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Congressional Record

PROCEEDINGS AND DEBATES OF THE 103d CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES—*Tuesday, March 23, 1993*

The House met at 12 noon.

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

We pray, O gracious God, for the bread of life, that food that nourishes our bodies and sustains our souls. May our hearts and hands, our minds and voices be strong in spirit and receive those gifts that give us faith for today, hope for tomorrow and the love that nourishes our unity and respect, one for another. In Your name, we pray. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

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

Mr. MONTGOMERY led the Pledge of Allegiance as follows:

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment a bill, joint resolutions, and a concurrent resolution, of the following titles:

S. 564. An act to establish in the Government Printing Office a means of enhancing electronic public access to a wide range of Federal electronic information;

S.J. Res. 27. Joint resolution providing for the appointment of Hanna Holborn Gray as a citizen regent of the Board of Regents of the Smithsonian Institution;

S.J. Res. 28. Joint resolution to provide for the appointment of Barber B. Conable, Jr., as a citizen regent of the Board of Regents of the Smithsonian Institution;

S.J. Res. 29. Joint resolution providing for the appointment of Wesley Samuel Williams, Jr., as a citizen regent of the Board of Regents of the Smithsonian Institution; and

S. Con. Res. 13. Concurrent resolution permitting the use of the rotunda of the Capitol for a ceremony to commemorate the days of remembrance of victims of the Holocaust.

The message also announced that pursuant to Public Law 101-509, the Chair, on behalf of the Republican leader, announces his reappointment of Dr. Donald McCoy of Kansas, to the Advisory Committee on the Records of Congress.

The message also announced that pursuant to section 1295(b), of title 46, United States Code, as amended by Public Law 101-595, the Chair, on behalf of the Vice President, appoints Mr. GREGG from the Committee on Commerce, Science, and Transportation and Mr. DURENBERGER at large, to the Board of Visitors of the U.S. Merchant Marine Academy.

The message also announced that pursuant to section 194(a), of title 14, United States Code, as amended by Public Law 101-595, the Chair, on behalf of the Vice President, appoints Mr. STEVENS from the Committee on Commerce, Science, and Transportation and Mr. PRESSLER at large, to the Board of Visitors of the U.S. Coast Guard Academy.

REPORT ON RESOLUTION PROVIDING AMOUNTS FOR EXPENSES BY CERTAIN COMMITTEES IN THE FIRST SESSION OF THE 103D CONGRESS

Mr. FROST, from the Committee on House Administration, submitted a privileged report (Rept. No. 103-38) on the resolution (H. Res. 107) providing amounts from the contingent fund of the House for the expenses of investigations and studies by certain committees of the House in the 1st session of the 103d Congress, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING AMOUNTS FOR EXPENSES BY CERTAIN COMMITTEES FROM APRIL 1 THROUGH MAY 31, 1993

Mr. FROST, from the Committee on House Administration, submitted a privileged report (Rept. No. 103-39) providing amounts from the contingent fund of the House for the continuing expenses of investigations and studies by certain committees of the House from April 1, 1993, through May 31, 1993, which was referred to the House Calendar and ordered to be printed.

KENTUCKY BASKETBALL RISES TO THE TOP, 3 TEAMS IN NCAA SWEET 16

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

Mr. MAZZOLI. Mr. Speaker, there are many profound issues facing all of us as American citizens, not the least of which is what will be the outcome of the events in Russia, what happens in Bosnia and Herzegovina, what used to be Yugoslavia, and what will be the fate and outcome of the President's economic program.

But since life is composed of both profound and serious subjects and subjects not so serious, I would like to talk for a moment today about what we fondly call "March Madness" or the NCAA basketball championships.

As a native of the State of Kentucky, which we believe and know now produces the best basketball in the Nation, I would like to inform our colleagues that there are 3 Kentucky teams in the round of 16 which begins competition this coming Thursday: the University of Louisville, which is my law school alma mater—the Cardinals are there—the Western Kentucky Hilltoppers; and the Wildcats of the University of Kentucky. We also have the lady Hilltoppers of Western Kentucky in the NCAA women's tournament.

So I think it is fair to say, Mr. Speaker, that when we in Kentucky

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

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extol basketball and extol the sports that we play well in the Commonwealth, certainly basketball like cream rises to the top, and our teams like cream have risen to the top.

DIET OF FAT

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

Mr. HEFLEY. Mr. Speaker, Bill Clinton says he wants Congress to go on a diet. He says we need to cut the fat and trim the deficit. He is right. None of us would argue about this.

Then he proposes we add $16 billion to the deficit through higher spending.

Mr. Speaker, you don't start a diet by eating a doughnut.

Despite strong signs of economic growth. Bill Clinton is determined to spend our way out of a recession that no longer exists.

First, he requested we extend unemployment benefits for a third time in 1 year. Cost: $44 billion.

Now, he wants to help stimulate an economy—already growing at almost 5 percent mind you—by increasing Federal spending. Cost: $16 billion.

Mr. Speaker, Bill Clinton has just gotten started and already he has increased the deficit by $16 billion.

That is some diet, Bill.

DOD AND RESERVE OFFICERS ASSOCIATION TO HOST INTERALLIED CONFEDERATION OF RESERVE OFFICERS

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

Mr. LAUGHLIN. Mr. Speaker, today I am introducing a concurrent resolution welcoming to Washington, DC, the 46th Congress of the Interallied Confederation of Reserve Officers who will be meeting here from August 1 through August 6, 1993.

This resolution commends the Department of Defense and the Reserve Officers Association for hosting the 46th Congress.

The Interallied Confederation of Reserve Officers brings together the National Reserve Officers Associations of 13 NATO nations and represents more than 800,000 Reserve officers.

The Interallied Confederation of Reserve Officers informs Government and military officials that the Reserve provides a cost-effective, capable force that makes the best use of resources in the face of budget reduction.

I believe that with the philosophy of increased reliance in Reserve forces quickly becoming reality, the Interallied Confederation of Reserve Officers efforts in creating a greater integration of active and Reserve force will be enhanced.

By commemorating this event, I believe it will express to them that this body will make every effort to ensure that their stay here is productive and rewarding.

LET THE SUN SHINE IN

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

Mr. BALLENGER. Mr. Speaker, let the Sun shine on our budget process.

In the shadows of the budget conference report lurks an item that should shock the American people.

The rules of the House allow the Democrats to clandestinely increase the debt limit by adopting a budget conference report.

In other words, as the President publicly speaks of decreasing the deficit, the Democrats privately plan on increasing our debt limit by almost $600 billion.

Mr. Speaker, we need a separate vote on increasing the debt limit. The American people should know about the Democrats' real plan to increase our public debt.

We should also have another vote on the balanced budget amendment to the Constitution before we even think about increasing the debt limit.

We need to control our debt. We should not let our debt control us. Mr. Speaker, let the Sun shine on our budget process. Allow votes on these critical issues.

FRESHMEN MEMBERS MAINTAIN SUPPORT OF PRESIDENT'S CAMPAIGN FINANCE REFORM INITIATIVE

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

Mr. GUTIERREZ. Mr. Speaker, the people spoke for change. They chose over one 100 new Members of Congress. And they chose a new President—an agent of change—who is transforming the way Government works.

I rise today to support the President's pursuit of change in the vital area of campaign finance reform.

I also wish to let the President know of the broad enthusiasm for such change among the people who sent us here.

People hunger to see Congress clean its own House before it handles issues—from health care to handgun control—where the common interest of the whole should not be dominated by the special interests of the powerful few.

I am pleased to be among eight freshmen Members who have written the President to assure him that we are committed to change. Now that we find ourselves in the unfamiliar role of incumbents, we see that campaign finance reform will enable us to do our jobs even better as it will restore the fragile ties between the Congress and the country.

I urge my colleagues to back the President when his package of campaign finance reforms comes before us.

Mr. Speaker, I pledge to lend my voice to the President's pursuit of real campaign finance reform so that all Americans will have a voice in the affairs of their Nation.

A REPORT ON FLORIDA TOWN HALL MEETINGS

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

Mr. GOSS. Mr. Speaker, this past weekend I hosted town meetings in my southwest Florida district. Overwhelmingly, of course the top issue of concern was our national economy—especially how higher taxes, increased deficit spending and vague promises for deficit reduction down the road will translate in people's daily lives. Clintonomics means that an average family's taxes will go up. It means that prices for necessities will go up. It means that the size and scope of the Federal Government will be growing, not shrinking. One gentleman asked rhetorically—"What does the administration think we are?—a bunch of simpletons?"

My constituents are dismayed, disgusted and angry. They know that our debt will increase so that each man, woman, and child will owe $17,000, they know that even after 5 years of grief, the annual budget deficit will be climbing. And they know that we have gone from "no pain, no gain" to "much pain, doubtful gain."

Mr. Speaker, there are no simpletons in my district.

□ 1210

COMMUNITY DEVELOPMENT BLOCK GRANT REFORM NEEDED

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

Mr. BARLOW. Mr. Speaker, last week the House began a historic journey, to restore our Nation to financial health. We are united, Democrats and Republicans, in moving on this very necessary goal, and I for one and the people of western Kentucky hope that the goal can be accomplished in 5 years. Our country made many changes, and we want to prevent the mistakes of the past.

In looking at the past, as a new Member I ask the Republican side to review the break that we made in the Gramm-Latta bill of 1981, the resolution of 1981, where they prevented any further review by the Appropriations Committees of Community Development Block

Grant funds. This has set forth major mischief, and we have got to remedy the situation. I ask them to set forth their part in the mischief they have created here and to help us sort this situation out.

BUDGET REFORM

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

Mr. ALLARD. Mr. Speaker, today I rise to share a few thoughts on the events that occurred last week in this Chamber during budget deliberations. I am appalled that the will of the administration and party leadership takes precedence over the individual Members of Congress elected to serve and represent their constituents.

The floor proceedings for the President's budget resolution was the most partisan and one-sided event that I have seen since coming to Congress. It troubles me that I, as well as many of my colleagues, were not permitted to offer substantive amendments to the budget resolution.

One of my amendments would have removed the highly regressive energy tax from the administration's proposal. The proposed Btu tax could be devastating on the constituents of my district.

I refuse to sit idly by and let these same budget events reoccur in this Chamber without an attempt to change the status quo. The operation of this House needs to be reformed. Our budget process needs to be reformed. And all of the American people need to be assured that their interests will be fairly represented.

JOSEPH HAYNE RAINEY

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

Ms. SCHENK. Mr. Speaker, I rise this morning to commemorate the first African-American Member of the House, Congressman Joseph Hayne Rainey.

Born a slave, Joseph Rainey entered politics after the Civil War. In 1868, he was elected to the State senate of South Carolina and in 1870, to Congress where he served for four terms.

Congressman Rainey was well-liked and respected by his colleagues and became the first African-American to preside over the House as Speaker pro tempore in 1874.

Last Saturday, a park was dedicated to Congressman Rainey in his hometown of Georgetown, SC. I applaud the efforts of my colleague, Congressman JAMES CLYBURN, for his work in establishing this living memorial to Rainey.

Congressman Rainey's descendants have among their ranks the first black judge in Pennsylvania, graduates of Harvard and Yale Universities, an Olympian, and yes, congressional aides, one of whom, Schuyler Twyman, I am proud to say is a member of my staff.

Mr. Speaker, I pay tribute to this great man from our history.

TRACK CRIMINAL ALIENS

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

Mr. SMITH of Texas. Mr. Speaker, today I am introducing legislation requiring aliens who have been convicted of a felony and sentenced to probation or who have been released on parole to register with the Attorney General.

Unfortunately, the number of criminal aliens continues to exceed our ability to detain and deport them. One-quarter of the Nation's Federal prisoners are aliens. The vast majority of these aliens, upon release from prison, are arrested again.

Many criminal aliens who should be deported are not.

We need to know how many criminal aliens we have in our country, and we need to know where they are so we can deport them, as Federal law demands.

This legislation is a part of what I believe should be Congress' continuing effort to crack down on criminal aliens.

ARMY SPYING

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

Mr. LEWIS of Georgia. Mr. Speaker, I was deeply shocked to learn that the U.S. military, for three generations, spied on the family of Dr. Martin Luther King, Jr. It is frightening and eerie to believe that the U.S. Government, through its military intelligence, started spying on Dr. Martin Luther King, Jr., when he was only 18 years old. At that time, in 1947, he was a college student at Morehouse College.

There seemed to be a pervasive belief that Dr. King and those of us in the civil rights movement were being controlled and influenced by some foreign power. We did not need anyone in Moscow, in Germany, or any other country to tell us that segregation was vicious and evil.

This disclosure dramatizes how deeply the disease, the stain, and the scars of racism were embedded in the American society. The use of spying by the U.S. military on private citizens is repugnant and abhorrent to the American system and to the democratic principles in which we believe.

Mr. Speaker, I have asked the chairmen of both Armed Services Committees, Mr. DELLUMS and Mr. NUNN, to call upon the U.S. Department of Defense to make available to the American public a full accounting of the spy campaign against Dr. King and others in the movement.

Mr. Speaker, I call upon our Government to fully disclose the injustice of the spying campaign.

LIBERAL, BIG SPENDING CONGRESS RESPONSIBLE FOR DEFICITS

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

Mr. DUNCAN. Mr. Speaker, a few days ago, the House passed a $6.9 billion authorization bill for the National Institutes of Health. This was a 47-percent increase, $2.2 billion increase, over an NIH bill President Bush vetoed just a few months ago. President Bush vetoed the earlier NIH authorization because it was too huge of an increase over the year before, even at last year's much lower $4.7 billion figure.

In other words, the White House changes hands, and suddenly we are spending billions more for NIH and other agencies.

Talk about lipservice to spending cuts. I have heard many speeches on this floor blaming Presidents Reagan and Bush for our horrendous national debt. Actually it is liberal, big spending Congresses that have gotten us so far in the hole.

The NIH bill passed a few days ago proves this beyond a shadow of a doubt. It is still business as usual around here.

The American people should know that all this talk about cutting spending is a charade, a hoax, a cruel joke on the citizens of this Nation.

RURAL HEALTH CARE NEEDS

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

Mr. STUPAK. Mr. Speaker, in just 6 weeks the administration's Task Force on Healthcare Reform will unveil its recommendations. We have an enormous opportunity to reform our health care system. And with this opportunity comes a responsibility to make certain that all Americans receive quality, affordable health care.

I rise today to ask for my colleagues' support of the rural health care congressional resolution that I will be introducing today.

This resolution expresses the sense of the Congress that the unique needs of rural residents must be addressed in any health care plan passed by Congress.

These unique rural health care needs include:

Providing adequate funding for programs that encourage medical personnel to train and practice in rural areas;

Increasing coordination among transportation programs and for emergency medical services;

Making health care technology more available to rural health-care providers; and

Ensuring that rural health care services are coordinated effectively with existing health systems.

Mr. Speaker, I look forward to working with my colleagues to find solutions to our health care crisis. There can be no higher domestic priority.

□ 1220

OVERREGULATION OF BUSINESS

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

Mr. THOMAS of Wyoming. Mr. Speaker, we are very fortunate in our office to have interns that work with us for a short time. A young man named Kevin Taheri has been with us from the University of Wyoming. He has written a short paper that I want to put in the RECORD. He calls it "Economics 101."

The burden of his paper is that how can we expect small businesses to grow and create jobs when they are overregulated.

I agree with that 100 percent. We are putting together a bill, which I intend to introduce in the next week, which will provide for oversight of regulations.

It does several things. First, it takes a look to see if the regulation is within the spirit of the statute, which is not always the case. Second, it takes a look to see if the regulation has been efficiently applied in terms of dollars of cost not only to the Government but to the business that is regulated.

Finally, it asks, does the result—is the result in keeping with the purpose of the statute. Does the regulation, in fact, do what it is intended to do?

We cannot expect the economy to work well, to create jobs, when it is overregulated, and we need to change that.

Mr. Speaker, I include for the RECORD "Economics 101" to which I referred.

ECONOMICS 101

Mr. Speaker, I would like to share my views on regulation. When talking to businessmen in my State a lot of them seem to say that they started their business 10 years ago and if they had to start it today they couldn't, because there is too much regulation. Wyoming is dependent on small business, and additional regulation by the Federal Government will stall job growth. The first major bill that this House passed was an additional mandate by the Federal Government. The people of my State know what is right for Wyoming, better than Washington does. If this economy is to start growing again, the Government must stop overregulating businesses.

A lesson from the 1980's is the fact that when the staffing levels of Federal regulators fell, the number of private sector jobs rose. If we are going to make meaningful cuts in the deficit in 4 years, it is vital that we cut back on regulation and allow the economy to begin growing again. It's Economics 101. When business is doing badly, there will be more unemployed people, this leads to more money that the Government must pay in unemployment and less people paying taxes. So overregulation leads to less revenue for the Government and more spending, only adding to the deficit. One of the main keys to deficit reduction will be economic growth. If the economy is already struggling, and hoping to recover, it can't afford any more mandates on small business. We should be encouraging new business, not making it harder to start a business.

TRUTH COMMISSION REPORT ON EL SALVADOR

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

Mr. RICHARDSON. Mr. Speaker, in light of the Truth Commission report on El Salvador, President Clinton should appoint an independent blue-ribbon commission to investigate United States policy on the Masote, the killing of the Jesuits and the murder of the American servicemen in that country. What did we know and when did we know it. Was there a coverup.

Mr. Speaker, this is not a partisan issue. Both countries, the United States and El Salvador, should carefully study and implement the recommendations of the Truth Commission report. These are three distinguished Latin American moderates, a former president of Columbia. This is not a left-wing group reporting on what happened in El Salvador.

Mr. Speaker, like many Members of Congress, I supported President Cristiani of El Salvador in the past. Now I am not so sure. I think the verdict will be whether he and his nation implement the Truth Commission report and those guilty of human rights violations are prosecuted.

