing the transition and provision of services described in section 502.

(2) REPORT.—Not later than January 1, 1993, the Administrator shall submit to the appropriate committees of Congress a report containing—

(A) the recommendations of the Public Health Functions and Activities Commission set forth in the report described in section 406(b)(2);

(B) the findings and conclusions of the Administrator, based on the study described in paragraph (1); and

(C) recommendations for legislative reform to accomplish the transition and provision of services described in section 502.

(3) MODIFICATION.—Notwithstanding any other provision of this Act and to the extent the Administration determines it is appropriate and fiscally responsible, the Administration may include in the report recommendations to reduce the period between the date of the enactment of this Act and the effective dates otherwise provided in this Act.

(4) EFFECT OF RECOMMENDATIONS.—Unless the Congress enacts a disapproval resolution under the procedures described in section 504 not later than the date that is 60 days after the submission of the report described in paragraph (2), on such date—

(A) the recommendations contained within the report shall have the force of law; and

(B) the Secretary shall, in accordance with this Act, provide covered services to all individuals that received the services under the provisions of law specified in section 502.

(c) REGULATIONS.—

(1) IN GENERAL.—The Administrator shall issue such regulations as are necessary to provide for a transition to the national health care program from the programs that are repealed under subsections (a) through (c) of section 502, and the provisions of services by the Indian Health Service under section 502(d).

(2) CONSIDERATIONS.—In promulgating the regulations described in paragraph (1) the Administrator shall take into consideration the findings and conclusions of the study described in subsection (b)(1).

SEC. 504. RULES GOVERNING CONGRESSIONAL CONSIDERATION.

(a) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—This section is enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of disapproval resolutions described in subsection (b), and supersedes other rules only to the extent that such rules are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(b) TERMS OF THE RESOLUTION.—For purposes of this Act, the term "disapproval resolution" means only a joint resolution of the two Houses of the Congress, providing in—

(1) the matter after the resolving clause of which is as follows: "That the Congress disapproves the action of the National Health Care Administration as submitted by the Administration on _____", the blank space being filled in with the appropriate date; and

(2) the title of which is as follows: "Joint Resolution disapproving the action of the National Health Care Administration".

(c) INTRODUCTION AND REFERRAL.—On the day on which the action of the Administration is transmitted to the House of Representatives and the Senate, a disapproval resolution with respect to such action shall be introduced (by request) in the House of Representatives by the Majority Leader of the House, for himself and the Minority Leader of the House, or by Members of the House designated by the Majority Leader of the House, for himself and the Minority Leader of the House, or by Members of the House designated by the Majority Leader and Minority Leader of the House; and shall be introduced (by request) in the Senate by the Majority Leader of the Senate, for himself and the Minority Leader of the Senate, or by Members of the Senate designated by the Majority Leader and Minority Leader of the Senate. If either House is not in session on the day on which such an action is transmitted, the disapproval resolution with respect to such action shall be introduced in the House, as provided in the preceding sentence, on the first day thereafter on which the House is in session. The disapproval resolution introduced in the House of Representatives and the Senate shall be referred to the appropriate committees of each House.

(d) AMENDMENTS PROHIBITED.—No amendment to a disapproval resolution shall be in order in either the House of Representatives or the Senate; and no motion to suspend the application of this subsection shall be in order in either House, nor shall it be in order in either House for the Presiding Officer to entertain a request to suspend the application of this subsection by unanimous consent.

(e) PERIOD FOR COMMITTEE AND FLOOR CONSIDERATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), if the committee or committees of either House to which a disapproval resolution has been referred have not reported it at the close of the 45th day after its introduction, such committee or committees shall be automatically discharged from further consideration of the disapproval resolution and it shall be placed on the appropria-

tion calendar. A vote on final passage of the disapproval resolution shall be taken in each House on or before the close of the 45th day after the disapproval resolution is reported by the committees or committee of that House to which it was referred, or after such committee or committees have been discharged from further consideration of the disapproval resolution. If prior to the passage by one House of a disapproval resolution of that House, that House receives the same disapproval resolution from the other House then—

(A) the procedure in that House shall be the same as if no disapproval resolution had been received from the other House; but

(B) the vote on final passage shall be on the disapproval resolution of the other House.

(2) COMPUTATION OF DAYS.—For purposes of paragraph (1), in computing a number of days in either House, there shall be excluded any day on which the House is not in session.

(f) FLOOR CONSIDERATION IN THE HOUSE OF REPRESENTATIVES.—

(1) MOTION TO PROCEED.—A motion in the House of Representatives to proceed to the consideration of a disapproval resolution shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) DEBATE.—Debate in the House of Representatives on a disapproval resolution shall be limited to not more than 20 hours, which shall be divided equally between those favoring and those opposing the disapproval resolution. A motion further to limit debate shall not be debatable. It shall not be in order to move to recommit a disapproval resolution or to move to reconsider the vote by which a disapproval resolution is agreed to or disagreed to.

(3) MOTION TO POSTPONE.—Motions to postpone, made in the House of Representatives with respect to the consideration of a disapproval resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

(4) APPEALS.—All appeals from the decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to a disapproval resolution shall be decided without debate.

(5) GENERAL RULES APPLY.—Except to the extent specifically provided in the preceding provisions of this subsection, consideration of a disapproval resolution shall be governed by the Rules of the House of Representatives applicable to other bills and resolutions in similar circumstances.

(g) FLOOR CONSIDERATION IN THE SENATE.—

(1) MOTION TO PROCEED.—A motion in the Senate to proceed to the consideration of a disapproval resolution shall be privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) GENERAL DEBATE.—Debate in the Senate on a disapproval resolution, and all debatable motions and appeals in connection therewith, shall be limited to not more than 20 hours. The time shall be equally divided between, and controlled by, the Majority Leader and the Minority Leader or their designees.

(3) DEBATE OF MOTIONS AND APPEALS.—Debate in the Senate on any debatable motion or appeal in connection with a disapproval resolution shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the mover and the manager of the disapproval resolution, except that in the event the manager of the disapproval resolution is in favor of any such motion or appeal, the time in opposition thereto, shall be controlled by the Minority Leader or his designee. Such leaders, or either of them, may, from time under their control on the passage of a disapproval resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal.

(4) OTHER MOTIONS.—A motion in the Senate to further limit debate is not debatable. A motion to recommit a disapproval resolution is not in order.

(h) POINT OF ORDER REQUIRING SUPERMAJORITY FOR MODIFICATIONS TO ACTIONS ONCE APPROVED.—

(1) IN GENERAL.—It shall not be in order in the House of Representatives or the Senate to consider any amendment to the actions of the National Health Care Administration except as provided in paragraph (2).

(2) WAIVER.—The point of order described in paragraph (1) may be waived or suspended in the House of Representatives or the Senate only, by the affirmative vote of three-fifths of the Members duly chosen and sworn.

SEC. 505. RELATION TO EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.

The provisions of the Employee Retirement Income Security Act (29 U.S.C. 1001 et seq.) are superseded to the extent inconsistent with the requirements of this Act.

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. BILL OF RIGHTS.

(a) SENSE OF CONGRESS.—It is the sense of Congress that consumers in the national health care program shall have the rights specified in the bill of rights set forth in subsection (b).

(b) BILL OF RIGHTS.—

(1) Consumers shall have the right to—

(A) receive timely health-related information; and

(B) be involved in decisions affecting their health;

(C) receive prompt evaluation, humane care, and professional treatment;

(D) receive services without regard to race, color, religion, sex, national origin, age, health condition, sexual preference, income, language, or geographic residence in an urban or rural area;

(E) refuse treatment or prescribed services and know the consequences of such refusal;

(F) be treated with dignity and respect;

(G) maintain privacy and confidentiality;

(H) maintain confidentiality of financial and health records;

(I) obtain access to medical records;

(J) obtain treatment in the least restrictive setting;

(K) express or file grievances;

(L) be informed if treatment or services are denied, reduced, or terminated;

(M) obtain information and forms that are easily understood and that are written in a language understood by the consumer or health care provider;

(N) obtain health care services that are sensitive to the cultural attitudes of the consumer population being served; and

(O) receive quality health care services in any penal institution.

SEC. 602. RESEARCH AND DEMONSTRATION PROJECTS.

(a) IN GENERAL.—The Administrator shall establish and carry out, directly or by grant, research and demonstration projects that will examine—

(1)(A) ways of better providing covered services through the national health care program to consumers residing in rural, central city, and other health professional shortage areas; and

(B) alternative models for delivering primary health and mental health services to medically underserved populations;

(2) the effectiveness of the national health care program in enabling access to health care services for minorities, women, and other special populations who have traditionally had problems with access to health care (to be initiated 2 years from the date of implementation);

(3) the relationship between psychosocial well-being and illness and disease;

(4) successful health education and treatment approaches in avoiding preventable illnesses and diseases;

(5) innovative prevention, treatment, and service delivery approaches to health and mental health care delivery to mentally impaired persons;

(6) innovative prevention, treatment, and service delivery approaches to improve the mental health and psychosocial well-being of the elderly;

(7) the impact of interprofessional collaboration on the effectiveness of care coordination in inpatient and outpatient health care settings, including long-term care settings;

(8) quality assurance and program effectiveness with respect to mental health care services;

(9) the development of quality indicators for measuring treatment effectiveness; and

(10) the effectiveness and cost of selective, widely used diagnostic and treatment procedures.

(b) APPLICATION.—To be eligible to receive a grant under this section, an entity shall submit an application to the Administrator at such time, in such manner, and containing such information as the Administrator may require, including an assurance that the entity shall submit to the Administrator such information as the Administrator may require to comply with subsection (c).

(c) ANNUAL REPORT.—The Administrator shall prepare and submit a report to Congress by not later than April 1 of each year (beginning with 1995) concerning the progress of the research and demonstration projects conducted under this section.

SEC. 603. PREVENTION, HEALTH PROMOTION, AND HEALTH AWARENESS PROGRAM GRANTS.

(a) ESTABLISHMENT.—The Administrator shall make grants to eligible entities to establish—

(1) innovative statewide or local prevention and health promotion programs, such as community-based wellness and outreach programs and school-based programs; and

(2) health awareness programs in schools, workplaces, health and social agencies.

(b) APPLICATION.—To be eligible to receive a grant under this section, an entity shall submit an application to the Administrator at such time, in such manner, and containing such information as the Administrator may require.

SUMMARY OF THE NATIONAL HEALTH CARE ACT OF 1992

The National Health Care Act of 1992 fundamentally restructures the current health care system. This bill would offer full coverage for high quality, cost-efficient, and equitably-financed health and mental health care to all Americans. The national health plan proposes a federally-administered, single-payer system with state responsibility to ensure delivery of health services, payment to all providers, and planning in accordance with federal guidelines. The plan provides

coverage of comprehensive benefits, including long-term care. Enrollees have the freedom to choose among a full range of public and private providers, including alternative delivery plans.

The national health care plan is financed primarily through a progressive federal dedicated tax on personal income and employer-paid payroll and corporate income taxes. States are expected to pay their fair share through a formula-based contribution.

While it's anticipated that the plan's costs may initially come close to the current level of health care expenditures, the unique delivery system improvements and the cost containment features built into the proposal are expected to decrease health care expenditures over time. The national health plan expands coverage to the 37 million uninsured, as well as the millions who are undersinsured, and eliminates the inequities in paying for health care that characterize our current system.

Coverage and enrollment: All persons residing in the United States are covered through the national health plan. Each person has the freedom to choose from among any of the participating public and private providers, facilities or care delivery options. Individuals will enroll in the national health plan in the state in which they reside.

Coverage through employers or other privately purchased health insurance is discontinued, although private insurance plans may provide coverage for services not covered under the national health plan.

Benefits:

Care coordination services.

Primary prevention and health promotion services, including comprehensive well-child care for everyone 0–21; perinatal and infant health care; routine, age-appropriate, clinical health maintenance examinations for everyone over 21; family planning services; and school-based primary prevention programs.

Outpatient primary care services.

Mental health services.

Substance abuse treatment and rehabiliation programs.

Impatient and outpatient hospital services, including emergency and trauma services.

Inpatient and outpatient professional services.

Laboratory and radiology services.

Long-term care, including home and community-based services.