THE CLOSING OF HOMESTEAD AIR FORCE BASE

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

Mr. DIAZ-BALART. Mr. Speaker, the Secretary of Defense stated that he removed two California bases from the base closure list due to the cumulative economic impact on northern California. I do not question the rationale behind the Secretary's decision to keep the California bases off the list, but I strongly object to the double standard being applied to Homestead Air Force Base. How can the Secretary and the Base Closure Commission justify maintaining the bases in California for economic reasons but yet close Homestead Air Force Base after the worst natural disaster in U.S. history, which has cost south Florida's economy billions of dollars and thousands of jobs?

The base meant nearly 9,000 jobs and the synergy created by the base created thousands of additional jobs, and the base, in effect, was the lifeblood of the entire Homestead economy.

Mr. Speaker, south Florida requests the same consideration provided to the McClellan Air Force Base and Army Presidio in California be given to Homestead Air Force Base, in an area that has certainly suffered a cumulative economic impact.

FOREIGN COMPETITION

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

Mr. LEVIN. Mr. Speaker, I am pleased that foreign manufacturers have finally reached a 20-percent share of the Japanese semiconductor market. And I congratulate the Japanese for their efforts.

I would hope everyone will learn something from this experience—but I'm not so sure.

The Japanese should learn that neither their system nor their quality suffers from open markets.

Some Japanese officials are saying that they fear the semiconductor agreement will set bad precedent.

My own view is that a results-oriented policy is needed when markets are skewed against fair foreign competition.

Our country should also learn a lesson. Back in the 1980's, our Government decided to fight to open the closed Japanese semiconductor market. Targets were set. Our resolve produced results.

We had no such result in auto parts. Targets of any kind were rejected by our administration, and we have suffered for it.

United States market share for auto parts in Japan is 1 percent, and our bilateral trade deficit is $10 billion.

The United States should learn from the difference between auto parts and semiconductors—a difference of 19 percent in market share and tens of thousands of American jobs.

ROMANIA'S UNSALVAGEABLE CHILDREN

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

Mr. POMBO. Mr. Speaker, millions of Americans watched last Friday night as ABC's "20/20" aired a heartbreaking story about Romania's so-called unsalvageable children.

In the finest traditions of America, I believe we must speak for those children who are too weak, sick, and isolated to speak for themselves.

But along with horror there is hope. In recent months, I have followed the courageous caring of John Upton of California, as well as the medical and financial support donated by the Epic Healthcare Group based in Dallas, TX, which has already allowed some of these children to leave Romania and get the medical care they need. But many children remain.

Today, I am proud to introduce a resolution calling on the Government of Romania to allow the most desperate of these children to come to America for the help they so urgently need. At the same time, it calls for the State Department to open the door to let these children in. I would like to thank the Ambassador from Romania for his help on this issue.

I ask all my colleagues to join with me in supporting this resolution as a first step in getting help for these children.

ON RUSSIA AND DEFENSE

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

Mr. SAM JOHNSON of Texas. Mr. Speaker, the situation in Russia is in turmoil, and it ought to remind us that maybe the cold war is not really over.

The President's plan is to cut an additional $112 billion from the defense budget over the next 5 years. That is way above the cuts that the last administration proposed.

These are the facts. Russian missiles are still aimed at the United States. Reductions in Russian troop strength have been minimal. Chemical and biological weapons still exist. There are hot spots all over this world today.

With these facts in mind, Mr. Speaker, I urge the President of the United States to lower his draconian defense cuts. We have got to keep this Nation strong, to preserve freedom, to protect our ideals and to keep our ability to deter aggression second to none.

□ 1230

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

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

Such rollcall votes, if postponed, will be taken tomorrow, Wednesday, March 24, 1993.

ESTABLISHING A NATIONAL COMMISSION TO ENSURE A COMPETITIVE AIRLINE INDUSTRY

Mr. OBERSTAR. Mr. Speaker, I move to suspend the rules and concur in the Senate amendment to the bill (H.R. 904) to amend the Airport and Airway Safety, Capacity, Noise Improvement, and Intermodel Transportation Act of 1992 with respect to the establishment of the National Commission to Ensure a Strong Competitive Airline Industry.

The Clerk read as follows:

Senate amendment:

Strike out all after the enacting clause and insert:

SECTION 1. NATIONAL COMMISSION TO ENSURE A STRONG COMPETITIVE AIRLINE INDUSTRY.

(a) APPOINTMENT OF MEMBERS.—Paragraph (1) of subsection (e) of section 204 of the Airport and Airway Safety, Capacity, Noise Improvement, and Intermodal Transportation Act of 1992 (49 U.S.C. App. 1371 note) is amended to read as follows:

"(1) APPOINTMENT.—The Commission shall be composed of 15 voting members and 11 nonvoting members as follows:

"(A) 5 voting members and 1 nonvoting member appointed by the President.

"(B) 3 voting members and 3 nonvoting members appointed by the Speaker of the House of Representatives.

"(C) 2 voting members and 2 nonvoting members appointed by the minority leader of the House of Reprsesntatives.

"(D) 3 voting members and 3 nonvoting members appointed by the majority leader of the Senate.

"(E) 2 voting members and 2 nonvoting members appointed by the minority leader of the Senate.".

(b) QUALIFICATIONS OF MEMBERS.—Paragraph (2) of subsection (e) of such section is amended to read as follows:

"(2) QUALFICATIONS.—Voting members appointed pursuant to paragraph (1) shall be appointed from among individuals who are experts in aviation economics, finance, international trade, and related disciplines and who can represent airlines, passengers, shippers, airline employees, aircraft manufacturers, general aviation, and the financial community.".

(c) TRAVEL EXPENSES.—Paragraph (5) of subsection (e) of such section is amended by striking "sections 5702 and 5703" and inserting "subchapter I of chapter 57".

(d) CHAIRMAN.—Paragraph (6) of subsection (e) of such section is amended to read as follows:

"(6) CHAIRMAN.—The President, in consultation with the Speaker of the House of Representatives and the majority leader of the Senate, shall designate the Chairman of the Commission from among its voting members.".

(e) COMMISSION PANELS.—

(1) IN GENERAL.—Such section is further amended by inserting after subsection (e) the following new subsection:

"(f) COMMISSION PANELS.—The Chairman shall establish such panels consisting of voting members of the Commission as the Chairman determines appropriate to carry out the functions of the Commission.".

(2) CONFORMING AMENDMENT.—Subsections (f), (g), (h), (i), (j), and (k) of such section are redesignated as subsections (g), (h), (i), (k), (l), and (m), respectively.

(f) STAFF AND OTHER SUPPORT.—Such section is further amended by inserting after subsection (i) (as redesignated by subsection (e)(2) of this section) the following new subsection:

"(j) STAFF AND OTHER SUPPORT.—Upon the request of the Commission or a panel of the Commission, the Secretary of Transportation shall provide the Commission or panel with staff and other support to assist the Commission or panel in carrying out its responsibilities.".

(g) REPORT.—Subsection (l) of such section (as redesignated by subsection (e)(2) of this section) is amended by striking "6 months" and inserting "90 days".

(h) TERMINATION.—Subsection (m) of such section (as redesignated by subsection (e)(2) of this section) is amended—

(1) by striking "180th day" and inserting "30th day"; and

(2) by striking "subsection (j)" and inserting "subsection (l)".

(i) COMMISSION EXPENDITURES.—Such section is further amended by adding at the end the following new subsection:

"(n) COMMISSION EXPENDITURES.—Amounts expended to carry out this section shall not be considered expenses of advisory committees for purposes of section 312 of the Department of Transportation and Related Agencies Appropriations Act, 1993.".

"(j) PREVIOUSLY APPOINTED MEMBERS.—Such section is further amended by adding at the end the following new subsection:

"(o) PREVIOUSLY APPOINTED MEMBERS.—Any appointment made to the Commission before the date of the enactment of this subsection shall not be effective after such date of enactment.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Minnesota [Mr. OBERSTAR] will be recognized for 20 minutes, and the gentleman from Pennsylvania [Mr. CLINGER] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. OBERSTAR].

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

Mr. Speaker, the Subcommittee on Aviation of the Committee on Public Works and Transportation held hearings on the financial condition of the airline industry on February 17, 18, and 24, hearing testimony from some 39 witnesses over a period of those 3 days of very long and very intense and wide-ranging and very thoughtful and thought-provoking testimony.

Earlier, the leadership of the House, the leadership of our committee on both sides, Democrat and Republican, introduced H.R. 904 in a session attended by Secretary of Transportation Peña and Members of the other body to set forth before the Congress and before these hearings the concept of a commission that would more in depth and at greater length review the problems of the airline industry and make some suggestions.

Just before the conclusion of our hearings, the full Committee on Public Works and Transportation took up in markup session and reported H.R. 904, which later on March 2 passed the House by a vote of 367 to 43. The Senate, on March 17, passed H.R. 904 with an amendment, which we take up today.

Essentially, the Senate action added nonvoting members to the Commission. The Commission now will be composed of 15 voting members and 11 nonvoting members. I will not go into how those are distributed, because that will be in the body of the bill which will appear in the CONGRESSIONAL RECORD at this point.

The idea of a commission to look at the problems of the industry in greater depth is one this Committee on Public Works and Transportation and the Subcommittee on Aviation took up last year in the 102d Congress, and included as part of our aviation reauthorization legislation. We thought then that there was a need for an extensive inquiry into the problems of the industry to make thoughtful recommendations, and we think so even more intensely this year.

The Committee acted expeditiously. We made this our first priority at the outset of the 103d Congress on a bipartisan basis. I must say, with great appreciation to my colleague, the gentleman from Pennsylvania [Mr. CLINGER], the ranking Republican on our subcommittee, we joined forces to develop the witness list, to develop the pattern of inquiry, and the issue areas to be covered. The hearing document, Mr. Speaker, I must say has also been printed and will be available for each of the members of this Commission so that they have a starting point of a fund of knowledge and factual information with which to begin their work on the Commission.

We have done our work. We have laid the groundwork. We have prepared the way. We cleared the fields so this Commission can get started early and do its work quickly.

The administration has requested a shorter timeframe. We have provided for that. Instead of 6 months it will be a 3-month timeframe for the Commission to act. We understand the administration plans to divide this Commission, when appointed, into three panels to work concurrently to focus on three major issue areas concurrently, complete their work, report to the President, report to the Congress.

I hope that the net results of this Commission's work will, to be sure, include sound and sensible, workable, practical recommendations for steps that can be taken to improve the financial health of the aviation sector.

I also caution this Commission that it has a principal objective of making recommendations that will stimulate and strengthen competition. It will be of little value to have a strong, financially secure airline industry that consists of two airlines, in which competition takes a back seat or disappears.

This Commission's principal focus is on what needs to be done in the airline passenger-carrying industry. The air freight industry is a major sector of our transportation system as well but, at this time, it is not plagued with the financial and competitive problems in the passenger-carrying side. While I do not think the freight industry should be ignored if the Commission sees an issue that needs to be addressed, the focus here should be on the passenger carriers and their problems.

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

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

Mr. Speaker, I rise in support, strong support, of this bill to create an Aviation Commission. I, like I am sure most Members, tend to be skeptical of establishing yet another commission. Too often the commissions meet and deliberate and come up with reports which get put on the shelf and are never heard from or seen again, and are often not warranted.

However, there is a real difference in this case. We have an industry that is in deep, deep trouble, an industry that desperately needs good minds to concentrate on what those problems are. The reason I think we need this commission is because there is a vast disagreement as to what are the root causes of the crisis that we find ourselves in with the aviation industry.

I think our hope with this Commission is that we will bring together some of the best minds who deal in these areas to sort out the various conflicting arguments, pro and con, and try to determine what are the real causes of this, and come back to the Congress.

I think I can assure the Members that our chairman, the gentleman from Minnesota [Mr. OBERSTAR] is determined to pursue this to see that whatever recommendations are made that need to be implemented through legislation here in the Congress will be implemented. Therefore, this is not a commission whose work is going to be ignored. It is not a commission whose work is going to put aside. We will take action, and hopefully will take action expeditiously, because the problem is not getting better, and in fact it is getting worse. We need to do that promptly.

The bill has been changed since it left this body a couple of weeks ago. We passed it, as the gentleman from Minnesota [Mr. OBERSTAR] stated, on March 2 by a vote of 367 to 43, and the Senate acted on it last week with only one change, not a really substantive change, in terms of the overall mission of the Commission, which is to determine where the ills are and what the cures might be.

The only change the Senate made was to increase the number of nonvoting members from 7 to 11. This will allow both the House majority leader and the House minority leader one additional selection to those that are in the version that we passed out here, and so I would submit it is not a controversial change and should not warrant any resistance over here.

The bill, which does revise the Commission that was called for in our bill last year when we passed the AIP reauthorization bill, but which was never actually established, expands the Commission from 7 to 15 voting members. As I have indicated, it would add 11 nonvoting members who could be Members of Congress. The House minority leader, I would say to my colleagues on this side of the aisle, now controls the appointment of two of the voting members and two of the nonvoting members, so this is, indeed, a truly bipartisan, nonpartisan Commission and has the full support on both sides of the aisle.

The Commission's report is due in 90 days, and that is a very important date, because, as I have indicated, we really do not have the luxury of time to study this in greater depth, because the problems are so enormous. I think also the work that this subcommittee has done under the leadership of the gentleman from Minnesota in the hearings we held earlier this year is going to be very helpful to the Commission as it undertakes its work in hopefully the next few days.

Funding for the Commission would come out of the current DOT budget, so we are not looking at an additional expense. We estimate the cost to be about $750,000, but as I say, that will not require additional funding.

I think the Commission is going to attempt to determine the causes of the airline problems and recommend possible solutions. The area that the Commission should examine, as the gentleman from Minnesota [Mr. OBERSTAR] has indicated, includes a variety of things, because our hearings certainly indicated there is no consensus at the moment. There is no firm view on if there is one single cause or several causes contributing to the dilemma which the airlines find themselves in today, but certainly some of the factors that need to be looked at are the need to reduce the regulatory burden on airlines. The tax burden was cited time and time again as something that was really a crushing burden for them in these difficult times.

□ 1240

The need to expand airport and airway capacity to handle the demand that has built up, and which is frustrated because of the inability of airports to handle some of the traffic. Easing the restrictions on foreign investment, an area I think would be helpful in providing another window for capital to the airlines who are very, very strapped for new capital sources to keep up with the changing technology. Also a suggestion of the need to change bankruptcy laws so that existing bankrupt airlines are not able to really compete unfairly with healthy

airlines. Better access for carriers to foreign markets. Pricing policies of the airlines, and clearly they have been shooting themselves in the foot in many respects by these disastrous price wars that have gone on in recent years where they have been operating their airlines at a loss, even though they have had full flights. And finally, noise problems, which clearly need to be a part of their consideration.

Mr. Speaker, airline losses totaled more than $4 billion last year. This is a situation that we cannot allow to go on. We need to address it and address it rapidly. So I am standing to urge very expeditious consideration of this and that the Commission be established.

Mr. OBERSTAR. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. MINETA], chairman of the full Committee on Public Works and Transportation.

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

Mr. Speaker, as the distinguished chair of our Aviation Subcommittee has explained, this bill, H.R. 904, is the same bill which passed this body on March 2 under suspension of the rules except for one noncontroversial change—adding four more nonvoting Members, two to be appointed by the majority and two by the minority.

What really is the issue today is the need to move expeditiously on this bill and send it to the President, and for that, I wish to thank and commend the work of the chair of the Aviation Subcommittee, Mr. OBERSTAR, and the ranking Republican, Mr. CLINGER.

During the past 3 years, the airline industry has suffered unprecedented losses of $10 billion, more than it has earned in all the rest of its history, and currently about one-fifth of the industry is operating in bankruptcy.

Furthermore, the financial crisis facing the airline industry is now spilling over into the aircraft manufacturing industry and local economies where billion dollar aircraft orders are being cancelled and thousands of jobs are disappearing.

At best, the situation facing the industry is bleak—not how many jobs can we add, but how many can we save.

Mr. Speaker, H.R. 904 carries with it a sense of urgency. If its enactment is the most we can do at this time to address this matter, it is the least we must do.

Accordingly, I urge passage of H.R. 904, as amended.

Mr. CLINGER. Mr. Speaker, I yield such time as she may consume to the gentlewoman from the State of Washington [Ms. DUNN], a very valued member of the committee.

Ms. DUNN. Mr. Speaker, the U.S. commercial airline industry is currently suffering severe financial distress. Recent years have produced sustained record losses, excessive debt burdens, unprecedented numbers of airline bankruptcies and mergers, record cancellation of new aircraft orders, and the demise of such venerated names as Pan Am. If this dire situation is not soon rectified, I believe that the economic viability of our airlines and our entire aerospace manufacturing industry will be in serious jeopardy.

First, I wish to thank Chairman MINETA, Aviation Subcommittee Chairman OBERSTAR, Public Works ranking member, Congressman SHUSTER, and the ranking member of the Aviation Subcommittee, Congressman CLINGER. Without their strong and decisive leadership, this blue ribbon commission, whose creation is vital to the continued viability of our domestic airline industry, would never have seen the light of day.

Today, I have introduced the "Aviation Enhancement Act" and I hope that the Commission will give strong consideration to my bill.

H.R. 904

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Aviation Enhancement Act of 1993".

SEC. 2. FINDINGS.