Hospice care.

Prescription drugs, medical supplies, and durable medical equipment.

Dental care.

Hearing and speech services.

Vision care.

Exclusions: Health services excluded from coverage include cosmetic surgery, except medically necessary reconstructive surgery; and certain amenities in inpatient facilities, such as private rooms, unless medically necessary.

Cost-sharing: There are no copayments or deductibles for health care services. However, residents of nursing homes and other residential facilities are required to pay a modest room and board fee. These fees may be waived for those below the poverty line.

Improved service delivery provisions: The National Health Care Act provides unique and improved prevention and health promotion services; promotes comprehensive, coordinated, and continuous care that addresses the total health needs of every person through the use of primary care providers, care coordination services, and the promotion of comprehensive, integrated health delivery plans; provides access to health services to underserved populations; promotes the expansion of community-based health and mental health services; and establishes state screening and care coordination systems for the delivery of long-term care.

Administration: A new independent federal agency is established to administer the national health care plan. The new agency will receive policy direction from an appointed national health care board representing health experts and consumers. All responsibilities of the Health Care Financing Administration are transferred to the new agency. Medicare, Medicaid, CHAMPUS, the Federal Employee Health Benefits Program, and the Department of Veterans Affairs' health programs are folded into the national health care plan.

The agency provides the states with an annual global budget for all covered health care expenditures. The global budget for each state is based on a formula that considers size of population, age distribution, the cost of delivering care, socio-economic factors, and a number of key health status indicators. State global budgets will include all state health block grant funds.

The states, in accordance with federal guidelines, will ensure the implementation of all state health services, determine the distribution of health care funding, develop and administer a mechanism to pay and reimburse health care providers, work with localities in undertaking health planning and coordination with appropriate social and human services, implement a quality assurance program, administer a consumer advocacy and information program, and license and regulate all health care providers and facilities.

Payment to providers: Hospitals will receive a prospective global budget, to be developed through annual negotiations with the designated state agency. Global budgets will only be used for operating expenses. Separate funds for capital expansion and purchase of expensive, highly-specialized equipment will be subject to approval by the state. Other health care facilities will be paid either on the basis of a prospective global budget or capitation as determined by the state.

Autonomous health care practitioners and group practices will be reimbursed on the basis of fee-for-service, although group practices may choose capitation. The reimbursement rate will be based on a negotiated national fee schedule, adjusted for regional variations.

Quality assurance and consumer protection: The agency will establish a National Council on Quality Assurance and Consumer Protection that is responsible for determining guidelines and overseeing the quality assurance system. Quality assurance standards and certification and licensing criteria will be established for all health care providers.

Peer Review Organizations (PROs) as provided for in Title XI of the Social Security Act will be extended to cover all types of health care providers and services. The PROs will be responsible for utilization review and quality control. The composition of PROs must be multidisciplinary to reflect the types of services reviewed. Each PRO is required to have a Consumer Board to oversee the PROs, make recommendations on PRO contracts and carry out educational programs.

The federal agency will develop a national health care data base to study quality, effectiveness, utilization and cost of care with respect to all types of health and mental health services.

Federal and state consumer advocacy programs will be established to administer ombudsman programs, hotlines for complaints, consumer information and education programs. In addition, the national health plan contains a consumer bill of rights.

Planning: The national health plan requires state and local planning. At each level, the health planning function will include collecting and evaluating data to determine the supply of and demand for health resources, the distribution of such resources, and the health needs of the population in a given jurisdiction. Goals and priorities will be formulated to serve as guides to the development of health policy and programs at each level of government.

Financing: The national health care plan is financed primarily from a federal dedicated tax on personal income and employer-paid payroll and corporate income taxes. Additional sources of revenue include a state contribution based on a formula that ensures that each state pays its fair share, and an increase in the cigarette and alcohol tax.

All revenues are placed in a National Health Care Trust Fund. All current federal appropriations for health programs are folded into the national health program and transferred to the Trust Fund.

Research and demonstration grants: The plan provides funds for research efforts to: develop alternative models of health delivery for special populations; study the impact of psychosocial well-being on illness and disease; develop approaches to encouraging healthy life-styles; study effective intervention models for the mentally impaired; and to examine the impact of care coordination on treatment effectiveness and efficiency.

Funds would be available to continue to develop quality indicators for measuring treatment effectiveness in all types of health care settings, and to develop practice guidelines for physicians and other health care practitioners. Research will also be directed at reducing the number of unnecessary medical and diagnostic procedures.

Additionally, special federal grants would be available for innovative state-wide or local prevention and health promotion programs.

Medical malpractice reforms: A special commission would be established to develop recommendations for medical malpractice reform. The goals of such reforms are to reduce the costs associated with malpractice insurance, reduce the basis for malpractice claims, target physicians and other health care providers who are incompetent, and develop mechanisms that will protect consumers who are victims of malpractice.●

By Mr. FOWLER:

S. 2824. A bill to authorize a study of the feasibility and suitability of designating the Augusta Canal National Historic Landmark District as a National Heritage Area, and for other purposes; to the Committee on Energy and Natural Resources.

AUGUSTA CANAL NATIONAL HERITAGE AREA STUDY ACT

• Mr. FOWLER. Mr. President, I rise today to introduce legislation to promote the preservation of the Augusta Canal National Historic Landmark District in Georgia.

This historic waterway has been a critical factor in the economic development of this entire region for nearly 150 years. The textile mills that en-

sured prosperity here in the 1850's could not have been built without this canal, which continues to power Augusta's cotton mills today. The history of the canal is intertwined with the history not only of Augusta, but of the entire South. In 1978, the National Park Service recognized the canal's importance by making it a national historic landmark.

That was a good first step. Unfortunately, we need to go further to protect and preserve this irreplaceable resource. Nine years after the Park Service named this site a historic landmark, the Park Service also named it an endangered resource. This year, they strengthened that ominous label by attaching "priority one" to the title.

Obviously, we need to act, and we need to act quickly. For that reason, I am introducing a bill to direct the National Park Service to work with the Augusta Canal Authority, the city of Augusta, Richmond and Columbia Counties, and the concerned citizens of this area to develop a comprehensive and conclusive plan of action.

This bill, the Augusta Canal National Heritage Area Study Act, authorizes the Park Service to provide technical and financial assistance for the creation of a long-term resource management plan. The Park Service will also ensure that this plan is a coordinated effort—with full public participation—so that its recommendations can be achieved with agreement on all sides. Finally, the study authorized in my bill would also determine whether this area should be designated a National Heritage Area.

The Augusta Canal has a long and rich history. It is my hope that the type of cooperative planning outlined in this bill will produce a long-term strategy for preserving and enhancing the cultural, historical, natural, and recreational resources of this nationally significant area.●

By Mr. AKAKA (for himself, Mr. BREAUX, Mr. INOUYE, and Mr. JOHNSTON):

S. 2825. A bill to amend the Foreign Trade Zones Act to clarify that crude oil consumed in refining operations is not subject to duty under the Harmonized Tariff Schedule of the United States; to the Committee on Finance.

DUTY TREATMENT OF CERTAIN CRUDE OIL

Mr. AKAKA. Mr. President, today I am introducing legislation to affirm the intent of Congress and the will of the courts regarding the treatment of foreign trade zone oil refineries by the U.S. Customs Service. Senators BREAUX, INOUYE, and JOHNSTON join me in introducing this legislation.

Currently, 11 oil refineries operate within foreign trade zones in Hawaii, Louisiana, and Texas. A number of applications are pending for foreign trade subzone refineries at other sites.

Most refineries today rely on an increasingly large percentage of imported oil to compensate for the decline in domestic production. During the refining process, a small portion of the crude oil or derivative product is consumed in the course of the refining process, and, therefore, never enters the Customs territory of the United States.

Under the Foreign Trade Zones Act of 1934 no duty is paid on merchandise which is consumed or destroyed in a zone. The Congress created distinct geographical zones separate from the Customs territory of the United States.

In the case of crude oil and its derivatives, this interpretation was confirmed by the courts in a 1978 decision by the Customs Court—now known as the Court of International Trade—in the case of *Hawaii Independent Refinery, Inc.* v. *United States* (Customs Decision 4777). The court ruled that since the subject merchandise never physically entered the Customs territory of the United States, it is not subject to duty since it never exits the zone. As a consequence of the decision in the HIRI case, the Customs Service is precluded from imposing duties on foreign crude oil which enters a foreign trade zone and is consumed in the refining process.

Despite this unambiguous ruling, a number of refineries in foreign trade zones must continue to pay duty on foreign crude oil consumed in the process of refining. Beginning on January 1, 1988, the Customs Service, having lost the HIRI case, nonetheless insisted that the Foreign Trade Zones Board [FTZB] establish conditions in the trade zone grants which require the payment of duty on fuel consumed during refining. In order to receive favorable consideration of an application for subzone status, the grantee is required to submit to the condition that: "Foreign crude oil used as fuel for the refinery shall be dutiable." Thus the Customs Service has been able to circumvent the intent of Congress, and the judicial affirmation of this intent, in order to collect duties through the trade zone grant process. As a consequence of this action, today we see situations where two or more refinery subzones located in the same foreign trade zone are subject to different duty treatment.

My legislation corrects this inequitable treatment of oil refineries operating within foreign trade subzones by clarifying the Foreign Trade Zones Act. My amendment reaffirms that crude oil consumed in the refining process is not subject to duty. Remember this oil never loses the extraterritorial protection of the foreign trade zone.

This amendment will have a nominal effect upon customs collections, but is essential to the continued viability and productivity of the zone-based companies. These companies produce the energy resources our country depends on. The legislation is narrow in scope, but it will ensure that refineries operating foreign trade subzones within our States will continue operations, continue providing good jobs, and continue contributing to local economies. Petroleum industry analysts estimate that the total savings for the affected refineries will be approximately $600,000 to $800,000 annually.

Congress enacted the Foreign Trade Zones Act to attract international investment, promote the economic benefits of a broadened industrial base, and encourage international trade and commercial activity within the United States. Imposition of this ill-advised condition by the FTZ Board clearly runs contrary to the original intent of the Act. We need to keep these refineries operating in foreign trade zones. Imposition of duties seriously impedes the competitiveness of U.S.-based operations, and gives an unfair advantage to petroleum products imported from overseas refineries. Foreign refineries which ship finished petroleum products to the United States do not pay customs duties on fuel consumed. My bill assures a level playing field for all U.S. refineries and treats American refineries the same as foreign competitors.

Mr. President, this legislation corrects an inequitable situation which threatens the competitiveness and viability of refineries operating in foreign trade subzones. I urge my colleagues to join us in supporting this important bill. I ask unanimous consent that the full text of the bill be printed in the RECORD.

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

S. 2825

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

SECTION 1. CERTAIN FUEL NOT SUBJECT TO DUTY.

(a) IN GENERAL.—Section 3(d) of the Act of June 18, 1934 (commonly known as the Foreign Trade Zones Act (19 U.S.C. 81c(d)) is amended—

(1) by striking "In regard" and inserting "(1) CALCULATION OF RELATIVE VALUES.—In regard"; and

(2) by adding at the end thereof the following new paragraph:

"(2) FUEL CONSUMED IN REFINING OPERATIONS.—Notwithstanding any other provision of law, crude oil and derivatives thereof, admitted into a foreign trade zone and consumed in the refining process, are not subject to duty.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to articles admitted into a foreign trade zone after the date which is 60 days after the date of the enactment of this Act.

By Mr. KENNEDY (for himself, Mr. HATFIELD, Mr. PELL, Mr. SIMON, Mr. DECONCINI, Mr. KERRY, and Mr. BRADLEY):

S. 2826. A bill to reaffirm the obligation of the United States to refrain

from the involuntary return of refugees outside the United States; to the Committee on Foreign Relations.

INTERNATIONAL REFUGEE PROTECTION ACT

Mr. KENNEDY. Mr. President, today I join with other Senators and Members of the House in introducing legislation to reverse President Bush's Executive order on Haiti.

Two weeks ago, with a cruel, callous, and capricious stroke of his pen, President Bush signed an Executive order that reversed decades of American leadership in providing sanctuary for refugees fleeing political persecution.

By ordering the Coast Guard to return all Haitians directly to Haiti, without even pausing to question whether they qualify for refugee status, the administration has washed its hands of the fate of all refugees in all lands.

This hypocrisy of the Bush administration is shocking. Two years ago, the administration sharply criticized Great Britain for doing the same thing—forcibly returning Vietnamese refugees from Hong Kong to Vietnam.

Whether it is a Bosnian in the Balkans, an Ethiopian in Kenya, a Burmese in Bangladesh, or a Vietnamese in Hong Kong, the Bush administration's action means that the example of the United States will be cited whenever other nations decide to slam their own doors on refugees and force them back into the hands of their oppressors.

The legislation we are introducing is intended to reverse President Bush's Executive order and make clear that, in accord with international law, political refugees fleeing persecution should not be forcibly returned to the countries they have fled.

The legislation does not dictate the procedures which the administration should follow to comply with this obligation. However, we would clearly expect that careful screening by trained INS asylum officers would be necessary to insure that legitimate refugees are not returned involuntarily.

In addition, I hope that the administration will permit Haitians to be represented by counsel as they apply for asylum, and that it will grant temporary protected status to Haitians until the violence and political crisis in Haiti subside.

It is regrettable that this legislation is even necessary.

In my view, the obligations of the United States under international law are clear. Article 33 of the 1951 U.N. Convention relating to the status of refugees states that no country "shall expel or return a refugee in any manner whatsoever to the frontiers of territories where his life or freedom would be threatened on account of his race, religion, nationality, membership of a particular social group or political opinion."

The administration now claims that this obligation does not apply to U.S. ships that rescue refugees on the high seas. Perhaps the Supreme Court will accept that shameful attempt to evade our legal responsibility. Perhaps not.

In any event, our legislation settles this legal dispute by writing clearly into our immigration laws that the United States cannot return persecuted refugees, regardless of where they come into U.S. custody.

Since the coup in Haiti 8 months ago, the Bush administration itself has found that over 30 percent of the refugees picked up by the Coast Guard have sufficiently strong claims for political asylum to merit additional processing in the United States. Yet, in a panicked overreaction to the continuing flow of boat people, the administration has suddenly decided to return all Haitians—regardless of the merit of their claims of persecution.

Clear alternatives were available. The number of refugees at Guantanamo could have been reduced by streamlining and expediting the screening process; thousands of Haitians have been kept waiting for weeks to have their asylum claims reviewed. Voluntary agencies and others could have been enlisted to help applicants complete their asylum applications. And with an investment of $6-$7 million, the facilities in Guantanamo could have been strengthened to withstand the summer heat and any possible threat from the upcoming hurricane season.

Of the 17 million refugees around the world, most are now surviving in Third World countries that have generously received them, but can barely sustain the burden.

The United States itself will admit 140,000 refugees this year from other parts of the world, and there is no justification for the exclusion of Haitians. The Haitian boat people deserve equal justice with other refugees. The Bush administration's misguided policy must be reversed.

ADDITIONAL COSPONSORS

S. 51

At the request of Mr. MOYNIHAN, the name of the Senator from California [Mr. CRANSTON] was added as a cosponsor of S. 51, a bill to amend chapter 44 of title 18, United States Code, to prohibit the manufacture, transfer, or importation of .25 caliber, .32 caliber, and 9 millimeter ammunition.

S. 68

At the request of Mr. THURMOND, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of S. 68, a bill to amend title 10, United States Code, to authorize the appointment of chiropractors as commissioned officers in the Armed Forces to provide chiropractic care, and to amend title 37, United States Code, to provide special pay for chiropractic officers in the Armed Forces.

S. 503

At the request of Mr. MCCAIN, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 503, a bill to establish certain environmental protection procedures within the area comprising the border region between the United States and the Republic of Mexico.

S. 664

At the request of Mr. THURMOND, the name of the Senator from Colorado [Mr. WIRTH] was added as a cosponsor of S. 664, a bill to require that health warnings be included in alcoholic beverage advertisements, and for other purposes.

S. 844

At the request of Mr. DOMENICI, the name of the Senator from Wisconsin [Mr. KASTEN] was added as a cosponsor of S. 844, a bill to provide for the minting and circulation of $1 coins.

S. 879

At the request of Mr. DASCHLE, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 879, a bill to amend the Internal Revenue Code of 1986 to clarify the treatment of certain amounts received by a cooperative telephone company indirectly from its members.

S. 1002

At the request of Mr. SHELBY, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of S. 1002, a bill to impose a criminal penalty for flight to avoid payment of arrearages in child support.

S. 1175

At the request of Mr. KERRY, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 1175, a bill to make eligibility standards for the award of the Purple Heart currently in effect applicable to members of the Armed Forces of the United States who were taken prisoners or taken captive by a hostile foreign government or its agents or a hostile force before April 25, 1962, and for other purposes.

S. 1372

At the request of Mr. GORE, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 1372, a bill to amend the Federal Communications Act of 1934 to prevent the loss of existing spectrum to Amateur Radio Service.

S. 1423

At the request of Mr. DODD, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 1423, a bill to amend the Securities Exchange Act of 1934 with respect to limited partnership rollups.

S. 1670

At the request of Mr. SEYMOUR, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of S. 1670, a bill to amend the Fair Labor Standards Act of 1938 to provide

that an employee shall not be excluded from the minimum wage and maximum hour exemption for certain employees because the employee is not paid on a salary basis, and for other purposes.

S. 1838

At the request of Mr. PRYOR, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor of S. 1838, a bill to amend title XVIII of the Social Security Act to provide for a limitation on use of claim sampling to deny claims or recover overpayments under medicare.

S. 1966

At the request of Mr. BIDEN, the name of the Senator from Colorado [Mr. WIRTH] was added as a cosponsor of S. 1966, a bill to establish a national background check procedure to ensure that persons working as child care providers do not have a criminal history of child abuse, to initiate the reporting of all State and Federal child abuse crimes, to establish minimum guidelines for States to follow in conducting background checks and provide protection from inaccurate information for persons subjected to background checks, and for other purposes.

S. 1988

At the request of Mr. COHEN, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 1988, a bill to amend title XVIII of the Social Security Act to provide for improved standards to prevent fraud and abuse in the purchasing and rental of durable medical equipment and supplies, and prosthetics and orthotics, and prosthetic devices under the medicare program, and for other purposes.

S. 2018

At the request of Mr. BOND, the names of the Senator from South Dakota [Mr. DASCHLE], and the Senator from Utah [Mr. GARN] were added as cosponsors of S. 2018, a bill to amend the Food, Agriculture, Conservation, and Trade Act of 1990 to provide that a single Federal agency shall be responsible for making technical determinations with respect to wetland or converted wetland on agricultural lands.

S. 2064

At the request of Mr. HATFIELD, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of S. 2064, a bill to impose a one-year moratorium on the performance of nuclear weapons tests by the United States unless the Soviet Union conducts a nuclear weapons test during that period.

S. 2113

At the request of Mr. SMITH, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 2113, a bill to restore the Second Amendment rights of all Americans.

S. 2134

At the request of Mr. NUNN, the names of the Senator from Alabama [Mr. SHELBY], the Senator from Idaho [Mr. CRAIG], the Senator from North Carolina [Mr. SANFORD], the Senator from Mississippi [Mr. COCHRAN], the Senator from Tennessee [Mr. GORE], the Senator from Indiana [Mr. LUGAR], the Senator from Colorado [Mr. BROWN], the Senator from Ohio [Mr. METZENBAUM], and the Senator from New Jersey [Mr. BRADLEY] were added as cosponsors of S. 2134, a bill to provide for the minting of commemorative coins to support the 1996 Atlanta Centennial Olympic Games and the programs of the United States Olympic Committee.

S. 2204

At the request of Mr. DURENBERGER, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 2204, a bill to amend title 23, United States Code, to repeal the provisions relating to penalties with respect to grants to States for safety belt and motorcycle helmet traffic safety programs.

S. 2206

At the request of Mr. KASTEN, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 2206, a bill to amend the Internal Revenue Code of 1986 and title II of the Social Security Act to expand the social security exemption for election officials and election workers employed by State and local governments.

S. 2321

At the request of Mr. AKAKA, the names of the Senator from North Dakota [Mr. BURDICK], the Senator from Montana [Mr. BURNS], and the Senator from Oklahoma [Mr. BOREN] were added as cosponsors of S. 2321, a bill to increase the authorizations for the War in the Pacific National Historical Park, Guam, and the American Memorial Park, Saipan, and for other purposes.

At the request of Mr. AKAKA, the name of the Senator from Indiana [Mr. LUGAR] was withdrawn as a cosponsor of S. 2321, supra.

S. 2327

At the request of Mr. HATFIELD, the names of the Senator from Connecticut [Mr. DODD] and the Senator from Colorado [Mr. WIRTH] were added as cosponsors of S. 2327, a bill to suspend certain compliance and accountability measures under the National School Lunch Act.

S. 2362

At the request of Mr. MCCAIN, the names of the Senator from Wyoming [Mr. WALLOP] and the Senator from South Carolina [Mr. HOLLINGS] were added as cosponsors of S. 2362, a bill to amend title XVIII of the Social Security Act to repeal the reduced medicare payment provision for new physicians.

S. 2373

At the request of Mr. BOREN, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 2373, a bill to amend the Job Training Partnership Act to establish a community works progress program, and a national youth community corps program, and for other programs.

S. 2515

At the request of Mr. DECONCINI, the names of the Senator from Kentucky [Mr. FORD], and the Senator from North Dakota [Mr. BURDICK] were added as cosponsors of S. 2515, a bill to authorize the establishment of job training programs for unemployed veterans and persons who have been recently separated from the Armed Forces, to pay certain assistance and benefits to employers of such veterans and persons, such veterans, and such persons to defray certain costs relating to the provision of such training, and for other purposes.

S. 2530

At the request of Mr. STEVENS, the names of the Senator from California [Mr. SEYMOUR], the Senator from Colorado [Mr. WIRTH], the Senator from Hawaii [Mr. INOUYE], the Senator from Texas [Mr. BENTSEN], the Senator from Utah [Mr. HATCH], and the Senator from North Dakota [Mr. CONRAD] were added as cosponsors of S. 2530, a bill to establish the John Heinz Competitive Excellence Award.

S. 2624

At the request of Mr. GLENN, the names of the Senator from Texas [Mr. BENTSEN] and the Senator from South Carolina [Mr. HOLLINGS] were added as cosponsors of S. 2624, a bill to authorize appropriations for the Interagency Council on the Homeless, the Federal Emergency Management Food and Shelter Program, and for other purposes.

S. 2667

At the request of Mr. HEFLIN, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of S. 2667, a bill to amend the Federal Food, Drug, and Cosmetic Act to clarify the application of the act with respect to alternate uses of new animal drugs and new drugs intended for human use.

S. 2682

At the request of Mr. WARNER, the names of the Senator from Utah [Mr. HATCH], the Senator from South Carolina [Mr. THURMOND], and the Senator from Minnesota [Mr. DURENBERGER] were added as cosponsors of S. 2682, a bill to direct the Secretary of the Treasury to mint coins in commemoration of the 100th anniversary of the beginning of the protection of Civil War battlefields, and for other purposes.

At the request of Mr. BUMPERS, the names of the Senator from North Carolina [Mr. SANFORD], the Senator from Montana [Mr. BAUCUS], the Senator from Connecticut [Mr. DODD], the Senator from Vermont [Mr. LEAHY], and the Senator from Washington [Mr. ADAMS] were added as cosponsors of S. 2682, supra.

S. 2707

At the request of Mr. RIEGLE, the names of the Senator from Alabama [Mr. HEFLIN], the Senator from Wisconsin [Mr. KASTEN], the Senator from Virginia [Mr. ROBB], the Senator from Minnesota [Mr. WELLSTONE], the Senator from Indiana [Mr. LUGAR], the Senator from North Dakota [Mr. BURDICK], the Senator from Indiana [Mr. COATS], the Senator from Louisiana [Mr. JOHNSTON], and the Senator from Hawaii [Mr. AKAKA] were added as cosponsors of S. 2707, a bill to authorize the minting and issuance of coins in commemoration of the Year of the Vietnam Veteran and the 10th anniversary of the dedication of the Vietnam Veterans Memorial, and for other purposes.