Congress finds and declares that—

(1) the United States commercial airline industry is currently suffering severe financial distress;

(2) sustained record losses and excessive debt burdens are causing air carriers to cancel new aircraft options and orders, thereby threatening the economic viability of the United States aerospace manufacturing industry;

(3) although most air carriers would benefit from acquiring new generation, quieter, more fuel-efficient aircraft, there is already more capacity than demand for seats, resulting in downsizing, not expansion, of fleets;

(4) many air carriers are increasingly unable to obtain financing at reasonable interest rates for purchasing new equipment;

(5) the inability of many air carriers to acquire new, quieter Stage 3 aircraft may jeopardize the planned phase out of noisier Stage 2 aircraft;

(6) States and local communities, the traveling public, airline employees, and airline shareholders would all benefit from stronger, healthier air carriers operating modern, fuel efficient, quieter aircraft;

(7) as the owner and operator of the Nation's air traffic control system, the Federal Government is a partner of the commercial aviation industry and must do its part to strengthen the air carrier and aerospace industries;

(8) it is estimated that the Airport and Airway Trust Fund will contain an unobligated surplus in excess of $4,300,000,000 on October 1, 1993;

(9) a prudent shift of the investment of the Airport and Airway Trust Fund surplus into modernization of the commercial aviation industry's fleet can provide vitally needed economic stimulus for carriers and manufacturers and will ensure that both industries remain competitive into the next century; and

(10) the Airport and Airway Trust Fund surplus should, therefore, be made available to guarantee loans for the acquisition of new aircraft if such acquisition will assure the phasing out of less fuel efficient and noisier or older aircraft at the same time.

SEC. 3. LOAN GUARANTEES FOR ACQUISITION OF STAGE 3 AIRCRAFT.

(a) IN GENERAL.—Title XI of the Federal Aviation Act of 1958 (49 U.S.C. App. 1501–1518) is amended by adding at the end the following new section:

"SEC. 1119. LOAN GUARANTEES FOR ACQUISITION OF STAGE 3 AIRCRAFT.

"(a) IN GENERAL.—The Secretary is authorized, subject to appropriations Acts, to guarantee any lender against loss of principal or interest on any loan made to an eligible air carrier for the purpose of financing the acquisition of new Stage 3 aircraft.

"(b) TERMS AND CONDITIONS.—A loan may be guaranteed by the Secretary under this section only if the loan is made subject to the following terms and conditions:

"(1) TERM.—The term of the loan does not exceed 20 years.

"(2) RATE OF INTEREST.—The loan bears interest at a rate which is less than the maximum rate for such loans determined by the Secretary. The maximum rate for such loans may not be less than the current average market yield on outstanding obligations of the United States with remaining periods to maturity comparable to the maturity of the loan.

"(3) PREPAYMENT.—There is no penalty for prepayment of the amount of the loan.

"(4) USE OF LOAN AMOUNTS.—The loan will be used only for the acquisition of Stage 3 aircraft which—

"(A) are manufactured in the United States; and

"(B) will be delivered to the borrower not later than 3 years after the date on which amounts are appropriated to carry out this section.

"(c) DOMESTIC MANUFACTURE.—For the purposes of subsection (b)(4), an aircraft shall be considered to have been manufactured in the United States only if 50 percent or more of the parts of the aircraft, by value, are manufactured in the United States.

"(d) RETIREMENT OF AGING AND STAGE 2 AIRCRAFT.—The Secretary may guarantee a loan under this section to an air carrier which owns or operates aging aircraft or Stage 2 aircraft only if the carrier agrees that, upon delivery of the aircraft being acquired with amounts of the loan, the air carrier will—

"(1) retire from service Stage 2 aircraft or aging aircraft containing a number of seats which equals or exceeds 200 percent of the number of seats contained in the aircraft being acquired; or

"(2) retire from service all of the air carrier's remaining Stage 2 aircraft and aging aircraft.

"(e) DEFAULT.—The Secretary may guarantee a loan under this section only if the air carrier applying for the loan agrees that, in the event of a default, the air carrier will transfer to the Department of Transportation title to all equipment acquired with the proceeds of the loan.

"(f) DISTRIBUTION OF LOAN GUARANTEES.

"(1) DETERMINATION OF AVAILABLE SEAT MILES.—Not later than 30 days after the date on which amounts are appropriated to carry out this section, the Secretary shall determine the percentage of available seat miles attributed, for the most recent 12-month period for which such data is available, to each eligible air carrier certificated on or before October 1, 1992.

"(2) ALLOCATION.—

"(A) CARRIERS CERTIFICATED ON OR BEFORE OCTOBER 1, 1992.—An amount equal to 95 percent of the funds appropriated to carry out this section shall be available for guaranteeing loans to eligible air carriers certificated on or before October 1, 1992, and shall be allocated among such carriers based on the percentage of available seat miles attributed to each such carriers under paragraph (1).

"(B) OTHER CARRIERS.—An amount equal to 5 percent of the funds appropriated to carry out this section shall be available for guaranteeing loans to eligible air carriers certificated after October 1, 1992, and shall be allocated among such carriers based on a fair and equitable formula to be established by the Secretary.

"(C) TRANSFER OF ALLOCATIONS.—An eligible air carrier may transfer to other eligible air carriers all or part of the amount of loan guarantees allocated to such carrier under this paragraph.

"(g) ENFORCEMENT.—

"(1) IN GENERAL.—The Secretary is authorized to take such actions as may be appropriate to enforce any right accruing to the United States, or any officer or agency thereof, as a result of the commitment or issuance of a loan guarantee under this section.

"(2) COLLATERAL.—All loan guarantees under this section shall be secured by the equipment being financed and any other assets necessary to provide sufficient collateral.

"(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated out of the Airport and Airway Trust Fund to carry out this section $4,300,000,000 for fiscal years beginning after September 30, 1993.

"(i) DEFINITIONS.—For the purposes of this section, the following definitions apply:

"(1) AGING AIRCRAFT.—The term 'aging aircraft' means an aircraft which has been in service for at least 15 years.

"(2) ELIGIBLE AIR CARRIER.—The term 'eligible air carrier' means an air carrier which has been issued an operating certificate under part 121 of title 14, Code of Federal Regulations.

"(3) STAGE 2 AIRCRAFT.—The term 'Stage 2 aircraft' means an aircraft which complies with Stage 2 noise levels under part 36 of title 14, Code of Federal Regulations, as in effect on the date of the enactment of this section.

"(4) STAGE 3 AIRCRAFT.—The term 'Stage 3 aircraft' means an aircraft which complies with Stage 3 noise levels under part 36 of title 14, Code of Federal Regulations, as in effect on the date of the enactment of this section.

"(5) SECRETARY.—The term 'Secretary' means the Secretary of Transportation.".

(b) CONFORMING AMENDMENT TO TABLE OF CONTENTS.—The table of contents contained in the first section of the Federal Aviation Act of 1958 is amended by adding at the end of the matter relating to title XI of such Act the following:

"Sec. 1119. Loan guarantees for acquisition of Stage 3 aircraft.

"(a) In general.

"(b) Terms and conditions.

"(c) Domestic manufacture.

"(d) Retirement of aging and Stage 2 aircraft.

"(e) Default.

"(f) Distribution of loan guarantees.

"(g) Enforcement.

"(h) Authorization of appropriations.

"(i) Definitions.".

The Aviation Enhancement Act will provide loan guarantees to airlines for the purchase of new, quiet, fuel efficient, stage three aircraft as mandated by the Federal Government. By the end of this decade, Department of Transportation regulations mandate that all airlines will have completed the transition to these new, quiet, fuel efficient and—expensive airplanes. With our domestic airlines facing great financial turmoil, it is becoming increasingly difficult for our air carriers to obtain financing at reasonable rates.

Mr. Speaker, a prudent investment of the aviation trust fund surplus into the modernization of the commercial aviation fleet can provide a vitally needed economic stimulus for carriers and manufacturers and will insure that both remain competitive into the next century.

Mr. OBERSTAR. Mr. Speaker, I yield 2 minutes to the gentlewoman from Washington [Ms. CANTWELL], a very diligent and hardworking member of our Subcommittee on Aviation.

Ms. CANTWELL. Mr. Speaker, today we are completing legislative action on a bill vital to my constituents and thousands of people across the country. H.R. 904 establishes a national commission to focus on the dire problems facing the domestic airline and aircraft manufacturing industries.

First, I want to commend Chairman MINETA, Chairman OBERSTAR, Congressman SHUSTER and Congressman CLINGER for the bipartisan cooperation and leadership that pushed this bill through the House in early days of this session. I hope that this legislation is an example of the days to come, when Congress and the administration put partisan differences aside, and work together to expeditiously address the needs of America.

Last month the Boeing Co. announced that due to the financial difficulties of the airline industry, they will reduce production on all aircraft models and consequently Boeing will layoff 28,000 employees nationwide, with 20,000 of those laid off from the Puget Sound region.

The impact to the 1st District of Washington is real. The aviation industry is one place where the United States has a competitive edge. Boeing is the largest exporter in this country and leads the world in commercial aircraft manufacturing. We must keep that competitive edge.

While I am convinced that the single most important thing we can do for the industry is to get our economy back on track the creation of this commission comes at a critical juncture and should investigate in great detail the options available to build new partnerships between public and private sector that will enhance our ability to compete in the international marketplace.

Mr. Speaker, this is not just another study that will stretch on indefinitely—the bill before us today directs the commission to thoroughly look at the industry and make recommendations in 90 days.

I urge all my colleagues to support H.R. 904, as amended so that we can begin immediately to ensure the continued viability of our airlines and our aircraft manufacturers.

Mr. OBERSTAR. Mr. Speaker, I yield 1 minute to the gentleman from Kansas [Mr. GLICKMAN].

Mr. GLICKMAN. Mr. Speaker, I strongly support this legislation.

The community that I represent, Wichita, KS, is the home of perhaps more airplane manufacturing than perhaps any other place in the world. Half the airplanes in the world flying today were made in Wichita, KS.

□ 1250

We are also a very large Boeing facility, and, in fact, the percentage of Boeing layoffs are greater in Wichita than they even are in Seattle, which has the largest Boeing facility. The reason for that is we are not manufacturing as many commercial airplanes, and, of course, we have had great difficulty in the general aviation industry which is headquartered in Wichita Beach with Cessna and Learjet.

We also have grave difficulties in the commercial aviation industry, and my community of Wichita has been hit particularly hard.

This commission will look at long-range systemic solutions to try to buttress the greatest industry, I think, in America today, and that is the production of civil aircraft.

The greatest contributor to our balance of payments over the last few years, besides agriculture, has been in civil aircraft, civil aviation, and we must have a strong industry, which means we must have strong airlines.

This bill will help us push ourselves toward that goal. I commend the chairman, the gentleman from Minnesota [Mr. OBERSTAR], for this legislation.

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

Mr. Speaker, I would just again urge support for this legislation. It is important, and it is important that the commission be established and started soon on its work.

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

Mr. OBERSTAR. Mr. Speaker, I yield myself such time as a I may consume. Mr. Speaker, I want to again express my very great appreciation to the chairman, the gentleman from California [Mr. MINETA], for his strong support at the outset of the session, for the work of our subcommittee for setting the agenda so early to begin our work as we have done on the financial condition of the airline industry and on other very important aviation matters, and to my colleague, the gentleman

from Pennsylvania [Mr. CLINGER], with whom I begin the 11th year of working together in a similar capacity on economic development, the Investigations Oversight Subcommittee, and now on Aviation, and with whom it is such a great pleasure to work, for his ever thoughtful and insightful contributions to the work of the committee and for his patience in enduring the long hours of hearings that we mutually set up.

Mr. Speaker, finally, in this document, the hearings record of the Subcommittee on Aviation and on the financial condition of the airline industry, is the starting point for the work of this commission. The commissioners will do well, and we will send each one of them, when appointed, a copy of this document and the committee report on the commission bill so that they will have before them this true compendium of information about the problems of the industry and the various solid recommendations for action to improve the condition of the airline industry.

Aviation is a $600 billion sector of our national economy, 10 percent of our GDP. We can do no less than give it our best effort to recommend positive and thoughtful and constructive steps to keep aviation strong and thriving and competitive in the domestic and world economy.

Mrs. MEYERS of Kansas. Mr. Speaker, I rise in support of H.R. 904, a bill which will create a Commission to help renew competitiveness in our airline industry. While the main focus of the Commission's work will be aiding the major carriers, I hope the Commission will heed the concerns of the many small businesses in the airline industry as well.

Hundreds of small businesses, and thousands of jobs, depend on a healthy airline industry for their survival. These companies produce parts, supply goods and services, and perform much of the support functions of the aviation industry. In addition, there are small airlines all across the country serving the smaller cities and less conspicuous routes. Generally, these smaller airlines are doing well and I believe the commission would do well to take a few pages from their book.

Mr. Speaker, small businesses have increasingly cried out for less Government intrusion and more respect for their ability to perform and create jobs. The airline and aviation industries are no exception. I receive complaints regularly about the onerous burdens placed on small businesses in the aviation support, repair, and parts businesses. These small businesses are being driven out of the market by excessive Government regulations. If a small business fails, the competition for the services they provide is gone, which results in higher costs for the financially strapped carriers.

Compounding this problem, Mr. Speaker, is the President's proposed Btu tax. This will be crippling to the aviation industry, not only for the carriers, but all the small businesses who serve them, and, in particular, the general aviation industry in America. Already decimated by regulations and litigation, the general aviation industry may not survive such an assault.

Mr. Speaker, I am glad this Commission is being formed and charged with the task of presenting a report to Congress in 90 days. I urge them to remember not only the workers at United and Boeing, but also the thousands of men and women employed by small carriers and small businesses whose livelihoods depend on a healthy and competitive airline industry.

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

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from Minnesota [Mr. OBERSTAR] that the House suspend the rules and concur in the Senate amendment to the bill, H.R. 904.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendment was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. OBERSTAR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 904, on which the Senate amendment was just concurred in.

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

There was no objection.

APPOINTMENT OF BARBER B. CONABLE, JR., AS A CITIZEN REGENT OF THE BOARD OF REGENTS OF THE SMITHSONIAN INSTITUTION

Mr. CLAY. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 102) providing for the appointment of Barber B. Conable, Jr. as a citizen regent of the Board of Regents of the Smithsonian Institution, as amended.

The Clerk read as follows:

H.J. RES. 102

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with section 5581 of the Revised Statutes of the United States (20 U.S.C. 43), the vacancy on the Board of Regents of the Smithsonian Institution, in the class other than Members of Congress, occurring by reason of the expiration of the term of Barnabas McHenry of New York on July 21, 1991, is filled by the appointment of Barber B. Conable, Jr. of New York. The appointment is for a term of 6 years and shall take effect on the date on which this joint resolution becomes law.

The SPEAKER pro tempore. The gentleman from Missouri [Mr. CLAY] will be recognized for 20 minutes, and the gentleman from California [Mr. THOMAS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Missouri [Mr. CLAY].

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

Mr. Speaker, I rise in support of House Joint Resolution 102, as amended.

As our Nation's museum, the Smithsonian Institution is the world's largest museum complex with 20 major facilities, including the world famous Air and Space Museum, the National Museum of Natural History, the National Museum of African Art, and the National Museum of American History.

Congress has vested the responsibility to administer the Smithsonian in the Smithsonian Board of Regents, which is composed of the Chief Justice, the Vice President, three members of the Senate, three members of the House, and nine citizen regents. The regents receive no salary for their services to the board and are appointed to a term of 6 years.

House Joint Resolution 102, as amended, provides for the appointment of Barber B. Conable, Jr., to fill the vacancy of Barnabas McHenry as a citizen regent of the Board of Regents of the Smithsonian Institution.

Mr. Conable served as a member of the House of Representatives from 1965 to 1985. In August 1991, Mr. Conable retired from a 5-year term as president of the World Bank Group, headquartered in Washington, DC.

Mr. Conable has chaired the Smithsonian National Museum of American Indians' Development Committee since October 1990.

The amendment to this legislation is technical in nature, and merely specifies the name of the recent being succeeded, who he is being succeeded by, and the approximate date for the start of Mr. Conable's term.

Mr. Conable has complied with all the guidelines set by the committee to receive its approval, and therefore I urge my colleagues to support and adopt House Joint Resolution 102, as amended.

Mr Speaker, I reserve the balance of my time.

Mr. THOMAS of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is my pleasure to rise today in support of House Joint Resolution 102 naming Barber Conable, Jr., to the regents of the board of the Smithsonian.

Mr. Speaker, I got to know Barber quite well as a Member of Congress and had the absolute pleasure of serving under him on my first term on the Committee on Ways and Means and watching and admiring the work Barber did as the ranking member. But probably under this context far more meaningful are the times I spent in his office over on the second floor of the Cannon Building looking at the American Indian artifacts that he had in his office, but, more importantly, listening to the wealth of knowledge that this

man possessed about American Indians, not just in the region from whence he came but across the United States.

Of course, Barber then left and went on to become president of the World Bank, and now in retirement, I cannot think of a better way to utilize the many talents of this individual, not just from his knowledge but his untiring efforts working with and for people as a regent of the Smithsonian.

I am very, very pleased to stand and support House Joint Resolution 102.

Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. GILMAN].

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

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

Mr. Speaker, it is indeed an honor and a privilege to rise in support of our former colleague, a gentleman who made us all proud to be Members of Congress, the gentleman from New York, the Honorable Barber Conable.

Throughout his 20 years of service to this Chamber, Barber Conable personified the meaning of the phrase public servant in the most complimentary sense of the word. He was the kind of individual that we all looked up to and came to depend upon for sage advice, wise counsel, and distinguished leadership.

Barber Benjamin Conable, Jr., was born in Warsaw, Wyoming County, NY, in 1922. A graduate of Cornell University, Barber was a distinguished and courageous member of the Marine Corps during World War II, having participated in the assault on Iwo Jima and having served as a part of the U.S. occupation forces in Japan. Upon his discharge, Barber attended Cornell Law School, graduating with honors and opening a highly successful law practice in Buffalo, NY. Barber's law career was shortly thereafter cut short when he was recalled to active duty in the Korean conflict. Barber left the service at the end of that war with the rank of Colonel, and remained a member of the Marine Corps Reserve.

Barber then established a second successful law practice, this time in Batavia, NY. His skill and expertise in the courtroom became so renowned, as did his many charitable and community service activities, that Barber was elected to the New York State Senate in 1962.

In Albany, Barber so successfully demonstrated his skill as a legislator that, in 1964, a disastrous year for the Republican Party, Barber was one of the very few Republicans in the Nation elected as a freshman to the 89th Congress.

Throughout his 20 years in the House, Barber Conable became a beloved and valued friend to all of us on both sides of the aisle. Time magazine spotlighted him as the legislator's legislator, and the entire Nation came to know and appreciate the quiet brand of leadership Congressman Barber Conable came to personify.

In 1984, to the regret of all of us, Barber chose to voluntarily retire from his Congressional seat. There is no doubt that the people in his Congressional District in upstate New York would have continued to return him to Congress over and over, but Barber felt 20 years was enough. He left us to seek other challenges.

Soon thereafter, he was appointed president of the World Bank, a position he held with distinction and with honor.

I am pleased to convey my strong endorsement of Barber Conable to the position of Board of Directors of the Smithsonian Institution. There is no other individual in the Nation who would bring such distinction and such honor to this prestigious institution. Barber Conable is a true American patriot who makes us all proud of him. He will be a credit to the Smithsonian Regents, as he has been a credit to every position he has ever filled.

Mr. THOMAS of California. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. HOUGHTON].

□ 1300

Mr. HOUGHTON. Mr. Speaker, I am usually very impatient with the rule restrictions, the time restrictions in this House; but I am grateful for them today because I could talk for an hour about Barber Conable. But I will try to take only a minute.

I really think that I stand to endorse this great man as a citizen regent of the Smithsonian Institution for three reasons: First of all, he has always been a citizen legislator. So I think the whole concept of being a citizen regent is entirely in keeping with not only his character but also his abilities.

Second, I do not know anybody, maybe other people in this Chamber do, who has been more interested over the years in the historical traces of this country.

Third, he is a superb person. I do not think anybody really is going to argue with that.

I always remember somebody saying at one time or another, "this individual was a wonderful human." I say that about Barber Conable. He is a wonderful human. I think it is great that he has been given this opportunity to once again serve his country.

Mr. THOMAS of California. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. CLINGER].

Mr. CLINGER. I thank the gentleman from California for yielding this time to me.

I certainly rise in very strong support of this designation of Barber Conable, our former colleague, the citizen regent of the Smithsonian.

If we ever have another renaissance, I think Barber Conable would be the quintessential of the modern man; he is the modern-day Medici, if there is such a thing.

He has had such eclectic interests and has been a towering figure in this body and in every body in which he served.

When he was here as ranking member of the Committee on Ways and Means, he was an expert in budgetary matters, and was a towering figure in bringing the Republican perspective to the debates.

Clearly, he has been a leader in fashioning strategies, particularly in the Third World countries, in his role as an outstanding president of the World Bank.

He has been a scholar of Indian affairs, particularly with concentration on the League of Six Nations. As my colleague from California said, he could sit at Barber's knee and learn so much about the history of this country from the Indian perspective.

Barber Conable is a towering figure in our time.

The only other thing I would cite is that as a member of the House Wednesday Group, he served so many years, and he is the only person I know who can recite the entire "Shooting of Dan McGrew" from start to finish without a misstep.

This is truly a man of enormous talent and deserves this designation with our strongest blessing.

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

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. MINETA], a member of the Board of Regents of the Smithsonian.

Mr. MINETA. I thank the very distinguished Chair for yielding this time to me.

Mr. Speaker, as a member of the Board of Regents of the Smithsonian Institution. I am very pleased to be able to rise in support of these resolutions, House Joint Resolutions 102, 104, and 105, to appoint three very fine individuals as Regents of the Smithsonian.

On behalf of myself and my very good friends and fellow Regents in the House of Representatives, the distinguished gentleman from Kentucky, Mr. NATCHER, and the distinguished gentleman from Pennsylvania, Mr. MCDADE, I would like to thank the distinguished Chair of the Subcommittee on Libraries and Memorials, Mr. CLAY, and the distinguished ranking member from that subcommittee, Mr. THOMAS, for their leadership and support on these resolutions and on the many other Smithsonian programs for which they have had such a positive impact.

The three men and women that are being appointed are truly outstanding

individuals, and will be important additions to the Smithsonian's Board of Regents.

The Honorable Barber A. Conable, Jr., is well known as the former President of the World Bank and a former colleague of ours in the House of Representatives. Among his many endeavors, he has been a trustee of the National Museum of the American Indian.

Wesley Williams is a distinguished partner in the law firm of Covington & Burling, and has had a long career of legal, public, and community service here in Washington, DC, including serving as an adjunct professor of law at Georgetown University.

Hanna Holburn Gray is currently the president of the University of Chicago, and has had a distinguished academic career that has included professorships at such fine institutions as Harvard University, Northwestern University, Yale University, Chicago University, and, most importantly, my own alma mater, the University of California at Berkeley.

Again, on behalf of my fellow Regents, I rise in strong support of these resolutions and urge their immediate passage.

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

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from Missouri [Mr. CLAY] that the House suspend the rules and pass the joint resolution (H.J. Res. 102) as amended.

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

The title of the joint resolution was amended so as to read: "Joint resolution providing for the appointment of Barber B. Conable, Jr. as a citizen regent of the Board of Regents of the Smithsonian Institution.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CLAY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the House Joint Resolution 102, the joint resolution just passed.

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

There was no objection.

APPOINTMENT OF WESLEY S. WILLIAMS, JR., AS A CITIZEN REGENT OF THE SMITHSONIAN INSTITUTION

Mr. CLAY. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 104) providing for the appointment of Wesley S. Williams, Jr. as a citizen regent of the Smithsonian Institution, as amended.

The Clerk read as follows:

H.J. RES. 104

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with section 5581 of the Revised Statutes of the United States (20 U.S.C. 43), the vacancy on the Board of Regents of the Smithsonian Institution, in the class other than Members of Congress, occurring by reason of the expiration of the term of David C. Acheson of the District of Columbia on December 21, 1992, is filled by the appointment of Wesley S. Williams, Jr. of the District of Columbia. The appointment is for a term of 6 years and shall take effect on the date on which this joint resolution becomes law.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Missouri [Mr. CLAY] will be recognized for 20 minutes, and the gentleman from California [Mr. THOMAS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Missouri [Mr. CLAY].

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

Mr. Speaker, I rise in support of House Joint Resolution 104, as amended.

House Joint Resolution 104, as amended, provides for the appointment of Wesley S. Williams, Jr. to fill the vacancy of David C. Acheson as a citizen regent of the Board of Regents of the Smithsonian Institution.

Mr. Williams is a distinguished attorney and partner in the law firm of Covington & Burlington. He resides in the Washington metropolitan area and serves on the boards of a number of civic and community organizations.

The amendment to this legislation is technical in nature, and merely specifies the name of the regent being succeeded, who he is being succeeded by, and the approximate date for the start of Mr. Williams' term.

Mr. Williams has complied with all the guidelines set by the committee to receive its approval, and therefore I urge my colleagues to support and adopt House Joint Resolution 104, as amended.

Mr. THOMAS of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is my pleasure to rise in support of House Joint Resolution 104. I do not know Wesley Williams well. It has been my pleasure to spend some time with him.

Mr. Speaker, he is a local product, and although he has had a distinguished career, currently working in the law firm of Covington & Burling, here in Washington, DC, he has contributed his time and talents over and over again to both the local government sector and to the private sector.

But what I found most rewarding about the time that I spent with Mr. Williams was the fact that those of us who are not from Washington know and appreciate the Smithsonian Institution as a national treasure but he allowed me to better understand and appreciate what a local resource it is because he conveyed to me the many hours he spent, with his hand in his mother's, being conveyed up and down the Mall as he grew up.

It is indeed a pleasure to stand and ask this House to endorse Wesley Williams, someone who grew up with the Smithsonian, to be one of its regents.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentlewoman, the delegate from the District of Columbia [Ms. NORTON].

Ms. NORTON. I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise in strong support of House Joint Resolution 104. It is a special pleasure to speak up for the appointment of Wesley Williams as a citizen regent of the Smithsonian Institution. He is not only one of Washington's most distinguished lawyers, he is a gentleman of culture, learning and conviction.

He happens, also, to be an African-American and, I am proud to say, a resident of my district who has contributed much to this city.

He will bring what often seems a boundless energy and keen intelligence for the benefit of the Smithsonian Institution. It is best said in his own words, and I quote him: "I bring, rather, specifically a half-century of active appreciation of the Smithsonian Institution, which has been my neighbor and my friend throughout the years of my formation. Accordingly, I also come with a sense of obligation to serve the Institution as it has so well served me."

□ 1310

I strongly urge the appointment of Mr. Williams as one which will bring credit to the Institution.

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

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

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from Missouri [Mr. CLAY] that the House suspend the rules and pass the joint resolution (H.J. Res. 104) as amended.

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

The title of the joint resolution was amended so as to read: "Joint resolution providing for the appointment of Wesley S. Williams, Jr., as a citizen regent of the Board of Regents of the Smithsonian Institution.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CLAY. Mr. Speaker, I ask unanimous consent that all Members may

have 5 legislative days within which to revise and extend their remarks, and include therein extraneous material on House Joint Resolution 104, as amended, the joint resolution just passed.

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

There was no objection.

APPOINTMENT OF HANNA HOLBURN GRAY AS A CITIZEN REGENT OF THE SMITHSONIAN INSTITUTION

Mr. CLAY. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 105) providing for the appointment of Hanna Holburn Gray as a citizen regent of the Smithsonian Institution, as amended.

The Clerk read as follows:

H.J. RES. 105

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with section 5581 of the Revised Statutes of the United States (20 U.S.C. 43), the vacancy on the Board of Regents of the Smithsonian Institution, in the class other than Members of Congress, occurring by reason of the expiration of the term of William G. Bowen of New Jersey on March 12, 1992, is filled by the appointment of Hanna Holburn Gray of Illinois. The appointment is for a term of 6 years and shall take effect on the date on which this joint resolution becomes law.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Missouri [Mr. CLAY] will be recognized for 20 minutes, and the gentleman from California [Mr. THOMAS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Missouri [Mr. CLAY].

Mr. CLAY. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, I rise in support of House Joint Resolution 105, as amended.

House Joint Resolution 105, as amended, provides for the appointment of Hanna Holborn Gray to fill the vacancy of William G. Bowen as a citizen regent of the Board of Regents of the Smithsonian Institution.

Ms. Gray is the president of the University of Chicago, and a distinguished historian. It is the committee's sense that she will prove to be an asset to the Smithsonian in fulfilling their mission and mandate.

The amendment to this legislation is technical in nature and merely specifies the name of the regent being succeeded, who he is being succeeded by, and the approximate date for the start of Ms. Gray's term.

Ms. Gray has complied with all the guidelines set by the committee to receive its approval, and therefore I urge my colleagues to support and adopt House Joint Resolution 105, as amended.

Mr. THOMAS of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Joint Resolution 105 naming Dr. Gray as a member of the Board of the Regents of the Smithsonian Institution.

She clearly has a depth and breadth in terms of an understanding of this country, perhaps uniquely so as a citizen regent, which she will soon be.

She is 1 of the 12 foreign-born Americans to receive the Medal of Liberty from President Reagan in 1986.

She was not born in this country. I think it is wholly fitting that someone of foreign birth be named as a citizen regent to an institution that was created and endowed by another of foreign birth.

This Nation is in fact made up of those who have come to our shores, and so I am very pleased to support and endorse House Joint Resolution 105, naming someone who was not born in this country to oversee a unique American institution initially founded by another of foreign birth as well.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona [Mr. COPPERSMITH].

Mr. COPPERSMITH. Mr. Speaker, I thank the chairman, the gentleman from Missouri [Mr. CLAY] for yielding this time to me.

Mr. Speaker, I rise to support House Joint Resolution 105, the appointment of Hanna Holburn Gray to the Board of Regents of the Smithsonian Institution.

I speak in favor of Dr. Gray due to my family's ties to two great institutions of higher education that have benefited greatly from her leadership, wisdom, and personal example. My wife attended Yale College while Dr. Gray served there. In addition, my father-in-law is a most proud graduate of the University of Chicago, having attended college and law school there while Robert Maynard Hutchins served as the university's president. However, now we explain to our 7-year-old daughter and our 5-year-old son that Dr. Hutchins was a man who happened to serve as president of the University of Chicago prior to Hanna Holburn Gray.

Mr. Speaker, Dr. Gray has served Yale University, the University of Chicago, historical scholarship, and all higher education in this country with great distinction. I know we all will gain from her service as a regent of the Smithsonian Institution.

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

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri [Mr. CLAY] that the House suspend the rules and pass the joint resolution (H.J. Res. 105) as amended.

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

The title of the joint resolution was amended so as to read: "Joint resolution providing for the appointment of Hanna Holburn Gray as a citizen regent of the Board of Regents of the Smithsonian Institution.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CLAY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include therein extraneous material, on House Joint Resolution 105, as amended, the joint resolution just passed.

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

There was no objection.

Mr. CLAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate joint resolution (S.J. Res. 27) providing for the appointment of Hanna Holburn Gray as a citizen regent of the Board of Regents of the Smithsonian Institution, and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

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

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 27

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That in accordance with section 5581 of the Revised Statutes of the United States (20 U.S.C. 43), a vacancy on the Board of Regents of the Smithsonian Institution, in the class other than Members of Congress, shall be filled by the appointment of Hanna Holborn Gray of Illinois. The appointment is for a term of 6 years and shall take effect on the date of approval of this resolution.

MOTION OFFERED BY MR. CLAY

Mr. CLAY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CLAY moves to strike all after the enacting clause of the Senate joint resolution, Senate Joint Resolution 27, and to insert in lieu thereof the provisions of House Joint Resolution 105, as passed by the House.

The motion was agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House joint resolution, House Joint Resolution 105, was laid on the table.

APPOINTMENT OF BARBER B. CONABLE, JR., AS A CITIZEN REGENT OF THE SMITHSONIAN INSTITUTION

Mr. CLAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate joint resolution (S.J. Res. 28) to provide for the appointment of Barber B. Conable, Jr., as a citizen regent of the Board of Regents of the Smithsonian Institution, as amended.

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

There was no objection.

The Clerk read the Senate joint resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That in accordance with section 5581 of the Revised Statutes of the United States (20 U.S.C. 43), a vacancy on the Board of Regents of the Smithsonian Institution, in the class other than Members of Congress, shall be filled by the appointment of Barber B. Conable, Jr., of New York. The appointment is for a term of 6 years and shall take effect on the date of approval of this resolution.

MOTION OFFERED BY MR. CLAY

Mr. CLAY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CLAY moves to strike all after the enacting clause of the Senate joint resolution, Senate Joint Resolution 28, and to insert in lieu thereof the provisions of House Joint Resolution 102, as passed by the House.

The motion was agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

The title of the Senate joint resolution was amended so as to read: "Joint resolution providing for the appointment of Barber B. Conable, Jr., as a citizen regent of the Board of Regents of the Smithsonian Institution.".

A motion to reconsider was laid on the table.

A similar House joint resolution (H.J. Res. 102) was laid on the table.

APPOINTMENT OF WESLEY S. WILLIAMS AS A CITIZEN REGENT OF THE SMITHSONIAN INSTITUTE

Mr. CLAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate joint resolution (S.J. Res. 29) providing for the appointment of Wesley Samuel Williams, Jr., as a citizen regent of the Board of Regents of the Smithsonian Institution, as amended, and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

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

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 29

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That in accordance with section 5581 of the Revised Statutes of the United States (20 U.S.C. 43), a vacancy on the Board of Regents of the Smithsonian Institution, in the class other than Members of Congress shall be filled by the appointment of Wesley S. Williams, Jr., of the District of Columbia. The appointment is for a term of 6 years and shall take effect on the date of approval of this resolution.

MOTION OFFERED BY MR. CLAY

Mr. CLAY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CLAY moves to strike all after the enacting clause of the Senate joint resolution, Senate Joint Resolution 29, and to insert in lieu thereof the provisions of House Joint Resolution 104, as passed by the House.

The motion was agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

The title of the Senate joint resolution was amended so as to read: "Joint resolution providing for the appointment of Wesley S. Williams, Jr., as a citizen regent of the Board of Regents of the Smithsonian Institute.".

A motion to reconsider was laid on the table.

A similar House joint resolution (H.J. Res. 104) was laid on the table.

USE OF ROTUNDA TO COMMEMORATE VICTIMS OF THE HOLOCAUST

Mr. FROST. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 41) permitting the use of the rotunda of the Capitol for a ceremony to commemorate the days of remembrance of victims of the Holocaust, as amended.

The Clerk read as follows:

H. CON. RES. 41

Whereas the United States Holocaust Memorial Council has designated April 18 through April 25, 1993, and April 3 through April 10, 1994, as "Days of Remembrance of the Victims of the Holocaust": Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the rotunda of the Capitol is authorized to be used from 8 o'clock ante meridiem until 3 o'clock post meridiem on April 20, 1993, and from 8 o'clock ante meridiem until 3 o'clock post meridiem on April 6, 1994, for ceremonies as part of the commemoration of the days of remembrance of victims of the Holocaust. Physical preparations for the ceremonies shall be carried out in accordance with such conditions as the Architect of the Capitol may prescribe.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas [Mr. FROST] will be recognized for 20 minutes, and the gentleman from California [Mr. THOMAS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. FROST].

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

Mr. Speaker, I commend my colleague, Mr. YATES, for introducing this important resolution, and I am honored to manage this measure on the floor today. I also want to thank the U.S. Holocaust Memorial Council for all their efforts in planning the Days of Remembrance. The resolution authorizes the use of the rotunda of the Capitol for Holocaust commemoration ceremonies.

Remembrance of the Holocaust is not pleasant. Those who were there and their families would just as soon forget. It hurts to recall its cruelty—the hatred, the racism, the torture that was inflicted. However, it is necessary that we reflect upon this horrific time in history to ensure that we do not forget. In a time when anti-Semitism and racism are too often portrayed as legitimate political alternatives, we must remember the pain and injustice of the Holocaust. Not only that, but we must also teach our children to remember so that the injustices of the past will not recur in our lifetime or theirs.