S. 2755

At the request of Mr. MOYNIHAN, the names of the Senator from Rhode Island [Mr. PELL] and the Senator from Pennsylvania [Mr. SPECTER] were added as cosponsors of S. 2755, a bill to direct the Secretary of Defense to provide grants to States to provide technical and financial assistance to defense-dependent contractors.

S. 2763

At the request of Mr. ROTH, the names of the Senator from Montana [Mr. BURNS], the Senator from Colorado [Mr. WIRTH], the Senator from Oregon [Mr. HATFIELD], and the Senator from Alaska [Mr. MURKOWSKI] were added as cosponsors of S. 2763, a bill to establish the Mike Mansfield Fellowship Program for intensive training in the Japanese language, government, politics, and economy.

S. 2764

At the request of Mr. DASCHLE, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 2764, a bill to revive and strengthen the "Super 301" authority of the U.S. Trade Representative to eliminate unfair trade barriers, and for other purposes.

S. 2801

At the request of Mr. GLENN, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of S. 2801, a bill to amend title VII of the Civil Rights Act of 1964 and the Age Discrimination in Employment Act of 1967 to improve the effectiveness of administrative review of employment discrimination claims made by Federal employees, and for other purposes.

S. 2804

At the request of Mrs. KASSEBAUM, the name of the Senator from California [Mr. CRANSTON] was added as a cosponsor of S. 2804, a bill to establish a program to provide technical assistance to employers and labor unions, in order to assist in preparing the workplace to employ women in apprenticeable occupations and other nontraditional occupations, and for other purposes.

S. 2808

At the request of Mr. MITCHELL, the names of the Senator from Georgia [Mr. FOWLER], the Senator from Kentucky [Mr. FORD], and the Senator from North Carolina [Mr. SANFORD] were added as cosponsors of S. 2808, a bill to extend to the People's Republic of China renewal of nondiscriminatory (most-favored-nation) treatment until 1993 provided certain conditions are met.

S. 2810

At the request of Mr. GORE, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 2810, a bill to recognize the unique status of local exchange carriers in providing the public switched network infrastructure and to ensure the broad availability of advanced public switched network infrastructure.

S. 2814

At the request of Mr. RIEGLE, the name of the Senator from Colorado [Mr. WIRTH] was added as a cosponsor of S. 2814, a bill to ensure proper and full implementation by the Department of Health and Human Services of Medicaid coverage for certain low-income Medicare beneficiaries.

SENATE JOINT RESOLUTION 238

At the request of Mr. RIEGLE], the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of Senate Joint Resolution 238, a joint resolution designating the week beginning September 21, 1992, as "National Senior Softball Week."

SENATE JOINT RESOLUTION 247

At the request of Mr. DOLE, the names of the Senator from North Dakota [Mr. CONRAD] and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of Senate Joint Resolution 247, a joint resolution designating June 11, 1992, as "National Alcoholism and Drug Abuse Counselors Day."

SENATE JOINT RESOLUTION 248

At the request of Mr. CONRAD, the name of the Senator from Missouri [Mr. DANFORTH] was added as a cosponsor of Senate Joint Resolution 248, a joint resolution designating August 7, 1992, as "Battle of Guadalcanal Remembrance Day."

SENATE JOINT RESOLUTION 252

At the request of Mr. DIXON, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of Senate Joint Resolution 252, a joint resolution designating the week of April 19-25, 1992, as "National Credit Education Week."

SENATE JOINT RESOLUTION 260

At the request of Mr. COCHRAN, the names of the Senator from Oklahoma [Mr. BOREN], the Senator from Hawaii [Mr. AKAKA], the Senator from Utah [Mr. GARN], the Senator from Nebraska [Mr. EXON], the Senator from Iowa [Mr. GRASSLEY], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Rhode Island [Mr. PELL], the Senator from Mississippi [Mr. LOTT], the Senator from New Jersey [Mr. BRADLEY], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Arizona [Mr. MCCAIN], the Senator from Michigan [Mr. LEVIN], the Senator from Pennsylvania [Mr. SPECTER], the Senator from Kansas [Mr. DOLE], and the Senator from Montana [Mr. BAUCUS] were added as cosponsors of Senate Joint Resolution 260, a joint resolution designating the week of October 18, 1992, through October 24, 1992, as "National School Bus Safety Week."

SENATE JOINT RESOLUTION 262

At the request of Mr. KASTEN, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of Senate Joint Resolution 262, a joint resolution designating July 4, 1992, as "Buy American Day."

SENATE JOINT RESOLUTION 297

At the request of Mr. PRYOR, the name of the Senator from California [Mr. CRANSTON] was added as a cosponsor of Senate Joint Resolution 297, a joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States.

SENATE JOINT RESOLUTION 304

At the request of Mr. ROTH, the names of the Senator from Arkansas [Mr. PRYOR], the Senator from Arkansas [Mr. BUMPERS], the Senator from Georgia [Mr. NUNN], the Senator from Wyoming [Mr. SIMPSON], the Senator from Montana [Mr. BURNS], the Senator from Illinois [Mr. SIMON], the Senator from Nevada [Mr. REID], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Connecticut [Mr. DODD], the Senator from Nevada [Mr. BRYAN], the Senator from Louisiana [Mr. JOHNSTON], the Senator from North Carolina [Mr. SANFORD], the Senator from Tennessee [Mr. SASSER], the Senator from Virginia [Mr. WARNER], the Senator from Maryland [Ms. MIKULSKI], the Senator from New Jersey [Mr. BRADLEY], the Senator from Indiana [Mr. COATS], the Senator from Alabama [Mr. SHELBY], the Senator from Idaho [Mr. SYMMS], the Senator from Florida [Mr. MACK], the Senator from Iowa [Mr. GRASSLEY], the Senator from Missouri [Mr. DANFORTH], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Louisiana [Mr. BREAUX], the Senator from Florida [Mr. GRAHAM], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Ohio [Mr. GLENN], and the Senator from Michigan [Mr. LEVIN] were added as cosponsors of Senate Joint Resolution 304, a joint resolution designating January 3, 1993, through January 9, 1993, as "National Law Enforcement Training Week."

SENATE JOINT RESOLUTION 306

At the request of Mr. D'AMATO, the names of the Senator from Mississippi

[Mr. COCHRAN], and the Senator from North Dakota [Mr. CONRAD] were added as cosponsors of Senate Joint Resolution 306, a joint resolution designating October 1992 as "Italian-American Heritage and Culture Month."

SENATE JOINT RESOLUTION 310

At the request of Mr. DECONCINI, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of Senate Joint Resolution 310, a joint resolution to designate August 1, 1992, as "Helsinki Human Rights Day."

SENATE CONCURRENT RESOLUTION 89

At the request of Mr. D'AMATO, his name was added as a cosponsor of Senate Concurrent Resolution 89, a concurrent resolution to express the sense of the Congress concerning the United Nations Conference on Environment and Development.

SENATE CONCURRENT RESOLUTION 113

At the request of Mr. MOYNIHAN, the names of the Senator from Arizona [Mr. MCCAIN], the Senator from Wisconsin [Mr. KASTEN], the Senator from North Dakota [Mr. CONRAD], the Senator from Delaware [Mr. BIDEN], the Senator from Georgia [Mr. FOWLER], the Senator from Arkansas [Mr. BUMPERS], the Senator from Alaska [Mr. STEVENS], the Senator from Nevada [Mr. REID], the Senator from Montana [Mr. BURNS], the Senator from Louisiana [Mr. BREAUX], the Senator from Maryland [Mr. SARBANES], the Senator from Missouri [Mr. DANFORTH], and the Senator from Idaho [Mr. CRAIG] were added as cosponsors of Senate Concurrent Resolution 113, a concurrent resolution concerning the 25th anniversary of the reunification of Jerusalem.

SENATE RESOLUTION 310—SENSE OF THE SENATE IN DISAPPROVING AN ACT OF THE COUNCIL OF THE DISTRICT OF COLUMBIA

Mr. LOTT submitted the following resolution; which was referred to the Committee on Governmental Affairs:

S. RES. 310

Resolved, That it is the sense of the Senate in disapproving of the action of the District of Columbia Council described as follows: The Health Care Benefits Expansion Act of 1992 (D.C. Act 9-188), signed by the Mayor of the District of Columbia on April 15, 1992, and transmitted to Congress pursuant to section 602(c) of the District of Columbia Self-Government and Governmental Reorganization Act on April 28, 1992.

SENATE RESOLUTION 311—COMMENDING THE FRYEBURG ACADEMY IN FRYEBURG, ME, ON THE OCCASION OF ITS BICENTENNIAL

Mr. MITCHELL (for himself and Mr. COHEN) submitted the following resolution; which was considered and agreed to:

S. RES. 311

Whereas Fryeburg Academy, located in Fryeburg, Maine, was founded two hundred years ago, on August 17, 1792, by twenty-five citizens seeking to meet the educational needs of their sons;

Whereas within fifteen years of its founding, Fryeburg Academy distinguished itself through pioneering efforts to provide an equal educational opportunity for female students;

Whereas Daniel Webster, a former member of the United States Senate, was among the principals of this premier educational institution;

Whereas Fryeburg Academy has earned an international reputation as a center for excellence through the consistent cultivation among its students of academic achievement, scholarly practice, and personal integrity; and

Whereas for two centuries of academic instruction, Fryeburg Academy has been dedicated to the fundamental importance of living by the rules of a democratic society: Now, therefore, be it

Resolved, That Fryeburg Academy, located in Fryeburg, Maine, is hereby commended on the occasion of its bicentennial. The Secretary of the Senate is authorized and requested to transmit to Fryeburg Academy a copy of this resolution acknowledging and commending this occasion.

SENATE RESOLUTION 312—AUTHORIZING TESTIMONY BY AN EMPLOYEE OF THE SENATE

Mr. MITCHELL (for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 312

Whereas, in the case of Louis C. Smit v. Department of the Treasury, Docket No. DA-1221-92-0259-W-1, pending before the Merit Systems Protection Board, the appellant has caused a subpoena to be issued for the testimony of Don Wilson, an employee of the Senate on the staff of Senator Harry Reid;

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 administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That Don Wilson is authorized to testify in the case of Louis C. Smit v. Department of the Treasury, except concerning matters for which a privilege should be asserted.

NOTICE OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for my colleagues and the public the following correction pertaining to an upcoming hearing before the Committee on Energy and Natural Resources.

The hearing scheduled on Thursday, June 11, 1991, has been rescheduled. The hearing will take place on Thursday, June 18, 1992, at 9:30 a.m. in room SD-366 of the Dirksen Senate Office Building, First and C Streets, NE, Washington, DC.

The purpose of the hearing is to receive testimony on State regulation of natural gas production.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the printed hearing record should send their comments to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510, Attention: Don Santa.

For further information, please contact Don Santa of the committee staff at (202) 224-4820.

Mr. President, I would like to announce for the public that a hearing has been scheduled before the full Committee on Energy and Natural Resources.

The hearing will take place Wednesday, June 17, 1992, at 2 p.m. in room 366 of the Senate Dirksen Office Building in Washington, DC.

The purpose of the hearing is to receive testimony from Jerry Langdon and William Liedtke, nominees to be members of the Federal Energy Regulatory Commission.

For further information, please contact Rebecca Murphy at (202) 224-7562.

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS

Mr. BUMPERS. Mr. President, I would like to announce for the public that a hearings has been scheduled before the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources.

The hearing will take place on Tuesday, June 23, 1992, beginning at 2:30 p.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of the hearing is to receive testimony on the following bills currently pending before the subcommittee:

S. 225, to expand the boundaries of the Fredericksburg and Spotsylvania County Battlefields Memorial National Military Park, VA;

S. 1925, to remove a restriction from a parcel of land owned by the city of North Charleston, SC, in order to permit a land exchange, and for other purposes;

S. 2563, to provide for the rehabilitation of historic structures within the Sandy Hook Unit of Gateway National Recreation Area in the State of New Jersey, and for other purposes;

S. 2006, to establish the Fox River National Heritage Corridor in Wisconsin, and for other purposes;

H.R. 2181, to permit the Secretary of the Interior to acquire by exchange lands in the Cuyahoga National Recreation Area that are owned by the State of Ohio;

H.R. 2444, to revise the boundaries of the George Washington Birthplace National Monument; and

H.R. 3519, to authorize the establishment of the Steamtown National Historic Site.