□ 1320

Mr. THOMAS of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I also arise in support of House Concurrent Resolution 41, to permit the use of the U.S. Capitol rotunda for ceremonies of the days of remembrance of the victims of the Holocaust. It is the 10th year of the council's continuing effort to remind us of one of history's darkest chapters.

It is especially significant this year, Mr. Speaker, because as we recognize the 10th consecutive year of the days of remembrance of the victims of the Holocaust, next month will mark the opening of the permanent Holocaust Memorial here in the Nation's Capital. So this year, as we once again remember, it is especially gratifying to note that the same year will introduce us to a permanent memorial here in the Capital.

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

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

The SPEAKER pro tempore (Mr. THORNTON). The question is on the motion offered by the gentleman from Texas [Mr. FROST] that the House agree to the concurrent resolution (H. Con. Res. 41) as amended.

The question was taken; and (two-thirds having voted in favor thereof) the concurrent resolution, as amended, was agreed to.

The title of the concurrent resolution was amended so as to read: "Concurrent resolution permitting the use of the rotunda of the Capitol for ceremonies as part of the commemoration of the days of remembrance of victims of the Holocaust.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FROST. Mr. Speaker, I ask unanimous consent that all Members may

have 5 legislative days in which to revise and extend their remarks on the concurrent resolution, as amended, just agreed to.

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

There was no objection.

Mr. FROST. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 13) permitting the use of the rotunda of the Capitol for a ceremony to commemorate the days of remembrance of victims of the Holocaust, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate concurrent resolution.

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

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 13

Whereas, pursuant to such Act, the United States Holocaust Memorial Council has designated April 18 through April 25, 1993, and April 3 through April 10, 1994, as "Days of Remembrance of Victims of the Holocaust"; and

Whereas the United States Holocaust Memorial Council has recommended that a one-hour ceremony be held at noon on April 20, 1993, and at noon on April 6, 1994, consisting of speeches, readings, and musical presentations as part of the days of remembrance activities: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring, That the rotunda of the United States Capitol is hereby authorized to be used on April 20, 1993 from 8 o'clock ante meridian until 3 o'clock post meridian and on April 6, 1994, from 8 o'clock ante meridian until 3 o'clock post meridian for a ceremony as part of the commemoration of the days of remembrance of victims of the Holocaust. Physical preparations for the conduct of the ceremony shall be carried out in accordance with such conditions as may be prescribed by the Architect of the Capitol.

MOTION OFFERED BY MR. FROST

Mr. FROST. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FROST moves to strike all after the resolving clause of Senate Concurrent Resolution 13 and to insert in lieu thereof the provisions of House Concurrent Resolution 41, as passed by the House.

The motion was agreed to.

The Senate concurrent resolution was concurred in.

The SPEAKER pro tempore. Without objection, the preamble of the Senate concurrent resolution is amended to contain the language of the House-passed concurrent resolution (H. Con. Res. 41) as follows:

Whereas the United States Holocaust Memorial Council has designated April 18 through April 25, 1993, and April 3 through April 10, 1994, as "Days of Remembrance of Victims of the Holocaust": Now, therefore, be it

There was no objection.

The title of the Senate concurrent resolution was amended so as to read: "Concurrent resolution permitting the use of the rotunda of the Capitol for ceremonies as part of the commemoration of the days of remembrance of victims of the Holocaust."

A motion to reconsider was laid on the table.

A similar House concurrent resolution (H. Con. Res. 41) was laid on the table.

HOUR OF MEETING ON TOMORROW

Mr. FROST. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon tomorrow.

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

There was no objection.

WANTED: A NAFTA WORTHY OF OUR SUPPORT

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

Mr. BROWN of California. Mr. Speaker, the currently negotiated Bush-Salinas-Mulroney NAFTA is clearly inadequate for redressing the concerns I share with many of my colleagues. It does not deal responsibly with the unfair trade and investment implications, and the economic dislocations certain to result from vastly different environmental, labor, agricultural, safety, and other trade-related standards, and their enforcement, among Mexico, the United States and Canada.

To his credit, President Clinton has moved substantially in the right direction. He is committed to negotiating supplementary agreements to NAFTA regarding worker rights and labor standards, environmental standards, and import surges.

Since this has never been done before, I am reintroducing two bills from last year that provide a positive, constructive approach for negotiating common, enforceable trade-related standards that can be organically linked to any NAFTA and succeeding trade agreements.

I hope these bills will be considered as part of an outstanding day-long NAFTA conference to be sponsored by the Alliance for Responsible Trade and the Citizens Trade Campaign this Thursday from 8 a.m.–3 p.m., in room HC5 of the Capitol. Our distinguished colleague, Congresswoman MARCY KAPTUR, and other leaders of the Democratic Economic Forum and the Fair Trade Caucus will be speaking and moderating an outstanding program.

HOUR OF MEETING ON THURSDAY, MARCH 25, 1993

Mr. FROST. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow it adjourn to meet at 10 a.m. on Thursday, March 25, 1993.

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

There was no objection.

THE INNER CITY RECOVERY PROGRAM

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

Mr. GENE GREEN of Texas. Mr. Speaker, I would like to take this opportunity to address the continuing problems our communities are facing with drug and alcohol abuse. In particular, I would like to share with you a program that is making great progress in helping individuals with chemical dependency problems.

I recently had the privilege of attending an open house at the Inner City Recovery Program of Houston. The inner city recovery program is a nonprofit substance abuse program which provides drug and alcohol abuse counseling. The program also provides instruction in parenting skills and drug awareness and education.

While at the open house, I listened to individuals who had nearly given up on life due to their substance-abuse problem. These people found the help they needed through this program and it is programs like this that should serve as models for our efforts to combat this problem on the Federal level.

Mr. Speaker, when we think of the war on drugs we often think of police raids on crack houses and military seizures of drug shipments. What we all should remember is that the war on drugs has two fronts. While the police and military battle on one front, we must assure that the efforts on the rehabilitation front are recognized as well.

I applaud the efforts of the Houston Inner City Recovery Program and I ask my fellow Members to join me in appreciation for the important work it does in the area of substance abuse.

DISREGARD FOR FEDERAL LAW AT THE CLINTON WHITE HOUSE

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

Mr. CLINGER. Mr. Speaker, in early February, I wrote President Clinton informing him of a violation of the Federal Advisory Committee Act by his Health Care Task Force. To my surprise, his counsel responded by citing an exemption to the act which Congress never intended and which does not exist. A Federal judge ruled that they broke the law, an opinion the White House appealed yesterday, pre-

sumably to ensure that the Task Force continue to operate in secrecy.

Unfortunately, that embarrassing violation has not prompted the White House to obey the law.

A March 19 article in the New York Times discusses conflict of interest violations of at least one senior member of the Health Care Task Force. This member stated that he assumed he would be paid for his services but was never signed, has never signed any employment forms and has not received a pay check. More important, he described his efforts to get the administration officials to consider his possible conflict of interest violations but, and I quote, "found it difficult to get anyone to pay attention."

Mr. Speaker, Congress and the American people should know what special interests are influencing the Nation's health care reform proposals. That is why I am again calling on this administration to release the names of the individuals and special interests participating in the health care reform debate and shine some light on the public policymaking functions of the executive branch.

Mr. Speaker, I include for the RECORD the article to which I referred:

[From the New York Times, Mar. 19, 1993]

CLINTON HEALTH TEAM MEMBER IS FORCED ASIDE OVER CONFLICT

(By Robert Pear)

WASHINGTON.—The wall of secrecy surrounding the membership of Hillary Rodham Clinton's health policy team was breached today as White House officials finally identified one of its top members, only to disclose that he had been demoted for conflicts of interest.

The adviser, Thomas O. Pyle, was the head of one of 15 committees working for the Task Force on National Health Care Reform. He is also chairman of the Jackson Hole Group, a conclave of health-care executives and policy analysts sometimes described as a brain trust for the Administration.

Until today, White House officials had been unwilling to acknowledge that Mr. Pyle was on the staff of the task force. And, under questioning today, they said only that he had been been removed from his job and given an undefined "consultant" position because of concern about his stock ownership and service as a director of several companies in the health-care industry.

Mr. Pyle was, in effect, dismissed for crossing a line that is still not visible. In its rush to assemble a health policy, the White House hired many outside experts, temporary employees and consultants who say they do not completely understand Federal personnel laws or ethics rules.

It is now clear that the White House has established conflict-of-interest guidelines for the task force. But it is not entirely clear what those rules are, as the staff of more than 500 people races to devise a proposal to control health costs and guarantee coverage for all Americans. President Clinton has said he will send the proposal to Congress by May 1.

While confirming Mr. Pyle's role, the White House still refused to identify any of the other people employed by the task force, in large or small roles. But because their work could send shock waves through the American economy, trying to discover their identities has become a major Washington pastime.

Trade publications have named roughly 200 of the more than 500 people working for the task force. Of those who head the 15 working groups, about a dozen are known, including six Federal employees, a state official from California, a professor of sociology and a policy analyst closely identified with an advocacy group for elderly people. None of these seemed as likely to have a financial conflict of interest as Mr. Pyle.

CONTINUES AS CONSULTANT

Mr. Pyle said that Ira C. Magaziner, the senior adviser for policy development who is serving as manager of the task force operations, had told him he would have to step down as chairman of a panel working on such issues as medical malpractice, training of health-care professionals and ways to measure the quality of care.

Mr. Pyle remains a consultant to the task force. He has much less authority, but retains an office and a telephone in the Old Executive Office Building, next to the White House.

His case raises ethical question that loom over the work of Mr. Clinton's health policy advisers. A White House lawyer has told some people working for the task force that they may have "criminal liability" if they keep their ties to health-related businesses while working for the Government.

But the laws are complex. In its ethics handbook for Federal employees, the Justice Department summarizes one criminal law this way: "You may not participate personally and substantially in a matter in which you, your spouse, minor child or partner has a financial interest. This prohibition also applies if an organization in which you serve as an officer, director, trustee, partner or employee has a financial interest."

UNSIGNED AND UNPAID

Mr. Pyle said he started working for the White House on Feb. 8, assuming he would be paid for his services. But he said, "I have not signed any employment forms, and I have never been paid.

He said he informed White House officials of his business interests and outside activities because he realized they might create conflicts of interest.

"Before coming to Washington, I informed Magaziner and other officials of all my business ties." Mr. Pyle said in an interview. "After coming to Washington, I forcefully and repeatedly brought the issue up—my situation, my supposed conflicts. But I found it quite difficult to get anyone to pay attention.

"Eventually, it was decided that I did have conflicts. I could not be an employee of the Government according to various rules established for the task force, some of which are quite ad hoc."

Robert O. Boorstin, a spokesman for the task force, said Mr. Pyle's case showed that the Administration would enforce rigorous standards against conflict of interest.

"Tom Pyle is one of the most talented, innovative health administrators in America," said Mr. Boorstin. "We wanted his input. He was asked to come down and be a 'cluster' leader. But he could not extricate himself from a bunch on boards he sits on."

BUSINESS INTERESTS LISTED

From 1978 to 1991, Mr. Pyle was chief executive of the Harvard Community Health Plan, the largest health maintenance organization in New England. It now has 540,000 members.

He said he was still a director of the Millipore Corporation, a multinational high-technology company based in Bedford, Mass., and an adviser to the KBL Healthcare Acquisition Corporation, a merchant banking concern in which he owns stock.

Millipore sells a wide range of products to drug companies, biotechnology companies, hospitals and clinical laboratories, among other customers. KBL describes itself as a "publicly traded buyout fund organized for the express purpose of consummating a significant acquisition in the health care field," and says its initial capitalization will exceed $15 million.

Mr. Pyle is a senior adviser on health care for the Boston Consulting Group, which has many clients in the health-care industry. He said he was also a director of the Chickering Group, which sells student health insurance to universities, and a director of the controlled Risk Insurance Company of the Cayman Islands, which provides malpractice insurance to doctors.

For 10 years, Mr. Pyle has attended meetings of the Jackson Hole Group, which takes its name from its meeting place in Wyoming and consists mainly of people from outside the Government.

FIRST OPEN MEETING SET

The task force, formed on Jan. 25, tentatively plans to hold its first open meeting on March 29. Mrs. Clinton has defended the secrecy of the panel by saying, "We do not want to have health-care legislation in the Clinton Administration written by any special-interest group."

But William G. Kopit, a health-care specialist at Epstein, Becker & Green, a Washington law firm, said: "There is a double standard here. Conflict-of-interest principles are not interpreted consistently. Some special interest groups are more special than others.

"People who have formal ties to trade associations in the health-care industry cannot work for the task force or attend meetings of its staff," said Mr. Kopit. "But some people on the staff of the task force have ties to business and consulting groups whose paying clients include corporations in the health-care industry."

Information about the task force is commercially valuable. "We have received calls from Wall Street investment houses," said Mr. Kopit. "They want to know what health-care companies are well-positioned for health-care reform under President Clinton."

In recent weeks, Mrs. Clinton has held two public discussions of health care, in Tampa, Fla., and Des Moines. She plans to hold two more, in Dearborn, Mich., on March 22 and here in Washington on March 26. The meetings are organized and financed by the Robert Wood Johnson Foundation.

REPUBLICAN CRITICISM

Bob Dole of Kansas, the Senate minority leader, and Robert H. Michel of Illinois, the House minority leader, complained this week that the foundation was acting in a partisan way that helped build support for Administration policy. In a letter to the foundation, the Republican leaders said such conduct was "inappropriate for a nonprofit, tax-exempt, supposedly nonpartisan foundation."

Thomas P. Gore 2d, a vice president of the foundation, said the charges had no merit. But he added, "It is a concern of ours, that we are seen as being boldly partisan."

Only a handful of the many people working for Mrs. Clinton have been identified. One is Walter A. Zelman, a California insurance of-

ficial who is supervising the design of the new health-care system. Judith Feder, a health policy analyst who worked in the Clinton campaign last year, is now trying to decide what health benefits should be guaranteed to all Americans.

Dr. Stephen H. Bandeian, a physician with a law degree who worked at the Office of Management and Budget under President George Bush, is in charge of linking the new program to existing programs like Medicare and veterans' health benefits. Paul Starr, a professor of sociology at Princeton University, is chairman of the panel drafting proposals for short-term cost controls.

Marina Weiss, an aide to Treasury Secretary Lloyd Bentsen, is responsible for determining how to pay for the President's ambitious program. Robyn I. Stone, a policy analyst at Project Hope, an international health foundation, is in charge of proposals for long-term care, including nursing homes.

DEPARTMENT OF ENERGY LABORATORY TECHNOLOGY ACT OF 1993

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

Mr. BROWN of California. Mr. Speaker, today I am introducing the Department of Energy Laboratory Technology Act [DELTA] of 1993. This legislation is intended to help create a policy framework that guides the Department of Energy [DOE] laboratories through the 1990's and into the next century. Joining me as cosponsors are Mrs. MARILYN LLOYD, Mr. TIM VALENTINE, Mr. RICK BOUCHER, and Mr. RON WYDEN.

This bill is the result of hearings that the Committee on Science, Space, and Technology has held over the past 2 years, as well as considerable additional study by the members and staff of the committee. The fundamental goal of the bill is to create a process of disciplined evolution for the DOE laboratories—a process through which the enormous resources of these labs are carefully directed toward meeting some of the Nation's most pressing needs, while ensuring that the labs are rigorously evaluated to determine whether they are succeeding in their missions during the years ahead.

The origins of the DOE laboratories date back to 1943, when the Los Alamos National Laboratory was established as part of the Manhattan Project. During the 50 years since, the DOE laboratory system has evolved into one of the largest research and development complexes in the world.

The DOE laboratory system currently consists of 10 multiprogram national laboratories, 11 large single-program laboratories, and 9 smaller laboratories. Collectively, these labs operate on a budget in excess of $6.5 billion and combined employment of more than 56,000 personnel.

The DOE laboratories have achieved major scientific breakthroughs and other critical technology developments in areas such as national security, energy development, basic science, and hazardous waste cleanup—to name a few. The strength of these laboratories, particularly the multiprogram laboratories, has been in their ability to pursue long-term, high-risk, potentially high-payoff technology development efforts requiring multidisciplinary approaches.

For the three largest DOE laboratories—Los Alamos National Laboratory, Lawrence Livermore National Laboratory, and Sandia National Laboratory, each of which operate on an annual budget of approximately $1 billion—the development of nuclear weapons has been the unifying challenge and the principle funding source. The end of the cold war, however, has confronted DOE's defense labs with fundamental challenges. The national security needs of the Nation are changing rapidly, including a dramatic reduction in the level of activity associated with nuclear weapons research and development.

Additional challenges to the entire DOE lab system—and all Federal labs, for that matter—come as the result of the new administration's stated policy goals of ensuring that the activities at Federal laboratories are relevant to today's national needs, that such activities be evaluated on a regular basis, and that, to the extent possible, Federal labs work with industry to help contribute to United States economic growth.

The Department of Energy Laboratory Technology Act of 1993 is intended to help meet these challenges. We introduce this bill with the knowledge that the legislation will be improved during the hearing and markup processes that lay ahead, but also with the firm belief that we are presenting a coherent and reasonable approach to the complex problem of managing the DOE labs during a period of change.

In discussing the provisions and purposes of the bill, I will touch on four key objectives of the bill: First, providing an updated and focussed set of missions for the laboratories; second, improving the organization of the research, development, and technology transfer functions of the Department of Energy; third, enhancing collaboration between the DOE laboratories and industry by streamlining the technology transfer process; and fourth, ensuring that the activities of the DOE laboratories, and all Federal laboratories, are regularly subjected to performance evaluations and are coordinated to the maximum extent possible.