Because of the limited time available for the hearing, witnesses may testify

by invitation only. However, anyone wishing to submit written testimony to be included in the hearing record is welcome to do so. Those wishing to submit written testimony should send two copies to the Subcommittee on Public Lands, National Parks and Forests, Committee on Energy and Natural Resources, 304 Dirksen Senate Office Building, Washington, DC 20510.

For further information regarding the hearing, please contact David Brooks of the subcommittee staff at (202) 224-9863.

Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources.

The hearing will take place on Wednesday, July 1, 1992, beginning at 2 p.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of the hearing is to receive testimony on H.R. 1096, to authorize appropriations for programs, functions, and activities of the Bureau of Land Management for fiscal years 1992, 1993, 1994, and 1995; to improve the management of the public lands; and for other purposes.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, anyone wishing to submit written testimony to be included in the hearing record is welcome to do so. Those wishing to submit written testimony should send two copies to the Subcommittee on Public Lands, National Parks and Forests, Committee on Energy and Natural Resources, 304 Dirksen Senate Office Building, Washington, DC 20510.

For further information regarding the hearing, please contact David Brooks of the subcommittee staff at (202) 224-9863.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. FORD. Mr. President, the Rules Committee will meet on Wednesday, June 17, 1992, at 9:30 a.m., in SR-301, to markup pending legislative and administrative business. The proposed agenda includes the following: Senate Concurrent Resolution 57, to establish a Joint Committee on the Organization of Congress; Senate Resolution 273, to amend the Standing Rules of the Senate to provide guidance to Members of the Senate, and their employees, in discharging the representative function of Members with respect to communications from petitioners; an original bill to authorize appropriations for the American Folklife Center for fiscal years 1993 through 1997; Senate Concurrent Resolutions 221, 259, and 275, providing for the appointments of Hanna Holborn Gray, Barber B. Conable, Jr., and Wesley Samuel Williams, Jr., respectively, as citizen regents of the Board of Regents of the Smithsonian Institution; S. 523, to authorize the establishment of the National African-American Memorial Museum within the Smithsonian; S. 1598, to authorize the Board of Regents of the Smithsonian Institution to acquire land for watershed protection at the Smithsonian Environmental Research Center, and for other purposes; Senate Concurrent Resolution 112, to authorize printing of "Thomas Jefferson's Manual of Parliamentary Practice," as prepared by the Office of the Secretary of the Senate; and an original resolution authorizing the Senate to participate in State and local government transit programs pursuant to section 629 of the Treasury, Postal Service and General Government Appropriations Act, 1991.

The administrative agenda includes the following: Regulations for payment for telecommunications equipment and services furnished by the Sergeant at Arms and Doorkeeper of the Senate as provided by Public Law 100-123; policy for use of balconies, Russell Senate Office Building; use of entrances to Senate Office Buildings; regulations governing use of the Senators' dining room; regulations for the Senate Health Care Program by the Office of the Attending Physician; regulations for the Senate Health and Fitness Facility by the Office of the Architect of the Capitol; regulations regarding payee signatures on vouchers; regulations regarding certifications of Senate Recording Studio and Photographic Studio expenses; regulations governing use of bicycle racks, Hart Office Building Garage; proposal for designation of permanent office suites for the State of California; and regulations on public transportation subsidy by the U.S. Senate.

For further information regarding this markup, please contact Carole Blessington of the Rules Committee staff on extension 40278.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate Armed Services Committee be authorized to meet on Tuesday, June 9, 1992, at 2:30 p.m., in closed session, to receive testimony on the Department of Defense special access programs and procedures, in review of S. 2629, the Department of Defense authorization bill for fiscal year 1993.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be authorized to meet on Tuesday, June 9, 1992, at 10:30 a.m. for a hearing on the subject: U.N. peacekeeping efforts.

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

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Tuesday, June 9, 1992, at 10 a.m. to conduct a hearing on the condition of the banking industry and the bank insurance fund.

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

SUBCOMMITTEE ON AGRICULTURAL RESEARCH AND GENERAL LEGISLATION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry, Subcommittee on Agricultural Research and General Legislation, be allowed to meet during the session of the Senate on Tuesday, June 9, 1992, on the utility of expanded lamb reporting services by USDA.

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

COMMITTEE ON FINANCE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on June 9, 1992, at 9:30 a.m. to hold a hearing on comprehensive health care reform proposals.

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

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Tuesday, June 9, 1992, at 9:30 a.m., for a hearing on Implementation of the Nutrition Labeling and Education Act of 1990.

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

SUBCOMMITTEE ON STRATEGIC FORCES AND NUCLEAR DETERRENCE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Strategic Forces and Nuclear Deterrence of the Committee on Armed Services be authorized to meet on Tuesday, June 9, 1992, at 9 a.m., in open session, to receive testimony on Department of Energy work force transition and conversion issues, in review of S. 2629, the Department of Defense authorization bill for fiscal year 1993; S. 2483, the Department of Energy Defense Nuclear Facilities Adjustment Assistance Act; and S. 2506, the Department of Energy Defense Nuclear Facilities Work Force Restructuring Act.

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

ADDITIONAL STATEMENTS

ACKNOWLEDGING NEWS OF NATIONAL SERVICE GRANT ANNOUNCEMENTS

• Ms. MIKULSKI. Mr. President, yesterday the Commission on National

and Community Service announced its first grants to help hundreds of American communities restore the ethic of service and helping others that made this country great.

I am proud to say that Maryland is one of only two States that will be receiving funds for the four major provisions of the National and Community Service Act, and that thousands of volunteers in the State will now be able to get help to those that need it.

I have worked to pass this law because I know that Marylanders and millions of Americans are facing critical questions that effect their daily lives. They are asking How will we pay for our own or our child's education? Where will we get a downpayment on our first home? How will our neighbors and our community regain the "habits of the heart" that made America great?

And they are asking how they can recreate that sense of pride and community in their neighborhoods that would prevent the awful riots that we saw earlier this year in Los Angeles.

The answer comes from giving Americans a chance to invest in themselves and in their communities through "sweat equity." The National Service Commission is doing just that.

The new National Service Commission grants total $63 million, and they have used a very qualified and dedicated 21-member board to make the most of that money. They have reviewed hundreds of proposals and funded only the very best. And the States and towns that are getting grants are using them to leverage both the private and the human capital that is needed to bring back the ethic of community service and to get help to those people and those places that need it the most.

These grants are supporting local groups of citizens in Baltimore and Rockville and elsewhere who will use hands-on, person-to-person solutions. They are getting architects and bankers and steelworkers out from behind their drafting boards and desks and furnaces and letting them use their skills to help their neighbors—rebuilding a church or a recreation center, or helping tutor kids who are close to dropping out of school.

I am also glad to say that Maryland and six other States are being funded for demonstration projects. I fought for this provision because I know that most full-time workers in Maryland cannot afford to make 2 years off to "do good." Now in those seven States they will be able to use their weekend time to deliver meals on wheels, or tutor the illiterate, or volunteer as firefighters.

And in return for their service work, these volunteers will get a chance to invest in themselves just as they are in their communities. They will help reopen a State park in Maryland, help teach adults to read in Baltimore, and get nutrition to pregnant mothers in western Maryland.

And in the seven demonstration States volunteers serving part-time for 3 years or more will get vouchers to help pay for their higher education or for a downpayment of a first home. These workers will be able to earn up to $2,000 per year for a part-time commitment of 3–6 years.

It was about 20 years ago that President Kennedy challenged Americans to "do for their country" rather than waiting for our country to do for us. I am proud that the Commission on National and Community Service is carrying through on that challenge.

I also want to commend Senators KENNEDY and NUNN for joining me in the long fight to make our National Service Act of 1990 law—a law that will work for Americans. I also want to commend Senator WOFFORD, who since joining the Senate, and before that through his work in Pennsylvania and with President Kennedy, has done a great deal to make service a top priority for the United States.●

DEREGULATION OF THE MUTUAL FUND INDUSTRY

● Mr. SIMON. Mr. President, recently, I received a letter from W.A. Anderson, Jr., managing partner of a small securities firm in Houston, TX.

He wrote to me at the request of a longtime friend, Bernard Rapoport, who told me that what was contemplated in the mutual industry would not serve the Nation well.

I told him I knew very little about the field, but I would be pleased to get some information. I have received this letter from Mr. Anderson, and the letter makes a great deal of sense to me.

I am going to print a copy of these remarks in the CONGRESSIONAL RECORD that include his letter to the chairman of the Securities and Exchange Commission. I urge my colleagues who are on the Senate Banking Committee to look at this carefully.

What I do believe strongly is that we should not be moving into huge operations in the securities field. It sounds good, but it makes no more sense than doing the same in the banking field. The threat to the stability of the Federal Deposit Insurance Corporation has not come from the small banks of America but from a few large banks in America.

Diversity in this field strikes me as making a great deal of sense.

The second point he makes is that we should be encouraging the small investor and not putting the small investor at a disadvantage to the large investor.

It is clear that our pattern has been just the opposite, and we should not be accelerating that trend.

Mr. President, I urge my colleagues to read Mr. Anderson's letter.

At this point, I ask to insert his letter into the RECORD.

The letter follows:

ANDERSON, CHENEVIERE & CO., LTD.,
Houston, TX, May 26, 1992.

Hon. PAUL SIMON,
U.S. Senate, Dirksen Office Building, Washington, DC.

DEAR SENATOR SIMON: At the request of my friend, Bernard Rapoport, I am writing this letter to you to express my views of the recently proposed deregulation of the mutual fund industry. This is being done at the risk of showing considerable ignorance, since I have not had the opportunity to read the 500 plus page report issued by the Securities and Exchange Commission. On the other hand, my thirty years of experience both directly and indirectly in the securities business should enable me to draw some reasonably informed conclusions.

There is clearly some evidence of over regulation. For example, no foreign investment company has registered in the US since 1973. It is unlikely that the many fund managers and financial institutions in all the other countries in the world have felt that they could not be competitive in terms of performance compared those in the US. In addition, this virtual regulatory exclusion of foreign institutions has not been only limited to mutual funds.

The area of the report that seems likely to draw the most attention, however, is the recommendation that Section 22(d) of the Investment Company Act of 1940 be eliminated. Section 22(d) is, as I am certain you already know, the provision that mandates fixed prices for funds sold through brokers. In this area my personal experience may be of some help to you.

In 1975 I left Wall Street because negotiated commissions were soon to come into effect. At that time I was a Senior Vice President of Blyth Eastman Dillon & Co., Incorporated and my position was that of Executive Assistant to the President and Director of Budgeting and Planning.

It became obvious to me that, while in some respects negotiated commissions might be beneficial, overall they would not be a positive development for the small investor. In 1977, at the request of the Harvard Business Review, I wrote a critique of an article lauding negotiated commissions. In that letter I made the following observations:

A. Negotiated commissions would significantly reduce the profitability of the brokerage part of the business and result in a reduced level of service to the individual investor;

B. The reduced profitability would cause a major consolidation in the industry and, even though it is much easier to supervise a small number of large firms than large number of small ones, that result would not be good for the individual investor;

C. The remaining large firms would become more like General Motors and Ford in that their Corporate Finance Departments would manufacture products that their brokers would be obliged to sell which would reduce or eliminate the quality and independence of investment advice to which the individual investor would have access; and

D. That the only beneficiaries of negotiated commissions would be the institutions since they were large enough to effectively negotiate and did not rely on Wall Street's research and other services anyway.

As you may know, virtually all of these things have come to pass, and as a result American households were net sellers of equity securities in the late 1970's and 1980's.

I left Wall Street to become the Chief Financial Officer of a New York Stock Exchange Listed company and remained in that position until it was taken ever in a tender offer in 1984. In the late 1980's I formed a small brokerage firm in Houston, Texas, when I became convinced that so many of the things mentioned above had come about that there existed a crying need for the small investor to get independent investment advice and the kind of service that he should expect.

I fear that many of the same results would follow the decontrol of commission rates in the mutual funds industry. There would certainly be considerable consolidation in the industry. Large institutions would probably become the big purchasers of mutual fund shares and sell themselves to investors as the best judges of the performance of other mutual funds.

By the Securities and Exchange Commission's own admission, mutual fund commissions are lower today than they were ten years ago. There are load funds, no load funds and many variations thereof. There does not appear to be any great need to fix something that is not broken.

Even though I see no need to change the commission structure in the mutual fund industry, as I have mentioned before, excessive regulation does exist in the securities industry. For example, since the founding of my firm in March of 1989, we have been audited six times by three different regulatory agencies and have yet to be cited for any significant deficiency. For a firm having a total of five employees only three of whom are salesmen, this does seem to be excessive.

I appreciate this opportunity to share my views with you, and apologize for not being able to give you a more informed report. If I can be of any further assistance to you in any way, please do not hestitate to contact me at any time.

Very truly yours,

W.A. ANDERSON, Jr.,
Managing Partner.•

G&M DISTRIBUTORS OF GALESBURG, IL

Mr. SIMON. Mr. President, I rise today to recognize G&M Distributors, Inc., of Galesburg, IL, for its service to the environment and the community.

G&M Distributors has operated community recycling centers since 1973. In addition, to its facility in Galesburg, G&M also runs a center in Macomb. G&M sponsors centers in Monmouth and Kewanee, IL, which are both operated by area handicapped associations. All aluminum cans collected by G&M are used to make a aluminum siding or are reprocessed into beverage containers.

Under the direction of Guy Vitale, G&M Distributors has developed an Earth Day recycling program, which took place this year on April 26, and marked the third year G&M has offered the promotion.

The Earth Day recycling program offered a 5 cent bonus above the regular return rate for each pound of aluminum, bringing the total to 35 cents for every pound returned. The incentive created an enormous response from citizens throughout the area, stimulated tremendous community involvement, and raised awareness of the importance of recycling. The Galesburg recycling center alone collected over 16,000 pounds of cans for the day. Adding the 6,500 pounds the Macomb center collected, it is clear that the response was tremendous.

As we all know, Mr. President, recycling aluminum is very important to our environment. Aluminum has long been regarded as one of the most recyclable materials, and a aluminum recycling has greatly reduced the amount of municipal solid wastes in landfills and incinerators. However, much more needs to be done in this area. Therefore, I am proud to honor a company that has promoted, and continues to promote, aluminum recycling. G&M Distributors' commitment to a cleaner, more beautiful Illinois is a shining example of a successful recycling program, one that businesses and concerned citizens throughout the country can emulate.•

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 35, PARAGRAPH 4, PERMITTING ACCEPTANCE OF A GIFT OF EDUCATIONAL TRAVEL FROM A FOREIGN ORGANIZATION

• Mr. SANFORD. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee received a request for a determination under rule 35 for Joan M. Morgan, a member of the staff of Senator MURKOWSKI, to participate in a program in Korea, sponsored by the Ministry of Foreign Affairs of the Republic of Korea, from May 25–30, 1992.

The committee has determined that participation by Ms. Morgan in this program, at the expense of the Ministry of Foreign Affairs of the Republic of Korea is in the interest of the Senate and the United States.•

PERSONAL COMMUNICATIONS

• Mr. KERRY. Mr. President, the world of communications is moving at record speed. Now, more than ever before, we can use telecommunications tools that enable us to stay in touch anywhere and any time of the day or night. Some of the most notable telecommunications advancements are wireless.

It appears likely that wireless communications is going to take an even more prominent position in telecommunications during the next century. Already, it comes in many forms: pagers that let you know when someone wants to reach you, and cordless phones you can use inside your home.

But without a doubt, the technology that has "fast forwarded" us into the wireless future is cellular. By breaking new ground technologically through radio frequency reuse, cellular is enabling millions of Americans to communicate anytime, anyplace, and anywhere. From voice to data transmission, from the big city to the Massachusetts countryside, cellular has changed the shape of communications and seems certain to change it further.

In my own State of Massachusetts, you now can continue a call uninterrupted as you drive under the Summner and Callahan tunnels in Boston. Special and emergency call boxes have been installed along campus paths so that students can have peace of mind knowing they can reach campus security if necessary. And last year when Cape Cod was ravaged by Hurricane Bob, cellular service provided critical links for fire, police, and emergency services.

Mr. President, this month of June has been designated "National Wireless Telecommunications Month" so that more people can learn about the technology of the future, and what it will mean to America and how we all communicate.

I hope we all are paying attention. The future of telecommunications holds great promise for this country—both to society and to our economy. And the revolution is underway.•

TRIBUTE TO MOUNT STERLING

• Mr. MCCONNELL. Mr. President, I rise today to recognize Mount Sterling, a small, quiet town in central Kentucky.

Mount Sterling is located in the rolling hills between Lexington and Cincinnati. It enjoys the accessibility of these two cities while retaining its close-knit community feeling. The residents take pride in their town, and work together to improve it.

A favorite event among the townspeople is Court Day. Court Day is a festival that takes place on the third Monday in October. It is designed to celebrate Mount Sterling's historic past. People come from all over the country to join in the revelry. Court Day is one of those days that make everyone in town glad they live in Mount Sterling.

Recently, Mount Sterling has suffered a few economic setbacks. However, their citizens are optimistic about the future. It was recently announced that a new company will be building a plant in the area. The Michigan-based Donnelly Corp. will soon be bringing in 175 new jobs. Also, city officials are planning to build a new library, construct two new schools and

build a park complex worth $2 million because of new funding provided by additional revenue.

The people of Mount Sterling are to be admired for their outstanding work ethic and persistence to revive their fine community.

Mr. President, I ask that the following article from the Louisville Courier-Journal be submitted in today's CONGRESSIONAL RECORD.

MOUNT STERLING

(By Richard Wilson)

When Bob Ovington got out of the poultry and egg business in 1979 and formed a company to distribute supplies to national restaurant chains, he decided to start it in his hometown.

Ovington said he didn't even consider another location for Bob's Food Service, which now employs about 100 people and ships everything from food to napkins all over the country except the West Coast.

"We've got trucks that go in every direction. Interstate 64 is here and it's only a few miles to I-75. It's just an ideal location for us. It's centrally located for our territory," Ovington said.

The 58-year-old Powell County native still lives in Mount Sterling. But he also spends much of his time in Nashville where he runs Po Folks, a national restaurant chain that he heads as president and chief executive officer.

"It's easy to work out of here. I can be at the (Mount Sterling) airport from my office in 10 minutes," he says.

For Ovington and many other less mobile residents of this 200-year-old community, Mount Sterling is an outer Bluegrass haven that combines the benefits of a small-town lifestyle with convenient access to the social and cultural amenities of Lexington, Louisville and Cincinnati.

"We have everything that you could really want here," says Cass Prewitt, a retired real-estate man and farmer.

"Everything" includes not only good transportation and available labor, but also one of the state's better small-town hospitals, a good school system, a country club, an aggressive economic-development effort and a slowly rebounding economy.

Mayor Bert May, another native, is also bullish on the town. "We've never gotten so big that we've lost the smalltown atmosphere," he says.

But even the mayor acknowledges that the city and surrounding Montgomery County have their problems.

The county had an average unemployment rate of 15.8 percent last year. In March, the rate had fallen to 11.3 percent, still one of the highest in Central Kentucky. The area suffered a major economic jolt two years ago when the KitchenAid division of Whirlpool closed its plant and threw about 650 people out of work. About the same time, A.O. Smith Co. announced the layoff of 200 workers.

But the dark economic clouds parted a bit three weeks ago when the Michigan-based Donnelly Corp, announced it would build a new plant in the Woodland Industrial Park east of town. The plant, which will manufacture modular windows for automobiles, is expected to employ 175 people within three years.

Besides its jobless rate, the city's major problem is its budget. "Our expenses go up like anybody's expenses, and our income has actually deceased in some areas," the mayor said.

The town's population is aging, May added, and more senior citizens are invoking the Homestead Exemption of the state Constitution, which relieves them of some residential property taxes. Also, the city's insurance premium tax revenues have begun shrinking, and payroll tax revenues also have dropped, as several downtown stores have either gone out of business or moved to shopping centers outside the city limits.

"Hopefully, we're going to have some downtown development in the near future, which will help with our payroll tax, and we'll come back out of it and be in a positive cash flow again," May said.

City fathers are projecting a budget deficit of around $165,000 this year, a shortage May said can be handled by using reserves.

The city has also lost population. According to the Census Bureau, Mount Sterling's population dropped 7.9 percent, from 5,820 to 5,362, between 1980 and 1990. The county's overall population dropped 2.4 percent.

Like many other Kentucky cities, Mount Sterling's downtown area is suffering. Many commercial mainstays of yesteryear—like Oldham's and Belk-Simpson—have closed, and the J. C. Penney has moved to a shopping center.

One merchant who remains downtown is pharmacist Jack Carrington, who came back to his hometown in 1978 after graduating from Mercer University's pharmacy school in Atlanta.

Asked why he returned, Carrington said he tired of Atlanta's size. "You had to drive everywhere and it took an hour to do anything. Now I can walk to work," Carrington said.

He said that, despite the loss of downtown businesses, his business continues to increase.

"I think every town needs a small drugstore downtown. A lot of people don't drive, and I've got a loyal clientele that doesn't mind coming back," he added.

Carrington's Calico & Whitt Rexall drugstore has another asset. Its 11-stool lunch counter and fountain attract customers who eat breakfast or lunch there. Or they may come for a 30-cent cup of coffee and the "lively discussions" on any imaginable topic, Carrington said.

Carrington and several other downtown merchants say the area will rebound if the city can obtain a $1.3 million federal grant that it is seeking to rehabilitate 10 buildings in the Hobbs block on East Main Street. The grant, plus a $300,000 bank loan, is being sought to renovate the buildings for street-level retail space and apartments for the elderly on the second and third floors.

Downtown traffic is steady, although pedestrian traffic is sparse. Parking is abundant and anyone can easily find a spot in city-owned lots, if not on the streets, which have no parking meters. The city is clean and the 19th century facades make many downtown buildings among the state's most architecturally attractive.

But once a year downtown Mount Sterling becomes one of the state's most pedestrian-clogged towns. That occurs during its historic Court Day on the third Monday of October. Festivities begin the preceding Saturday where people purchase or swap everything from knives and guns to jewelry, furniture and antiques. The crowd also attracts politicians who hawk their campaign themes. Anyone who has ever experienced Court Day would agree with Kentucky author James Lane Allen, who once referred to Court Days as "a mad, merry gathering."

The Court Day festivities harken back to the city's historic past when it was a regional trading center. From the 1800s until the mid-1900s, the city not only attracted many Eastern Kentuckians to its businesses, but it was also a major rail center. Passenger service ended in 1971 and commercial rail service survived until 1986. The loss of rail service, coupled with the Mountain Parkway's termination at I-64 near Winchester, were a double blow. Prewitt and others said the state promised to run an extension of the parkway from Clay City to Mount Sterling, but reneged on the commitment.

Like many Kentucky communities, Mount Sterling and the surrounding area was a hot spot of Civil War activity. Union forces held the town throughout much of the war, but Confederate incursions were frequent. One of the more noted skirmishes came on June 8, 1864, when Gen. John Hunt Morgan's raiders surprised Union forces, capturing 380 prisoners. But the victory was short-lived as the Confederates were routed the next day. Many residences were burned during a Confederate retreat and some 250 soldiers were reported killed in the battle.

After the war, Mount Sterling resumed its role as a trading and farming center. Efforts to attract industry did not begin until about 30 years ago, and as that effort has expanded, Montgomery County's agricultural base has contracted.

Shortly after the turn of the century, the county had 1,369 farms. Each farm averaged 85 acres. By 1987, according to the latest available statistics, the number of farms dropped to 793, at an average of 146 acres.

Two years ago, the county produced 6.5 million pounds of tobacco, ranking it 24th in the state. It ranked 21st in beef cattle production, 35th in alfalfa and 41st in milk. Despite its shrinkage, agriculture remains a major factor in the area's economy, County Extension Agent Ron Catchen said.

"Agriculture has helped to make up for the loss (of jobs) in our economy, and it's still a part of our lifestyle. We're still pretty rural, and it's pretty nice to be out in the country," Catchen said.