First, let me review the provisions of the bill which speak to the issue of the missions of the DOE labs. Throughout this discussion, I will refer to the bill by its acronym, DELTA. This acronym seems particularly appropriate for this bill. Delta is a mathematical symbol for change, and the process of change at the DOE laboratories is what we are trying to manage, measure, and enhance through this legislation.

We believe that the appropriate starting point for any legislation concerning the DOE laboratories must be an up-to-date prescription of the major missions of these laboratories. This might seem like a simplistic starting point, but the truth is that at no point in the history of the DOE laboratories has Congress provided detailed legislative guidance on the missions of the DOE labs. The Atomic Energy Act of 1954 contains a few short paragraphs that are relevant to the weapons research mission of the DOE labs, and various pieces of legislation over the years have addressed the specific research programs that are funded by DOE at the labs. However, there does not currently exist a statutory description of the major research and development missions of the DOE laboratories. At a time when the missions of the DOE labs are in a state of considerable flux, we believe that Congress must come forth with appropriate guidance.

Section 4 of DELTA does just that. Subsection (a) of section 4 provides authorization for the Department of Energy to maintain research and development laboratories for the purpose of pursuing eight broad mission areas which are specified in the bill. To some extent, this section can be viewed as simply grandfathering major research and development activities already underway at the DOE laboratories. In other respects, however, the subsection does much more than that. By providing clear mission statements and goals for each of these eight mission areas, the bill serves as a statement of purpose for the DOE labs.

The eight missions provided in DELTA are as follows:

First, enhancing the Nation's understanding of energy production and use, with emphasis on energy efficiency, conservation, and renewable energy production, with the goal of reducing the Nation's reliance on imported energy sources and minimizing the environmental impacts of energy use;

Second, advancing nuclear science and technology for national security purposes, with the goal of helping ensure a safe and reliable nuclear arsenal for as long as the Nation maintains nuclear weapons.

Third, assisting with the dismantlement of nuclear weapons, working to curb the proliferation of nuclear weapons, and conducting research on and the development of technologies needed for the effective verification of international arms control agreements, with the goal of reducing the threat of nuclear war;

Fourth, conducting fundamental research in energy-related science and technology, including construction and operation of unique scientific instru-

ments, with the goal of expanding the Nation's basic understanding of the scientific principles of nature;

Fifth, assisting in the development of technologies and techniques for the disposal of hazardous waste—including radioactive waste—resulting from the nuclear weapons program, with the goal of accelerating the schedule and reducing the total cost of cleaning up the hazardous waste sites associated with the nuclear weapons production and other nuclear materials programs funded by the Department;

Sixth, working with industry and other Federal agencies to develop generic, pre-competitive green technologies, with the goal of protecting environmental quality and enhancing United States economic competitiveness;

Seventh, conducting technology transfer activities, with the goal of helping to enhance the ability of the departmental laboratories to meet their other mission responsibilities and also, to the extent practicable, contributing to sustainable United States economic growth; and

Eighth, utilizing the scientific, technical, and human resources at such laboratories to support the national goal of improving the quality of science, mathematics, and engineering education in our society.

We believe that the overwhelming majority of activities of the DOE laboratories should be tied to one or more of these eight mission areas. The DOE laboratories do have established expertise in other areas, and DELTA provides authorization for DOE to pursue such other missions, provided that certain conditions are met, including that the laboratories have substantial technical capabilities to devote to such missions and that such additional missions not interfere with the pursuit of the eight missions identified above.

Although some have suggested that the DOE laboratories be given free reign to become involved in essentially every area of technology development of potential interest to the Nation, we believe that such an approach would risk turning the DOE laboratories either into job shops for industry or fragmented institutions incapable of meeting the big national missions for which they are needed most.

Our general view concerning the technology transfer mission carried out by DOE is that, in the vast majority of cases, such activities should support and enhance the other major missions of the laboratories. Technology transfer generally needs to be grounded in a mandated technology development effort aimed at satisfying a public mission. However, we recognize that this definition may be too confining in that opportunities do arise for the DOE labs to develop jointly with industry technologies that do not directly support DOE's major public missions. With this in mind, we have included within the bill's definition of "technology transfer" the process of jointly developing new scientific or technical information or generic, precompetitive technology. In addition, in subsection (4)(b)(2), we have provided that up to 10 percent of a lab's annual budget may be committed to technology transfer activities that do not directly support the pursuit of the eight major mission areas identified in the bill.

We have taken our cues on the issue of laboratory missions, in part, from the many blue ribbon panels that have reviewed the DOE laboratories over the past several decades. Essentially all of these reviews have stressed the importance of clearly defined, manageable missions for the labs. The 1983 Packard Commission, for example, emphasized that Federal laboratory missions must be sufficiently clear and specific to guide the agency and the laboratories in setting goals against which the laboratories' performance can be evaluated. Those labs reviewed by the Packard Commission which had clear missions were the ones that operated the best; those with unfocussed or diffuse missions performed the worst.

We have taken the Packard Commission's sensible observations and have incorporated them directly into subsection (4)(c), which requires the Secretary of Energy to submit to Congress annually a report which provides a specific mission statement for each DOE laboratory, an explanation for any proposed changes in a lab's mission or missions, a general assessment of the performance of each DOE lab in meeting its mission or missions during the previous year, and a technology transfer plan for each lab. This last requirement is intended to make DOE and each of its laboratories think strategically about how its interactions with industry can be aggregated and otherwise organized in a way that maximizes their impact on specific industrial sectors.

No discussion of missions of the DOE labs should skirt the question of the size and configuration of the DOE weapons labs, which are facing fundamental challenges. In recognition of the collapsing budget for nuclear weapons R&D, DELTA, section 5, requires the Secretary of Energy to submit to Congress by March 31, 1994, a plan for the phased consolidation of the nuclear weapons research, development, engineering, and test-related activities of DOE's nuclear weapons labs, and redirection of one or more of DOE's nuclear weapons labs to civilian missions.

The reasons for this provision are obvious. For the first time in 40 years, the Nation is not developing a single new nuclear warhead, and no new orders are expected in the foreseeable future. In addition, the United States is in the middle of a nuclear test moratorium which is expected to be the precursor to a comprehensive nuclear test ban within 3 or 4 years. These factors contribute to the planned and expected reductions in DOE's nuclear weapons RDT&E budget.

Without a plan for phased consolidation and conversion at DOE's defense labs, the outcome could be a budget-driven, ad hoc contraction that could leave the Nation with a mediocre nuclear weapons R&D capability and a lost opportunity to redirect part of the DOE weapons lab system to new national missions. According to testimony by the General Accounting Office last summer before our committee, a cut of 25 percent from the existing DOE nuclear weapons R&D budget, in the absence of a consolidation plan, would result in two subthreshold nuclear design laboratories—Los Alamos and Livermore are DOE's nuclear weapons design labs. The new Secretary of Energy already has mentioned interest in turning one of the DOE nuclear weapons labs into a lab focussed on the development of green technologies. This legislation would provide the mechanism for DOE and DOD to flesh out such a proposal, including an assessment of any work force retraining or other conversion expenses that might be necessary.

If we are to take seriously the President's appeal to "make change our friend," as I believe we should, then we must develop plans aimed at managing such change. Major change is destined for the DOE weapons labs, so we should admit that fact now and start planning to make the best of it.

Let me now move on the issue of the organization of DOE's science and technology bureaucracy. Section 6 of DELTA proposes changes within the organization of DOE to enhance the Department's ability to manage its labs during this period of change, and to expand the level of collaboration between the DOE labs and industry. Specifically, the section creates an Under Secretary for Science and Technology within DOE, who would be responsible for the management of and coordination among all DOE laboratories. The section also creates a new Office of Technology Research, that would be created through consolidation of three existing technology transfer offices within the Department. This office would have the responsibility of coordinating the management of all DOE technology transfer efforts, issuing department-wide technology transfer policies, providing funds for cooperative research and development agreements [CRADA's], funding pre-CRADA research activities, and administering the National Technology Partnership Award created by the bill.

DELTA authorizes the following amounts for the Office of Technology Development: $310 million for fiscal year 1994, $400 million for fiscal year 1995, $500 million for fiscal year 1996,

$580 million for fiscal year 1997. This money is to be made available on a competitive basis to DOE labs regardless of whether they are defense or nondefense labs. At least 5 percent of these funds are to be provided for generic, precompetitive research that advances research and development activities to the point of providing the potential basis for technology transfer. The purpose of this provision is to provide funding that would take DOE-sponsored research the additional step beyond its mandated framework to determine whether it could be the basis for a CRADA or other technology transfer collaboration.

Section 6 also establishes a Technology Development Advisory Board at the Department of Energy and industrial advisory groups at each of the DOE laboratories. The purpose of these advisory boards would be to ensure that DOE and its labs are receiving regular advice and comment from industry and other private sector parties about how to improve their technology transfer activities.

The third major purpose of the bill is to improve the technology transfer process within DOE. Section 7 of DELTA aims at achieving this goal by amending the Stevenson-Wydler Technology Innovation Act of 1980 to streamline the consideration of CRADA's by DOE and enhance the authority of the directors of government-owned, contractor-operated laboratories to enter directly into CRADA's. We believe that these two changes in existing law are necessary in order to remove some of the red tape that threatens to kill technology transfer at the DOE labs before the full potential of such efforts are even tested.

Specifically, DELTA amends the Stevenson-Wydler Act to require DOE to process joint work statements and CRADA's within 30 days, and resubmissions within 15 days, which would be a substantial streamlining of the process compared with current law.

In addition, DELTA would permit Federal agencies to extend to the director of any government-owned, contractor-operated laboratory the ability to enter into CRADA's involving a Federal commitment of $500,000 or less without the specific approval of the agency. A step of this sort has been recommended by the private-sector Council on Competitiveness, and was adopted in Clinton campaign proposals. We recognize that this proposal raises numerous policy issues regarding accountability and oversight, yet we believe that giving lab directors CRADA signing authority could be an important step toward improving technology transfer by DOE.

Section 7 of DELTA also amends Stevenson-Wydler by requiring that all CRADA's involving a Federal commitment of $500,000 or more include technical milestones and other performance goals and evaluation criteria, and that all such CRADA's be reviewed annually against these milestones, goals, and criteria. Such reviews would need to include determination of whether any CRADA's should be terminated. This is a "reinventing government" sort of provision, in that it ensures that we are evaluating programs we put in place to determine whether they are meeting their established goals and how long they should continue.

As a means of providing increased recognition to Federal technology transfer activities, and thus increased incentives to excel at technology transfer, section 8 of DELTA establishes a National Technology Partnership Award. Modeled after the highly successful Malcolm Baldrige National Quality Award, the National Technology Partnership Award would bring Presidential recognition to Government organizations or individuals which have substantially benefited the economic or social well-being of the United States through a technology transfer or technology development partnership between the public sector and the private sector.

The final major provision of the bill involves the creation of a Government-wide system for evaluating and coordinating the missions and activities of all Federal laboratories. Section 9 of DELTA aims at accomplishing this goal through the establishment of a Federal Laboratory Mission Evaluation and Coordination Committee, which shall be a Committee of the Federal Coordinating Council on Science, Engineering, and Technology and chaired by the Director of the Office of Science and Technology Policy. Among its responsibilities, the committee shall be responsible for reviewing the missions and activities of all Federal laboratories, with the goal of improving the efficiency and effectiveness of the overall Federal laboratory system, ensuring coordination of these laboratories, and ensuring, to the extent practicable, that between 10 and 20 percent of the budgets of these laboratories are devoted to collaborative efforts with industry and State and local governments.

The committee also would be responsible for developing and implementing a process for assigning missions to those Federal laboratories with the best scientific, technical, and human capabilities for successfully addressing such missions. During a period of tight Federal budgets and increased attention on the need for effective Federal expenditures, it is essential that the more than $20 billion spent annually at Federal laboratories be directed toward the facilities with the best prospects for success. Perhaps what we need is a system analogous to the proposed "choice" system for schools, thus directing Federal funding toward the Federal laboratories that are the best performers.

At the present time there exist more than 600 Federal laboratories and research centers. The full Federal lab system has never been analyzed from a holistic perspective to determine whether portions of the system should be realigned, consolidated, or closed in order to maximize the effectiveness of the system to meeting national needs. Such a holistic review of the Federal lab system probably is needed, which is why we have included as the final provision of DELTA a requirement that the committee prepare recommendations for the President regarding the advisability of establishing a commission to determine whether specific Federal laboratories should be realigned, consolidated, or closed.

Mr. Speaker, 2 years ago I sent a strong letter to then-Secretary of Energy Admiral Watkins complaining about a draft report on the future of the DOE laboratories that had been prepared by the Secretary's Energy Advisory Board [SEAB]. I felt strongly that the SEAB has simply proposed a status quo future for the DOE labs, thus skirting SEAB's assigned task of developing a strategic vision that would guide the DOE labs into the 21st century. Although I am not entirely sure that I have done much better through this legislation, I am convinced that a strategic vision is desperately needed for the DOE labs to ensure that the Nation gets the maximum return possible on its investments at these institutions. I urge my colleagues to review this legislation and to propose improvements in the bill, if they think changes are necessary.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. THOMAS of California) to revise and extend their remarks and include extraneous material:)

Mr. DELAY, for 60 minutes, on March 23, 24, 25, and 26.

(The following Members (at the request of Mr. FROST) to revise and extend their remarks and include extraneous material:)

Mrs. THURMAN, for 5 minutes, today.

Mr. POSHARD, for 5 minutes, on March 23, 24, 25, and 26.

Mr. GUTIERREZ, for 60 minutes, on March 31.

(The following Member (at his own request) to revise and extend his own remarks and include extraneous material:)

Mr. BROWN of California, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. THOMAS of California) and to include extraneous matter:)

Mr. TALENT.
Mr. CALVERT.
Mr. SOLOMON.
Mr. TAYLOR of North Carolina.
Mr. HUNTER.
Mr. GOODLING.
Mr. CAMP in two instances.

(The following Members (at the request of Mr. FROST) and to include extraneous matter:)

Mr. HOLDEN.
Mrs. MALONEY.
Mr. RICHARDSON.
Mr. CLEMENT.
Mr. MINETA.
Mr. SARPALIUS.
Mr. BILBRAY.
Mr. SERRANO.
Mr. NADLER.
Mr. MATSUI.

ADJOURNMENT

Mr. BROWN of California. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 33 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, March 24, 1993, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

934. A letter from the Assistant Secretary of Defense, transmitting a report on the Department's ability to assign joint specialty officers to critical joint duty assignment positions, pursuant to 10 U.S.C. 661(d)(2)(D); to the Committee on Armed Services.

935. A letter from the Secretary of Defense, transmitting a report pursuant to 10 U.S.C. 161(b)(2); to the Committee on Armed Services.

936. A letter from the Adjutant General, the Veterans of Foreign Wars of the United States, transmitting proceedings of the 93d National Convention of the Veterans of Foreign Wars, pursuant to 36 U.S.C. 118; 44 U.S.C. 1332 (H. Doc. No. 103-59); to the Committee on Armed Services and ordered to be printed.

937. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report involving United States exports to Italy, pursuant to 12 U.S.C. 635(b)(3)(i); to the Committee on Banking, Finance and Urban Affairs.

938. A letter from the Export-Import Bank of the United States, transmitting the annual report on it's operations for fiscal year 1992, pursuant to 12 U.S.C. 635g; to the Committee on Banking, Finance and Urban Affairs.

939. A letter from the Auditor, District of Columbia, transmitting a copy of a report entitled "Review of Conflict of Interest, Dual Compensation and Outside Employment Allegations Regarding a UDC Employee," pursuant to D.C. Code, section 47-117(d); to the Committee on the District of Columbia.

940. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed license for the export of major defense equipment and services sold commercially to Italy (Transmittal No. DTC-11-93), pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

941. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed license for the export of major defense equipment and services sold commercially to the United Kingdom (Transmittal No. DTC-21-93), pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

942. A communication from the President of the United States, transmitting a report on the status of efforts to obtain compliance by Iraq with the resolutions adopted by the U.N. Security Council, pursuant to Public Law 102-1, section 3 (105 Stat. 4) (H. Doc. No. 103-58); to the Committee on Foreign Affairs and ordered to be printed.

943. A letter from the Chairman, U.S. Advisory Commission on Public Diplomacy, transmitting its 1993 report on the U.S. Information Agency and the activities of the U.S. Government concerning public diplomacy, pursuant to 22 U.S.C. 1469; to the Committee on Foreign Affairs.

944. A letter from the Director, Information Security Oversight Office, transmitting a copy of the Information Security Oversight Office's (ISOO) "Report to the President" for fiscal year 1992; to the Committee on Government Operations.

945. A letter from the Secretary of Transportation, transmitting the annual report of accomplishments under the Airport Improvement Program for the fiscal year 1991, pursuant to 49 U.S.C. app. 2203(b)(2); to the Committee on Public Works and Transportation.

946. A letter from the Acting Administrator, General Services Administration, transmitting informational copies of various lease prospectuses, pursuant to 40 U.S.C. 606(a); to the Committee on Public Works and Transportation.

947. A letter from the President and CEO, Resolution Trust Corporation, transmitting the status report for the month of February 1993 (The 1988-89 FSLIC Assistance Agreements), pursuant to 12 U.S.C. 1441a note; jointly, to the Committees on Banking, Finance and Urban Affairs and Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FROST: Committee on House Administration. House Resolution 107. Resolution providing amounts from the contingent fund of the House for the expenses of investigations and studies by certain committees of the House in the 1st session of the 103d Congress; with an amendment (Rept. 103-38). Referred to the House Calendar.

Mr. FROST. Committee on House Administration. House Resolution 137. Resolution providing amounts from the contingent fund of the House for continuing expenses of investigations and studies by certain committees of the House from April 1, 1993, through May 31, 1993 (Rept. 103-39). Referred to the House Calendar.

Ms. SLAUGHTER: Committee on Rules. House Resolution 138. Resolution providing for the consideration of the bill (H.R. 670) to require the Secretary of Health and Human Services to ensure that pregnant women receiving assistance under title X of the Public Health Service Act are provided with information and counseling regarding their pregnancies, and for other purposes (Rept. 103-41). Referred to the House Calendar.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. MILLER of California: Committee on Natural Resources. H.R. 720. A bill to authorize the adjustment of the boundaries of the South Dakota portion of the Sioux Ranger District of Custer National Forest, and for other purposes; referred to the Committee on Agriculture for a period ending not later than March 24, 1992, for consideration of such provisions of the bill as fall within the jurisdiction of that committee pursuant to clause 1(a), rule X (Rept. 103-40, Pt. 1). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ROSTENKOWSKI:

H.R. 1430. A bill to provide for a temporary increase in the public debt limit; to the Committee on Ways and Means.

By Mr. BILIRAKIS:

H.R. 1431. A bill to guarantee cost-of-living adjustments in fiscal year 1994 for persons receiving benefits under civil service retirement and military retirement and survivor benefit programs; jointly, to the Committees on Armed Services and Post Office and Civil Service.

By Mr. BROWN of California (for himself, Mrs. LLOYD, Mr. VALENTINE, Mr. BOUCHER, and Mr. WYDEN):

H.R. 1432. A bill to establish missions for Department of Energy research and development laboratories, provide for the evaluation of laboratory effectiveness in accomplishing such missions, and reorganize and consolidate Department of Energy technology transfer activities, and for other purposes; jointly, to the Committees on Science, Space, and Technology and Armed Services.

By Ms. DUNN:

H.R. 1433. A bill to amend the Federal Aviation Act of 1958 to authorize the Secretary of Transportation to guarantee loans for the acquisition of Stage 3 aircraft, and for other purposes; to the Committee on Pubic Works and Transportation.

By Mr. DURBIN (for himself, Mr. YATES, Mrs. MINK, and Mr. PASTOR):

H.R. 1434. A bill to provide for the establishment of a Prescription Drug Price Review Board to identify excessive drug prices and for other purposes; to the Committee on Energy and Commerce.

By Mr. MINETA:

H.R. 1435. A bill to amend title 23, United States Code, to permit the use of funds under the highway bridge replacement and rehabilitation program for seismic retrofit of bridges, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. PICKETT:

H.R. 1436. A bill to direct the Secretary of Transportation to transmit to the Congress a report on maritime policies of the Depart-

ment of Transportation; to the Committee on Merchant Marine and Fisheries.

By Mr. TORRICELLI:

H.R. 1437. A bill to establish Federal, State, and local programs for the investigation, reporting and prevention of bias crimes; to the Committee on the Judiciary.

By Mr. INGLIS (for himself, Mr. BARCIA, Mr. ARMEY, Mr. GOSS, Mr. CRANE, Mr. HANCOCK, Mr. THOMAS of Wyoming, and Mr. FIELDS of Texas):

H.J. Res. 160. Joint resolution proposing an amendment to the Constitution of the United States limiting the period of time Senators and Representatives may serve; to the Committee on the Judiciary.

By Mr. PICKETT:

H.J. Res. 161. Joint resolution proposing an amendment to the Constitution of the United States to restrict annual deficits by limiting the public debt of the United States and requiring a favorable vote of the people on any law to exceed such limit; to the Committee on the Judiciary.

By Mr. LAUGHLIN (for himself, Mr. COLLINS of Georgia, Mr. GONZALEZ, Mr. HALL of Ohio, Mr. PARKER, Mr. TEJEDA, Mr. BACCHUS of Florida, Mr. STOKES, Mr. SPRATT, Mr. SARPALIUS, Mr. CLEMENT, Mr. COMBEST, Mr. KLECZKA, Mr. LIPINSKI, Mr. HUGHES, Mr. ORTIZ, Ms. BROWN of Florida, Mr. MCNULTY, Mr. FAWELL, Mr. WALSH, Mr. PICKETT, Mr. SANDERS, Mr. JEFFERSON, Mr. MOLLOHAN, Mr. NEAL of North Carolina, Mr. CLYBURN, Mr. RAVENEL, Mr. INHOFE, Mr. HOCHBRUECKNER, Mr. COLEMAN, Mrs. MORELLA, Mr. DARDEN, Mr. CHAPMAN, Mr. SISISKY, Mr. BATEMAN, Mr. DE LA GARZA, Mr. LANCASTER, Mr. SCHAEFER, Mr. SPENCE, Mr. ARCHER, Mr. TUCKER, Mr. DELLUMS, Mr. MONTGOMERY, Mr. SOLOMON, Mr. TRAFICANT, Mr. HALL of Texas, Mr. VENTO, Mr. MOORHEAD, and Mrs. FOWLER):

H. Con. Res. 67. Concurrent resolution welcoming the XLVI Congress of the Interallied Confederation of Reserve Officers [CIOR], commending the Department of Defense and the Reserve Officers Association of the United States for hosting the XLVI Congress of the CIOR, and urging other departments and agencies of the Federal Government to cooperate with and assist the XLVI Congress of the CIOR to carry out its activities and programs; to the Committee on Armed Services.

By Mr. POMBO (for himself, Mr. MANZULLO, and Mr. DIAZ-BALART):

H. Con. Res. 68. Concurrent resolution concerning the approximately 190 children and youths at the Romanian Institution for the Unsalvageables at Sighetu Marmatiei who are in desperate need of humanitarian assistance; jointly, to the Committees on Foreign Affairs and the Judiciary.

By Mr. STUPAK (for himself, Mr. BAESLER, Mr. BAKER of Louisiana, Mr. BARTON of Texas, Mr. BOUCHER, Mr. EMERSON, Mr. GLICKMAN, Mr. JOHNSON of South Dakota, Mr. MCCLOSKEY, Mr. MOLLOHAN, Mr. OBERSTAR, Mr. PETERSON of Minnesota, Mr. POSHARD, Mr. HOEKSTRA, Mr. ROTH, Mr. SCHIFF, Mr. SYNAR, and Mr. THOMAS of Wyoming):

H. Con. Res. 69. Concurrent resolution expressing the sense of the Congress that rural health care should be addressed in any Federal health care legislation; to the Committee on Energy and Commerce.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 24: Mr. ISTOOK.

H.R. 85: Mr. GALLEGLY.

H.R. 87: Mr. GALLEGLY.

H.R. 145: Mr. MANZULLO and Mr. STEARNS.

H.R. 146: Mr. GINGRICH.

H.R. 286: Mr. CLEMENT and Mr. LEVY.

H.R. 301: Mr. ZELIFF.

H.R. 302: Mr. SERRANO, Mr. WASHINGTON, and Mr. FISH.

H.R. 325: Mr. ZIMMER, Mr. KYL, Mrs. MEEK, Mr. MATSUI, Mr. NEAL of Massachusetts, Mr. MCDERMOTT, Mr. TRAFICANT, Mr. HUGHES, Mr. ORTIZ, Mr. FISH, Mr. WILLIAMS, Mrs. LOWEY, Mr. GILCHREST, Mr. HAYES of Louisiana, Mr. FILNER, and Mrs. VUCANOVICH.

H.R. 326: Mr. VENTO, Mr. SABO, Ms. EDDIE BERNICE JOHNSON, Mr. LAROCCO, Mr. PETERSON of Minnesota, and Mr. CAMP.

H.R. 349: Mr. CASTLE, Mr. ROTH, Mr. LAZIO, Mr. GILMAN, and Mr. TALENT.

H.R. 396: Mr. SENSENBRENNER.

H.R. 439: Mr. BARCIA, Mr. DORNAN, and Mrs. MEYERS of Kansas.

H.R. 450: Mr. GEKAS.

H.R. 455: Ms. WATERS, Mr. SISISKY, Mr. WELDON, Mr. BEREUTER, Ms. KAPTUR, Mr. FLAKE, Mr. TORRES, Mr. FINGERHUT, Mr. WALSH, Mr. DORNAN, Mr. HINCHEY, Mrs. MEEK, Mrs. CLAYTON, and Mrs. SCHROEDER.

H.R. 456: Ms. WATERS, Mr. BARRETT of Wisconsin, Mr. WELDON, Ms. KAPTUR, Mr. FLAKE, Mr. HINCHEY, and Mrs. MEEK.

H.R. 509: Mr. FISH, Mrs. THURMAN, Mr. HEFLEY, and Mr. GOSS.

H.R. 559: Mr. SWIFT, Mr. MANTON, Mr. MARKEY, Mr. MAZZOLI, Mr. GALLO, Mr. BORSKI, Mr. STARK, Mr. HOCHBRUECKNER, Mr. MORAN, Mr. KLECZKA, Mrs. MALONEY, Mr. TORRICELLI, Mr. FRANKS of New Jersey, Mr. TOWNS, and Mr. BLACKWELL.

H.R. 574: Mr. TAUZIN.

H.R. 616: Mr. MOORHEAD.

H.R. 618: Mr. MOORHEAD.

H.R. 676: Mr. ROMERO-BARCELÓ and Mr. ZELIFF.

H.R. 806: Mr. MENENDEZ.

H.R. 814: Mr. TORKILDSEN, Mr. WYNN, Mr. ZELIFF, Mr. SAWYER, Mr. GOSS, Mrs. FOWLER, and Mr. FINGERHUT.

H.R. 824: Mr. BATEMAN, Mr. GINGRICH, Mr. MCDADE, Mr. FISH, and Mr. COX.

H.R. 838: Mr. BREWSTER, Mr. PETE GEREN, Mr. WILSON, Mr. ANDREWS of Texas, and Mr. GENE GREEN.

H.R. 882: Mr. PASTOR.

H.R. 883: Mr. TORKILDSEN, Mr. GREENWOOD, Mr. SAXTON, Mr. BLUTE, Mr. HUFFINGTON, Mr. KNOLLENBERG, Mr. SMITH of Texas, Mr. STUMP, Mr. ROHRABACHER, Mrs. FOWLER, Mr. BACHUS of Alabama, Mr. KOLBE, Mr. BAKER of California, Mr. BALLENGER, Mr. ZIMMER, Mr. SOLOMON, Mr. SENSENBRENNER, Mr. HASTERT, Mr. BOEHNER, Mr. GALLEGLY, Mr. PAXON, Mr. EWING, Mr. DELAY, Mr. ISTOOK, Mr. ZELIFF, Mr. ALLARD, and Mr. MCCANDLESS.

H.R. 911: Mr. MOORHEAD, Mr. LAZIO, Mr. TORKILDSEN, and Ms. PRYCE OF OHIO.

H.R. 918: Mr. TORRES, Mr. COLEMAN, Mr. MFUME, Ms. ROYBAL-ALLARD, Mr. BLACKWELL, Mr. RUSH, Mr. PAYNE of New Jersey, and Mr. CONYERS.

H.R. 1003: Mr. CLAY.

H.R. 1005: Mr. CLAY.

H.R. 1008: Mr. CLAY.

H.R. 1009: Mr. OWENS, Mr. ZIMMER, and Mrs. MEYERS of Kansas.

H.R. 1094: Mr. WYNN, Mr. FISH, Mrs. LOWEY, Mr. CONYERS, and Mr. BLACKWELL.

H.R. 1141: Mr. BEREUTER, Mr. CLYBURN, and Mr. HANCOCK.

H.R. 1149: Mr. FISH.

H.R. 1191: Mr. MCKEON and Mrs. MEYERS of Kansas.

H.R. 1243: Mr. DEFAZIO.

H.R. 1254: Mr. REYNOLDS, Mr. ACKERMAN, Ms. BYRNE, and Mr. POMEROY.

H.R. 1325: Mr. BREWSTER.

H.J. Res. 46: Ms. DUNN.

H.J. Res. 129: Mr. MCKEON and Mrs. MEYERS of Kansas.

H.J. Res. 139: Mr. BROWDER, Mr. HEFNER, Mr. STUDDS, Mr. QUILLEN, Mr. SUNDQUIST, Mr. HAMILTON, Mr. SPENCE, Mr. SMITH of New Jersey, Mrs. UNSOELD, Mr. HUTCHINSON, Mr. SKELTON, Mr. SHAYS, Ms. DANNER, Mr. DICKS, Mr. SWIFT, Mr. FIELDS of Louisiana, Mr. HASTINGS, Mrs. MEEK, Mr. KREIDLER, Ms. LAMBERT, Mr. TAUZIN, Mr. JACOBS, Mr. MONTGOMERY, and Mr. WILSON.

H.J. Res. 142: Ms. ESHOO, Ms. SNOWE, and Mr. HINCHEY.

H.J. Res. 151: Mr. LEVY, Mr. LIPINSKI, Ms. PELOSI, Mr. ACKERMAN, Mr. BEILENSON, Mr. SAXTON, Mr. DEUTSCH, Mr. GENE GREEN of Texas, Mr. TOWNS, Mr. BARCIA, Mr. GILMAN, Mr. FROST, Mr. KASICH, Mr. SCHUMER, Mr. HOCHBRUECKNER, Mrs. MORELLA, Mr. OWENS, Ms. MALONEY, Ms. LOWEY, Mr. OLVER, Mr. KOPETSKI, Mrs. MEYERS of Kansas, Mr. SOLOMON, and Mr. BACHUS of Alabama.

H. Con. Res. 36: Mr. SABO.

H. Res. 43: Ms. FOWLER.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

[Omitted from the Record of March 18, 1993]

H.R. 1178: Mr. ALLARD, Mr. ANDREWS of Maine, Mr. ARMEY, Mr. BAKER of Louisiana, Mr. BARRETT of Nebraska, Mr. BARTLETT of Maryland, Mr. BEREUTER, Mr. BOEHLERT, Mr. BOEHNER, Mr. BONILLA, Mr. BREWSTER, Mr. BROWDER, Mr. BROWN California, Mr. BRYANT, Mr. BURTON of Indiana, Mr. CAMP, Mr. CHAPMAN, Mr. COLEMAN, Mr. COMBEST, Mr. CONDIT, Mr. COSTELLO, Mr. CRAMER, Mr. DOOLEY, Mr. DORNAN, Mr. DUNCAN, Mr. EMERSON, Mr. EWING, Mr. FIELDS of Texas, Mr. FRANK of Massachusetts, Mr. FROST, Mr. GALLEGLY, Mr. GIBBONS, Mr. GLICKMAN, Mr. GOODLING, Mr. GORDON, Mr. GUNDERSON, Mr. HALL of Texas, Mr. HAMILTON, Mr. HANCOCK, Mr. HANSEN, Mr. HASTERT, Mr. HASTINGS, Mr. HEFNER, Mr. HUTCHINSON, Mr. HUTTO, Mr. HYDE, Mr. INHOFE, Mr. JOHNSON of South Dakota, Mr. KLECZKA, Mr. KOLBE, Mr. KOPETSKI, Mr. KYL, Mr. LANCASTER, Mr. LEHMAN, Mr. LEWIS of Florida, Mr. LIGHTFOOT, Ms. LONG, Mr. MCCLOSKEY, Mr. MCCRERY, Mr. MONTGOMERY, Mr. NEAL of North Carolina, Mr. NUSSLE, Mr. OBERSTAR, Mr. OXLEY, Mr. PACKARD, Mr. PAXON, Mr. PENNY, Mr. PICKETT, Mr. POMEROY, Mr. ROTH, Mr. ROWLAND, Mr. ROYCE, Mr. SARPALIUS, Mr. SENSENBRENNER, Mr. SHAW, Mr. SHAYS, Ms. SLAUGHTER, Mr. SMITH of Michigan, Ms. SNOWE, Mr. STUMP, Mr. SWIFT, Mr. TANNER, Mr. TORRES, Mr. TOWNS, Mrs. UNSOELD, Mr. UPTON, Mrs. VUCANOVICH, Mr. WALSH, Mr. WILSON, Mr. WYNN, Mr. YOUNG of Alaska, Mr. ZELIFF, and Mr. ZIMMER.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

20. By the SPEAKER: Petition of the Legislature of Rockland County, NY, relative to the shoot-to-kill policy and other violations of human rights in Northeast Ireland; to the Committee on Foreign Affairs.

21. Also, petition of the Legislature of Rockland County, NY, relative to the issuance of a postage stamp in memory of Thurgood Marshall; to the Committee on Post Office and Civil Service.

22. Also, petition of the Legislature of Rockland County, NY, relative to a "National Health Insurance System"; jointly, to the Committees on Energy and Commerce and Merchant Marine and Fisheries.

SENATE—*Tuesday, March 23, 1993*

(Legislative day of Wednesday, March 3, 1993)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Honorable BARBARA BOXER, a Senator from the State of California.

PRAYER

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

Let us pray:

Behold, how good and how pleasant it is for brethren to dwell together in unity.—Psalms 133:1.

God our Father, we are grateful for E Pluribus Unum—"out of many—one." Thank you for the pluralism that is America—for the rich diversity that characterizes our Nation. Thank You for the political system built upon that diversity. Thank You for diversity which prevents unity from becoming uniformity and for unity which prevents diversity from becoming fragmentation.

God of Peace, we know that one instrument cannot make harmony, nor can a hundred instruments playing the same tune. It takes different instruments following different scores to make a symphony.

Grant, dear God, that the Senate will be a symphony making beautiful music that preserves and blesses the Nation.

In the name of Jesus, Prince of Peace. 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 bill clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 23, 1993.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable BARBARA BOXER, a Senator from the State of California, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mrs. BOXER thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order the leadership time is reserved.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1994-98

The ACTING PRESIDENT pro tempore. The Senate will now resume consideration of Senate Concurrent Resolution 18, which the clerk will report.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 18) setting forth the congressional budget of the United States Government for fiscal years 1994, 1995, 1996, 1997, and 1998.

The Senate resumed consideration of the concurrent resolution.

Pending:

(1) DeConcini amendment No. 185, to ensure that fiscal year 1998 funding levels for Community Policing Program are consistent with the levels requested by the President in his investment program.

(2) Wellstone amendment No. 186, to express the sense of the Senate that any increase in revenues set forth in this resolution do not assume an energy tax or fee on nonconventional fuels.