One part of that countryside that many residents want to see filled is the two industrial parks east of town. Cliff Stilz, chairman of the Mount Sterling-Montgomery County Industrial Authority said at least 100 acres remain for development in the two parks.

Besides the land and infrastructure for economic development, the city and county have something else going for them. Because of its higher-than-average unemployment rate, the area qualifies for a variety of state incentive programs.

The Donnelly firm's recent decision to locate in Mount Sterling, Stilz said, is a welcomed breakthrough. "That's auto-related, We've been licking our chops to get into that."

Despite Mount Sterling's ups and downs, Mayor May says he is optimistic about the city's future. Noting that voters recently approved tax increases to fund a new library, ambulance service, new middle and elementary schools and a nearly $2 million park complex, May calls the town one where residents "put their money where they mouths are to do things to improve the community.

"Everybody's not just sitting back and saying 'Why doesn't somebody else do this for me?' They want to get it done themselves."

Population (1990): Mount Sterling, 5,362; Montgomery County, 19,561.

Per capita income: (1989) $11,403,. or $2,420 below the state average.

Jobs: (1989); Total employment, 6,294; manufacturing, 2,035; wholesale and retail trade,

1,920; services, 854; state and local governments, 784; and contract construction, 282.

Big employers: Jockey International Inc. (men's underwear), 500 employees; A.O. Smith Electrical Products Co. (motors), 380; Cowden-Mount Sterling Co. (jeans), 250; Trojan Manufacturing Co. (electromechanical sub-assembly, fluorescent lamps, coiled wire products) 156; and Walker Construction Co. (concrete, asphalt), 135.

Media: Newspaper—Mount Sterling Advocate (weekly). Radio stations, WMST-AM (adult and contemporary), WMST-FM (country).

Transportation: Air—Mount Sterling-Montgomery County Airport, 4,000-foot runway; nearest commercial service, Lexington's Blue Grass Airport, 41 miles west. Rail—None. The nearest rail service is provided by CSX Transportation in Winchester, 16 miles southwest. Roads—Interstate 64, U.S. 60 and 460 and Ky. 11. Trucking—Twenty-eight lines serve the city. Bus—Greyhound.

Education: Montgomery County schools, 3,750 students; two private schools, 117.

Topography: Rolling to hilly.

FAMOUS FACTS AND FIGURES

Mount Sterling was formed in 1792, and its name was chosen by Hugh Forbes, a landowner who sold strips of land to other residents. Originally called Little Mountain, Forbes called it Mount Sterling, in honor of his boyhood home in Scotland.

Montgomery County was formed from part of Clark County in 1796 as Kentucky's 22nd county. Later, all or part of 18 other Kentucky counties were formed from Montgomery, which was named for Richard Montgomery, a Revolutionary War officer who was the first soldier killed at the Battle of Quebec in 1775.

The last major Indian raid in Kentucky occurred April 1, 1793, at Morgan's Station east of Mount Sterling when Indians assaulted and burned the fortification and captured or killed 19 women and children.

Famous residents include Confederate Gen. John Bell Hood, a West Point graduate who was wounded at Gettysburg and later lost a leg at Chickamauga; John S. Williams, another confederate general, who was elected to the U.S. Senate in 1879, and Robert Trimble, who at 19 started the area's first school around 1800 and later became an associate justice of the U.S. Supreme Court.

The Church of the Ascension (Episcopal) houses the original pipe organ built in 1858; it is believed to be the first organ to be brought west across the Allegheny Mountains.●

SPOTLIGHT ON BOOKS

● Mr. LIEBERMAN. Mr. President, I would like to bring to your attention a wonderful educational program that was originated in my home State of Connecticut several months ago. Wednesday, April 8, 1992, was "Spotlight on Books" day for schoolchildren in New Haven. This program enabled first graders from 80 classes to pick up $1,500 sets of books for their schools. All the books were donated by Bantam Doubleday Dell.

At a time when we are struggling to improve our educational system, it is gratifying to see local communities developing programs, such as, such as this one, which seek to encourage the most basic educational principles. The ability to read is the fundamental basis of learning. Early efforts such as these, which attempt to spark children's interest in learning and reading at a young age, are our best tool for creating a well educated nation.

Not only do I applaud the efforts of the Spotlight on Books program in New Haven, I challenge other cities and States to use them as a model. I would also like to extend congratulations to my special friend Myrna Baskin, one of the program's directors, whose hard work helped make the program a resounding success.●

USIA SENDS JUDY CARMICHAEL ABROAD

● Mr. D'AMATO. Mr. President, it is with great pleasure that I have this opportunity today to pay tribute to the Judy Carmichael Group and their musical talent. Judy Carmichael and her group have been selected by the Arts America Program of the U.S. Information Agency in cooperation with the National Endowment for the Arts to travel abroad and bring her brand of stride jazz piano music to Eastern Asia.

The Carmichael Group's tour began on May 18 and will continue through June 16, 1992. The tour dates include stops in Hong Kong, Guangzhou, Chongging, Chengdu, Juijiang, Shanghai, Shenyang, Harbin, and Beijing. The tour has been coordinated by USIA staff members at the embassy in each country.

Stride piano music has long been a part of the history of jazz music. Stride is a form of jazz that developed long before pianists had the help of bass, drums, and rhythm guitar. It is a form of traditional jazz that has been practiced by many of the legendary musicians including Count Basie, Duke Ellington, and Theolonius Monk. Judy Carmichael is part of this long tradition, encouraged at a young age by jazz legends like Sarah Vaughan and Count Basie, who nicknamed the young Ms. Carmichael, Stride.

Judy Carmichael began her musical career in a rather unusual way and its story is one that has often been repeated and bears repeating. At the age of 10, she entered a contest between her cousins. The prize: $50 from her grandfather. The competition: be the first grandchild to play Scott Joplin's "Maple Leaf Rag." This experience had two outcomes: The discovery of her many talents and making her $50 richer.

Judy Carmichael has represented the U.S. State Department as a performer throughout India and currently serves as an artistic consultant for the U.S. Information Agency. Her service to and support of our country and its traditional jazz music can be viewed with only the deepest regard.

The other members of the Judy Carmichael Group are Michael Hashim on saxophone and Chris Flory on guitar. Michael Hashim, a native of Geneva, NY, has an extremely impressive list of recordings and collaborators including Cab Calloway, Muddy Waters, Dizzy Gillespie, Widespread Jazz Orchestra, and Skitch Henderson and the New York Pops. His closest mentors include Jimmy Rowles and saxophone legend, Benny Carter. Mr. Hashim's collaboration with Chris Flory has not been a short one. They have been collaborating since the late 1970's. Chris Flory has had a very illustrious career, among his accomplishments include: being a regular member of Benny Goodman's Sextet from 1979 to 1983, and his association with jazz legends as Roy Eldridge and Maxine Sullivan.

The music of the Judy Carmichael Group is inherently American and it is riveting to all who listen. We are very fortunate to have such a gifted and bright musician representing her country so well. And wherever Ms. Carmichael's grandfather may be, I would like to extend my heartfelt thanks for helping start a musical career that has given joy to many Americans and now will do so for people of other countries.●

JAMES D. CHAMPION: SCTA DRIVER OF THE YEAR

● Mr. HOLLINGS. Mr. President, I rise to extend my congratulations to James D. Champion of Infinger Transportation Co. for his selection as South Carolina Trucking Association Driver of the Year. Mr. Champion is aptly named. Perhaps most strikingly, in the course of 23 years of driving rigs, he has logged a phenomenal 2.5 million miles without an accident.

But this relentless attention to safety is just one mark of a superior trucker. Mr. Champion epitomizes the other qualities—discipline, skill, and endurance—that are so essential to his demanding job. During his nearly quarter century on the road, our highways have become far more congested, and drug abuse by car and truck drivers alike has become yet one more roadway danger, but Mr. Champion has adapted and prevailed.

Mr. President, James Champion is a superb professional in every respect. He has earned the highest regard of his colleagues throughout South Carolina—and he has earned my respect as well. My hat is off to Mr. Champion and Infinger Transportation Co. for this superb accomplishment.●

COOLEY'S ANEMIA FOUNDATION MAN OF THE YEAR

● Mr. D'AMATO. Mr. President, I rise today to commend one of my constituents, Salvatore Romano, who is being recognized by the Cooley's Anemia

Foundation as their "Man of the Year, 1992." Mr. Salvatore Romano, principal of Romano/Gatland, has been singled out for his humanitarianism and outstanding support on behalf of the children afflicted with Cooley's anemia, medically known as Thalassemia.

Salvatore Romano is chief executive officer of the food consultant firm of Romano/Gatland. He has designed numerous award-winning food service facilities, and his company is consistently listed in the top ten food service consulting firms in the Nation by major trade publications.

Mr. Romano has been active with the Suffolk Cooley's Anemia Foundation Chapter since 1970. He has helped raise thousands of research dollars for the national "Countdown to a Cure—By the Year 2000" campaign.

Cooley's anemia is a fatal blood disease which frequently strikes children of Mediterranean-American parents. Cooley's anemia is common also among children of Italian and Greek descent, as well as Syrian, Israeli, and other population groups. The foundation has made diligent efforts to improve the lives of thousands of Cooley's anemia sufferers nationwide. It is largely due to great humanitarians such as Salvatore Romano that people are becoming aware of this disease, moneys are being raised, and research is going forward.

The many contributions that Mr. Romano has made to the Cooley's Anemia Foundation are nothing short of inspiring. Despite the many demands of his professional and community involved life, Salvatore holds traditional family values dear and proves to be a devoted husband to wife Bonnie.

Mr. President, I wish to congratulate Romano Salvatore for his many contributions to the great State of New York. I wish him and the Cooley's Anemia Foundation many more successes and relief for all Cooley's sufferers.●

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

WORKPLACE FAIRNESS ACT

The PRESIDING OFFICER. The clerk will report Calendar No. 164, S. 55.

The assistant legislative clerk read as follows:

A bill (S. 55) to amend the National Labor Relations Act to prevent discrimination based on participation in labor disputes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Human Resources, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. PREVENTION OF DISCRIMINATION DURING AND AT THE CONCLUSION OF LABOR DISPUTES.

Section 8(a) of the National Labor Relations Act (29 U.S.C. 158(a)) is amended—

(1) by striking the period at the end of paragraph (5) and inserting "; or"; and

(2) by adding at the end thereof the following new paragraph:

"(6) to promise, to threaten, or take other action—

"(i) to hire a permanent replacement for an employee who—

"(A) at the commencement of a labor dispute was an employee of the employer in a bargaining unit in which a labor organization was the certified or recognized exclusive representative or, on the basis of written authorizations by a majority of the unit employees, was seeking to be so certified or recognized; and

"(B) in connection with that dispute has engaged in concerted activities for the purpose of collective bargaining or other mutual aid or protection through that labor organization; or

"(ii) to withhold or deny any other employment right or privilege to an employee, who meets the criteria of subparagraphs (A) and (B) of clause (i) and who is working for or has unconditionally offered to return to work for the employer, out of a preference for any other individual that is based on the fact that the individual is performing, has performed or has indicated a willingness to perform bargaining unit work for the employer during the labor dispute.".

SEC. 2. PREVENTION OF DISCRIMINATION DURING AND AT THE CONCLUSION OF RAILWAY LABOR DISPUTES.

Paragraph Fourth of section 2 of the Railway Labor Act (45 U.S.C. 152) is amended—

(1) by inserting "(a)" after "Fourth."; and

(2) by adding at the end thereof the following:

"(b) No carrier, or officer or agent of the carrier, shall promise, threaten or take other action—

"(1) to hire a permanent replacement for an employee who—

"(A) at the commencement of a dispute was an employee of the carrier in craft or class in which a labor organization was the designated or authorized representative or, on the basis of written authorizations by a majority of the craft or class, was seeking to be so designated or authorized; and

"(B) in connection with that dispute has exercised the right to join, to organize, to assist in organizing, or to bargain collectively through that labor organization; or

"(2) to withhold or deny any other employment right or privilege to an employee, who meets the criteria of subparagraphs (A) and (B) of paragraph (1) and who is working for or has unconditionally offered to return to work for the carrier, out of a preference for any other individual that is based on the fact that the individual is employed, was employed, or indicated a willingness to be employed during the dispute.".

Mr. MITCHELL. Mr. President, this legislation, S. 55, is controversial and there has been a great deal of discussion among Senators, including Senator DOLE and myself, regarding the process by which the Senate will consider this matter. Originally, we had anticipated that our Republican colleagues would seek to prevent the Senate from proceeding to the bill and that it would be necessary to file cloture on the motion to proceed to the bill to terminate any filibuster, delaying Senate consideration of the bill.

Last week, Senator DOLE advised me that it was not the intention of him and his colleagues to prevent consideration of the bill, and he graciously agreed to permit the Senate to proceed to consideration of the bill, immediately upon disposition of the prior conference report upon which the Senate voted earlier this afternoon.

Senator DOLE also indicated to me, however, in that and subsequent conversations, up to and including just a few moments ago, that because of the controversial nature of the bill and because of the opposition to it by a large majority of our Republican colleagues, that there would be a filibuster to prevent final action on the bill itself, and that it would, therefore, be necessary to file cloture on the bill itself if we hoped to have final action on the bill.

It has been my practice not to file cloture immediately upon the Senate beginning consideration of a bill. I do not think I have ever done it other than by prior discussion and arrangement with all of those involved in the legislation, so as to give Senators who wished to do so the opportunity to offer amendments to the legislation and to permit a full debate and discussion on the legislation.

However, as a result of prior discussions with Senator DOLE, as well as with other supporters and opponents of the bill, I now will file a cloture motion on the bill with the understanding and expectation that any Senator who wishes to do so may, under the rules, file an amendment to the bill by 1 p.m. tomorrow. And so long as that amendment is timely filed prior to 1 p.m. tomorrow, and is germane, that amendment will, of course, be subject to consideration by the Senate following the cloture vote, if cloture is invoked.

If cloture is not invoked, why, then of course the Senate would still be on the bill, and the bill would be open to all amendments.

Under the rules, if the cloture motion is filed this evening, the cloture vote itself would occur 1 hour after the Senate convenes on Thursday. However, both Senator DOLE and I have agreed, in view of the importance of the subject and the large number of Senators who wish to address the matter, that there would be a full day of debate on this measure tomorrow, beginning at approximately 12:30, and continuing for so long as any Senator wishes to speak on the subject. And that on Thursday, there should be time for debate during the day and that the vote should occur sometime during the day. We discussed tentatively late afternoon. We are not going to set that time, but we have agreed to discuss the matter further tomorrow, following consultation with our colleagues on each side of the aisle.

So, Mr. President, I am going to momentarily invite the distinguished Re-

publican leader first to confirm what I have just stated, and to invite any comments he may wish to make or any questions he may have on the subject, and following this colloquy it is my intention, then, to file the cloture motion as previously stated.

Mr. President, I now yield to my distinguished colleague, and invite any comment he may wish to make with respect to the statements I just made or on the subject matter that we are discussing.

Mr. DOLE. Mr. President, the majority leader certainly accurately reflected the discussion of this bill. It seemed to Members on our side that this is an important issue, that we ought to proceed to the bill and have our debate—I prefer "extended debate" rather than the word "filibuster"—but an extended debate on the bill itself. It is a very important piece of legislation to people on both sides of the issue. It seems to me that this is the right way to proceed and I have agreement on my side with my colleagues. Everyone, as far as I know, on this side agrees with that. We are on the bill now.

I think the question I would ask, in the event, as the majority leader indicated, I do not think he ever filed cloture at the time we have taken up a bill—but it is my understanding he wanted to get a cloture vote this week. So if he did not file cloture, say, sometime late tomorrow night and we went out, then the cloture vote would occur on Friday, and there would be a vote on Friday?

Mr. MITCHELL. That is correct.

I believe, Mr. President, if I might, that it would be more convenient for the schedules of more Senators were the vote to occur on Thursday rather than on Friday. I have attempted to organize the schedule in a way that is consistent with the scheduling interests of most Senators. And it has been my judgment, unrelated to this measure but also including this measure, that most Senators would prefer to have the debate occur on Wednesday and Thursday, and a vote on Thursday, rather than having the vote to be on Friday.

Mr. DOLE. Right. And again, I think to underscore, I think the leader indicated to me, in any event, there would be a cloture vote.

On that basis, it seemed to me if we could agree upon a time certain tomorrow, maybe get a consent even now, agreement of the two leaders, we could set the vote so somebody would not object when we come in on Thursday.

But in any event, the majority leader has correctly stated the situation. We are ready to proceed.

CLOTURE MOTION

Mr. MITCHELL. Mr. President, I now send a cloture motion to the desk and ask that it be read.

The PRESIDING OFFICER. Pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on the committee substitute for S. 55, a bill to amend the National Labor Relations Act and the Railway Labor Act to prevent discrimination based on participation in labor disputes:

George Mitchell, Howard M. Metzenbaum, Paul Wellstone, Claiborne Pell, Paul Simon, Alan Cranston, Bill Bradley, Harris Wofford, Daniel P. Moynihan, Tom Daschle, Daniel K. Inouye, Barbara A. Mikulski, John F. Kerry, Al Gore, Carl Levin, Max Baucus.

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. Mr. President, I want to repeat what I said earlier so all Senators are aware of this. Under the rules, any Senator may now file an amendment, prior to 1 p.m. tomorrow. And if that amendment is filed within that time and is germane to the bill, that amendment would then be eligible for consideration following the cloture vote, if cloture is invoked.

Cloture is intended, of course, to limit debate and to limit amendments to those which are germane to the bill. So that any Senator who wishes to file an amendment—I have had several Senators ask me today about the possibility of amendments, and that is the circumstance.

If cloture is not invoked, then of course the bill will be pending before the Senate and open to any amendment which any Senator may wish to offer at that time.

Mr. President, I want to pursue with the distinguished Republican leader his suggestion regarding the setting of a vote, and to permit me to do that, I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. 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—VOTE ON CLOTURE MOTION

Mr. MITCHELL. Mr. President, I ask unanimous consent that, notwithstanding the provisions of rule XXII, the live quorum be waived and that the time for the vote on the cloture motion on S. 55 be set by the majority leader following consultation with the Republican leader, provided that the vote occur on this Thursday.

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

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, Senator DOLE and I have agreed that we will consult before setting the time for the vote on Thursday. For the information of Senators, so they can plan their schedules accordingly, we are now considering a vote sometime around 4 to 5 p.m. on Thursday evening. We will not make a final decision and I will not exercise the authority just given to me by this unanimous-consent agreement until each of us consults with our respective colleagues. We hope to do that during the day tomorrow.

I should state that I earlier noted that under the rules, Senators can file amendments up until 1 p.m. tomorrow. Also under the rule, of course, any Senator can file a second-degree amendment until 1 hour prior to the vote on Thursday. So to fix that time, it will be necessary

Mr. President, for the further information of Senators in preparing their schedules for the next few days, it is now my expectation that the next rollcall vote will be Thursday around 5 or 5 p.m., that is, I do not anticipate at this moment that there will be any rollcall votes on tomorrow or on Thursday prior to the vote on cloture. No one can ever state with certainty that something will or will not occur in the Senate, because of our rules, but that is my expectation. We expect to go to this bill by about noon tomorrow, and any Senator who wishes to speak will be able to do so tomorrow following noon and we will stay in session for as long as necessary tomorrow evening to accommodate any Senator who wishes to address the subject.

ORDERS FOR TOMORROW

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 a.m. on Wednesday, June 10; that following the prayer, the Journal of proceedings be deemed approved to date; that the time for the two leaders be reserved for their use later in the day; that there then be a period for morning business not to extend beyond 12:30 p.m., with Senators permitted to speak therein for up to 5 minutes each with the following Senators recognized for the time limits specified: The first hour of morning business equally divided and controlled between Senators SIMON and THURMOND, the second hour under the control of the majority leader or his designee, the third hour under the control of Senator BYRD, and that Senator JEFFORDS be recognized for up to 20 minutes.

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

RECESS UNTIL 9 A.M. TOMORROW

Mr. MITCHELL. Mr. President, if there is no further business to come be-

fore the Senate today, I ask unanimous consent that the Senate stand in recess, as previously ordered.

There being no objection, the Senate, at 6:48 p.m., recessed until Wednesday, June 10, 1992, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate June 9, 1992:

DEPARTMENT OF STATE

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 GHANA.

DEPARTMENT OF COMMERCE

MARY JO JACOBI, OF MISSISSIPPI, TO BE AN ASSISTANT SECRETARY OF COMMERCE, VICE CRAIG R. HELSING, RESIGNED.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

MARY MOHS, OF WISCONSIN, TO BE A MEMBER OF THE NATIONAL MUSEUM SERVICES BOARD FOR A TERM EXPIRING DECEMBER 6, 1994, VICE MARILYN LOGSDON MENNELLO, TERM EXPIRED.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

J. MICHAEL FARRELL, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE NATIONAL COMMISSION ON LIBRARY AND INFORMATION SCIENCE FOR A TERM EXPIRING JULY 19, 1997. (REAPPOINTMENT)

IN THE NAVY

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be admiral

ADM. JONATHAN T. HOWE, U.S. NAVY [redacted]

IN THE ARMY

THE FOLLOWING NAMED OFFICERS FOR PROMOTION IN THE REGULAR ARMY OF THE UNITED STATES TO THE GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 611(A) AND 624:

To be permanent major general

BRIG. GEN. ROBERT B. ROSENKRANZ [redacted]
BRIG. GEN. LARRY G. LEHOWICZ [redacted]
BRIG. GEN. ROBERT A. GOODBARY [redacted]
BRIG. GEN. ROBERT T. HOWARD [redacted]
BRIG. GEN. OTTO J. GUENTHER [redacted]
BRIG. GEN. PAT M. STEVENS IV [redacted]
BRIG. GEN. MICHAEL S. DAVISON, JR. [redacted]
BRIG. GEN. RICHARD W. TRAGEMANN [redacted]
BRIG. GEN. FRANK L. MILLER, JR. [redacted]
BRIG. GEN. JOSUE ROBLES, JR. [redacted]
BRIG. GEN. JARRETT J. ROBERTSON [redacted]
BRIG. GEN. JOSEPH W. KINZER [redacted]
BRIG. GEN. JOHN S. COWINGS [redacted]
BRIG. GEN. WILLIAM M. STEELE [redacted]
BRIG. GEN. DAVID J. KELLEY [redacted]
BRIG. GEN. THOMAS F. SIKORA [redacted]
BRIG. GEN. FREDRIC H. LEIGH [redacted]
BRIG. GEN. FRANK F. HENDERSON [redacted]
BRIG. GEN. DAVID E. WHITE [redacted]
BRIG. GEN. RAY E. MCCOY [redacted]
BRIG. GEN. KENNETH W. SIMPSON [redacted]
BRIG. GEN. THOMAS H. NEEDHAM [redacted]
BRIG. GEN. JOHN C. THOMPSON [redacted]
BRIG. GEN. RONALD E. ADAMS [redacted]
BRIG. GEN. HARLEY C. DAVIS [redacted]
BRIG. GEN. ROBERT K. GUEST [redacted]
BRIG. GEN. STANLEY G. GENEGA [redacted]
BRIG. GEN. JOHN M. PICKLER [redacted]

CONFIRMATIONS

Executive nominations confirmed by the Senate June 9, 1992:

DEPARTMENT OF AGRICULTURE

DUANE ACKER, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF AGRICULTURE.

DANIEL A. SUMNER, OF NORTH CAROLINA, TO BE AN ASSISTANT SECRETARY OF AGRICULTURE.

DANIEL A. SUMNER, OF NORTH CAROLINA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE COMMODITY CREDIT CORPORATION.

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.

DEPARTMENT OF TRANSPORTATION

ARTHUR J. ROTHKOPF, OF THE DISTRICT OF COLUMBIA, TO BE DEPUTY SECRETARY OF TRANSPORTATION.

THOMAS C. RICHARDS, OF TEXAS, TO BE ADMINISTRATOR OF THE FEDERAL AVIATION ADMINISTRATION.

MICHAEL JAMES TOOHEY, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF TRANSPORTATION.