(3) Bingaman amendment No. 188, to state the assumptions of the resolution regarding fees for domestic livestock grazing on Federal lands and royalty fees for hardrock mining.

(4) Nunn amendment No. 189, to express the sense of the Senate regarding the effects of changes in inflation assumptions and in assumptions regarding Federal pay increases on spending levels for national defense and other Federal functions.

(5) Nunn amendment No. 192, to express the sense of the Senate regarding the consistency of level of appropriations for national defense for fiscal year 1994 and the budget resolution.

(6) Wallop amendment No. 194, to alter the instructions to the Committee on Energy and Natural Resources by reducing the amounts assumed to be generated through increases in grazing fees, changes to the Mining Laws of the United States, increases in recreation fees, and imposition of an irrigation surcharge.

(7) Brown amendment No. 196, to reduce Function 920 to reflect a freeze of Federal department and agency overhead in fiscal year 1994 and 1995, and an adjustment for inflation through 1998.

(8) Domenici amendment No. 198, to adjust defense spending consistent with a $60 billion reduction from last year's defense plan over 1994 to 1998.

(9) Leahy amendment No. 202, to ensure that fiscal year 1998 funding levels for Women, Infants, and Children (WIC) Program are consistent with the levels requested by the President in his investment program.

(10) Gorton amendment No. 209, to delete the increases in Inland Waterways diesel fuel user fee and offset the revenue losses by reducing domestic discretionary increases by equivalent amount including a sense of the Senate that the WIC, Headstart, and Childhood Immunization programs be held harmless from these spending reductions.

(11) Murkowski amendment No. 203, to conform the budget resolution with the assumption that the assumed Btu tax not apply to aviation fuel.

AMENDMENT NO. 203

The ACTING PRESIDENT pro tempore. The pending question is the Murkowski amendment.

The Senator from Alaska is recognized.

Mr. MURKOWSKI. Madam President, may I inquire of the time remaining on the Murkowski amendment?

The ACTING PRESIDENT pro tempore. Under the previous order 80 minutes remain equally divided.

Mr. MURKOWSKI. I thank the Chair.

The ACTING PRESIDENT pro tempore. The Senator may proceed.

Mr. MURKOWSKI. Madam President, I appreciate the attention of the Chair.

Yesterday before this body I had the opportunity to offer on behalf of Senator DANFORTH, Senator STEVENS, Senator MCCAIN, and Senator GORTON an amendment numbered 203.

Madam President, in view of the time allotted to me I yield myself 15 minutes.

The ACTING PRESIDENT pro tempore. The Senator is recognized for 15 minutes.

Mr. MURKOWSKI. Madam President, let me briefly describe what my amendment does. My amendment reduces revenues that are assumed to be raised by the Btu tax by $4.5 million over 5 years. Specifically, the purpose is to exempt the effect of the Btu tax on airline fuel. The revenue loss is offset by cutting an equal amount of $224 billion in new spending which is in the administration's plan.

Specifically, the Btu tax, in the opinion of the Senator from Alaska, is unfair and unjust for those who depend on oil. It taxes oil up to 60 cents per million Btu; yet it taxes other forms of energy at only 26 cents per million Btu.

In other words, coal is taxed at 26 cents, nuclear energy is taxed at 26 cents, and hydro is taxed at 26 cents. Why is oil suddenly singled out to bear this surtax of 34 cents? One would suggest that perhaps the budgeters needed more revenue and decided to penalize oil. It seems like we have elevated oil up to the level of a sin tax similar to tobacco and liquor.

You and I know, Madam President, you cannot run an airplane on hydroelectric generation and you cannot burn coal to power an airplane. You have to burn oil, in the form of aviation fuel.

Specifically, my amendment provides relief for the airline industry which

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

simply cannot afford an expensive new tax of this magnitude. This would cost the airline industry approximately $4.5 billion over the next 5 years. This is an industry that lost $4.7 million last year and $8 billion over the last 3-year period.

The industry has never earned more than $1.7 billion. Fuel accounts for at least 15 percent of each carrier's operating expenses. Airlines are now paying 68 cents per gallon for aviation fuel. Most of that is kerosene. They would face an estimated 10- to 15-cent increase per gallon of fuel under the administration's plan.

Let us look at American Airlines alone. This is a leading domestic airline. They lost $1 billion this year and over a half billion last year.

The tax would cost American Airlines tens of millions of dollars. That same carrier has already indicated that they are grounding 25 of their large-bodied DC-10's.

In the last year, the third straight year of multimillion-dollar losses, U.S. airlines have been canceling or delaying purchases of aircraft, aircraft valued at approximately $27 billion, and I might add aircraft that would have been built in the United States.

One wonders how many more delivery dates will be postponed or canceled by putting an additional burden on America's airlines.

United Airlines has announced they will reduce their domestic schedule. They will close stations, and cancel plans to fly to some international routes. Now our President proposes to tax our airlines $4.5 million over the next 5 years.

Madam President, as we look specifically at the health of our airline industry, let me go through a few of the major airlines and what they are facing.

Serving Alaska, the Alaska Air Group located out of Seattle faces losses in 1992 of $84 million; yet they employ 6,381 workers. In Phoenix, America West, with losses of $131 million, employs 10,500. In Dallas, American Airlines, with losses of $935 million, employs 90,800 people. Continental Airlines in Houston, with losses of $125 million, employs 35,000 workers. In Atlanta and New York, Delta Air Lines, with a net of loss $564 million, employs 74,000. In Memphis, Federal Express, an all-cargo carrier, with net losses of $107 million, employs 81,500. Northwest Airlines in St. Paul, MN, with net losses of $383 million, employs 46,000. In St. Louis, Trans World Airlines, with net losses of $239 million, employs 29,000.

In Chicago, Denver, San Francisco, United Airlines, losses of $956 million; they employ 79,000. In USAir, here on the east coast, Arlington and Pittsburgh, losses of $1.2 billion; employs 46,000.

Madam President, we are looking at losses of those collective airlines in 1992 of $4.7 billion. We are looking at employment of 497,000 people. I do not think it is necessary to emphasize further the impact of this additional tax burden on our airline industry and what it will do to their bottom line.

As I said before, it will add $4.5 billion over the next 5 years. And there is no responsible relief proposed by this body as a consequence of levying this very, very heavy and unnecessary burden on an industry that is already overburdened.

Madam President, I have a chart here that clearly shows the net profit of our U.S. scheduled airlines in millions of dollars. As we can see, the airlines made modest profits in 1983 and 1984. They dropped to a loss in 1985; and in 1986 to 1988, a profit; they were marginal in 1989. And in 1990, 1991, and, clearly, 1992, we see, by losses of $2 to $4 billion per year, the effects of the general economic situation in the United States and how it reflects the airline industry's ability to serve in our domestic market to expand the job base and purchase new airplanes.

Clearly, with this additional tax burden, the bottom line in 1993 is simply going to go off the chart. I think it is irresponsible of this body to consider the application of this tax on the airline industry today without clearly coming up with some responsible alternatives that we continually talk about but never seem to identify.

Let us look at the prospects of more unemployment in the industry. There were 117,000 jobs lost in the aerospace industry last year. Thirty-eight thousand jobs were lost in civilian aircraft production and 47,000 more are in danger this year.

United has announced they will furlough approximately 2,800 workers, and an additional 1,900 workers that they planned to hire will not be hired.

Northwest Airlines laid off an additional 1,000 workers in January, on top of the 1,600 that were laid off in June of last year.

And just last month, Boeing in Seattle announced a layoff of 23,000 and another 5,000 more by mid-1994.

As we know, our President flew in an airplane and was driven in a car, both fueled by sinful oil-based fuels, to visit the Boeing Co. in Seattle and Everett to sympathize with people that his Btu tax will ultimately hurt. I think that in itself identifies the significance of this unfair and inequitable application of a surtax that is assessed solely on oil.

Let me point out very briefly the issue of competitiveness. We talk about our domestic industry—McDonnell Douglas, Boeing—but Airbus will be cheaper. They will be able to provide airplanes cheaper because they will not have to pay the new tax on oil and energy, and a great deal of energy is used to build airplanes.

Let me refer also to the aircraft owners and pilots that are going to be hit hard throughout the United States. There are close to 10,000 general aviation pilots in this Nation; more than 4,500 in my State of Alaska. This tax would be over and above the 15 cents per gallon already imposed on airline fuel and a brand new $300 per year registration fee to be levied on aircraft.

There are small villages in my State of Alaska where the only travel options are by boat, by snow machine, by airplane, save a dog team here and there. Hitting these people harder is unfair and it is unnecessary when the same budget document that raises their taxes includes $94 billion in new spending—new spending to encourage some of the Fortune 500 companies to use more energy, effective lighting, among other suggestions.

I would suggest the priorities in this budget are incorrect. The Btu tax would simply knock the legs out from under one of our most important and one of our most vulnerable industries. And that is an industry that needs help. It does not need more taxes.

Who gets hurt in the end, Madam President? People who have to fly because of remote locations or for business reasons; people who depend on the airline industry for employment—our hotels, our airport workers, tourism, business manufacturers; and there are thousands of Alaskan pilots who run the small air services that deliver mail, carry people and cargo back and forth to remote areas.

Madam President, I think it is also fair to say that the Btu tax is terribly inefficient. The proposal raises initially $95 billion in new taxes. But if we look at the $95 billion, we find that if we subtract the revenue loss due to business deductions and other revenues losses associated with implementing the new tax, we lose $24 billion. That leaves us with roughly $71 billion.

If we subtract, in addition, the cost of increased funding of food stamps, another $9 billion, that leaves us with $62 billion. And the earned income tax credit, $20 billion, that leaves us with $42 billion.

The low income home energy assistance program, let us take off $2 billion for that. That leaves us with $40 billion.

We are left with a deficit reduction of about $40 billion after levying $95 billion in new taxes. We raise $95 billion in taxes, yet that gets us $40 billion in deficit reduction at the most. That is basically the administration's proposal as applicable to the Btu tax.

Now, to increase the tax on any energy used for home heating, in my opinion, is bad policy. To double-tax those who heat with oil, I think, is even worse. Why punish those who heat with oil? But that is what we have done in the application of this Btu tax with the 34-cent surtax applicable on oil.

I feel all energy used to heat homes should be exempt, which is why I voted to rescind the Btu tax altogether.

Madam President, I have previously filed an amendment that exempts home heating oil from the proposed Btu surtax of 34 cents per million Btu. The revenue loss of $648 million is offset by cutting an equal amount of the $124 billion of new spending in the President's plan. But, the other side does not want to talk about this unfair tax on home heating fuel.

I attempted to bring up the amendment last night and was told that the White House is thinking about fixing it in some manner or form. We can fix it right here by eliminating the extra surtax on heating fuels and by voting for my amendment that will be up later tomorrow.

The ACTING PRESIDENT pro tempore. The Senator's 15 minutes has expired.

Mr. MURKOWSKI. I yield myself whatever additional time I need.

The ACTING PRESIDENT pro tempore. The Senator is recognized for as long as he wishes.

Mr. MURKOWSKI. I thank the Chair.

Madam President, let me talk a little bit about the impact of the new tax. This new tax would add from 8 cents to 10 cents, or more, to the cost of a gallon of heating oil by the year 1997. Some estimates suggest this is a 8- to 8.5-percent increase. However, the tax will not stay at 8 cents to 10 cents per gallon. It is indexed to rise with inflation, which is ironic, since this broad-based energy tax is going to add to inflation.

In some parts of the country, heating oil is the only realistic source of heating energy. Many would like to have alternate sources but they simply do not have them. Many towns in New England and the Northeast are dependent on home heating oil. Many homes in my State of Alaska are dependent on home heating oil and simply have no other alternatives.

This impact of 34 cents surcharge, above the charge of other energy sources, really hits home in the Northeast Corridor States. In Connecticut, oil accounts for 45 percent of residential energy consumption. In Maine, oil accounts for 58 percent of residential energy consumption. In New Jersey, oil accounts for 21 percent of residential oil consumption. In New York, oil accounts for 23 percent. In New Hampshire, oil accounts for 45 percent of residential energy. In Rhode Island, oil accounts for 35 percent. In Massachusetts, oil accounts for 37 percent; and in Vermont, oil accounts for 45 percent of residential energy used.

If my State of Alaska, oil accounts for 31 percent of residential energy consumption.

It is rather interesting that the Northeast States' Energy Coalition does not encourage production of more energy and the foreign export of energy, particularly in oil, from my State of Alaska. I wonder how they can possibly support this kind of an impact on their residents who are so dependent on heating oils, who have no other alternative, forcing them to pay a surtax of 34 cents per gallon on a Btu basis, simply because they have no other alternative. The equity of that simply escapes me.

In my State of Alaska the overall Btu tax will cost Alaskans about $216 million per year. That applies on a per-family basis, according to the American Petroleum Institute, of $1,521 per family. That slows our economy. It costs us jobs and makes products more expensive and less competitive.

Every product, virtually of any descriptive, Madam President, must move to Alaska by air, by barge, by ship, by car, by truck. The residents of Alaska will pay that additional levy as a consequence of a surtax on oil. While people lose their jobs and pay more for goods and services, clearly all costs are going to go up, including their heating bills. More troubling, perhaps, than the overall percentage, is that people without any alternatives are heavily impacted.

Madam President, may I inquire of the time remaining to the Senator from Alaska?

The ACTING PRESIDENT pro tempore. The Senator has 19½ minutes remaining.

Mr. MURKOWSKI. I thank the Chair.

Madam President, let me share with you a real-life situation.

At Kiana, a small native village of some 385 people on the banks of the Kobuk River above the Arctic Circle, in my State of Alaska, home heating oil currently costs just over $2 a gallon for the residents of that small community. This is representative of many Eskimo and Native villages in our State of Alaska. An average bush home uses a minimum of 100 gallons of heating oil a month during the 7 months in which the icy grip of winter blankets the small villages. Many homeowners who can afford it use more. Heating oil is their only available source of energy. Diesel is their source of energy for power generation, and for heat and cooking they use heating oil. More importantly, the residents of Kiana, who must hunt for food to live, must buy gasoline for their snow machines in order to reach the subsistence hunting grounds. A typical family will have to buy at least 1,000 gallons a year.

Gasoline delivered in the area is approximately $2.50 a gallon. For residents in Kiana, the direct cost of the proposed 8.3-cent-per-gallon tax on diesel and 7.5 cents tax on gasoline will raise their nearly $2,500 fuel bills by nearly $150 a year. This is no small amount, however, when incomes of nearly a quarter of the village residents fall below the poverty line. The effect is even bigger because every item that arrives in Kiana arrives by barge or plane, all of which are dependent on fuel.

I might add further, it is a very expensive flight in and out of the village.

But Kiana is not an isolated case. Across Alaska, the average family uses 10,000 gallons of diesel fuel a year, another 100 gallons for cooking, spending an average of $3,600 a year for just diesel oil. This is a heavy burden, considering the average family in the region earns only perhaps $10,000 or $11,000 a year. What cash is left is needed for gasoline and for parts for snow machines and ammunition for rifles, both absolutely essential for villagers to hunt for food to put on their table.

Food stamps certainly are not going to do Alaskans much good, unless we can figure out a way, perhaps, to get the wild caribou to turn themselves in in exchange for the right amount of food stamps. Many Alaskan Natives simply will not be helped. Heating oil tax will not pay for the increased funding for the Low-Income Home Energy Assistance Program, the earned income tax credit, and food stamps.

I think it is important to reflect on what we are doing here to a segment of our population. By levying this unfair, inequitable surtax on top of what is levied on all the other sources of energy—nuclear, hydro, gas, coal—and putting it just on oil, it is terribly unfair to a segment of our population that has no other alternative but to use oil. We are driving this segment of the population that is at a low-income level to below the poverty level so that they can then be eligible for the Low-Income Home Energy Assistance Program, and earned-income tax credit, and food stamps.

Is that really the kind of America that we want to create by increasing a tax on these people who have no other alternative but simply accept it? That is the whole point of the amendment that I am going to offer and that I have filed before this body—to relieve those people who have no other alternative, who are dependent on oil, from this 34-cent surtax, which has no merit on the basis of equity or fairness.

Madam President, the total tax on heating oil will raise $1.1 billion. That is what it will raise. While the Energy Assistance Program is going to be increased by $2 billion, food stamps are going to be increased by $9 billion. Is that the kind of return we want with our tax dollars? Do we want to help people or do we want to drive them below the poverty level? In many cases these programs will not offset the burden of this tax on people without alternatives. This really is not much of a payoff.

Let us look at who will be hurt by the surtax on home heating oil. Low-income people will be worse off simply because they cannot afford it. The middle-income people will be worse off because they are not covered with any type of energy assistance programs.

It is not fair to tax some more heavily than others when they have no al-

ternatives. Yet, clearly, that is what we are doing.

What do we have when we are through, Madam President? When we are through with this tax, we have a deficit in the year 1993 of $310 billion. We have a national debt of $4.1 trillion. What do we have in 1994? In 1994, we have a $254 billion deficit, and we have a national debt of $4.3 trillion.

In 1994, we have added $36 billion in new taxes. We have cut defense $3 billion, and we have cut domestic spending $5 billion.

In 1995, we have a deficit of $233 billion and a national debt of $4.5 trillion. We have increased our taxes $46 billion.

In 1996, we have a deficit in that year of $197 billion. Our national debt has increased to $4.7 trillion. We have new taxes of $63 billion.

In 1997, our deficit is $187 billion. Our national debt is $4.9 trillion and we have $76 billion in new taxes.

And in 1998, Madam President, our deficit for that year is $214 billion, but our national debt is $5.1 trillion with a new tax burden of $74 billion.

The total, Madam President, from 1994 through 1998 in net new taxes is $295 billion. We have had a deficit in each year of over an average of $220 billion, and we have accumulated a total national debt of $5.1 trillion. That is the basic proposal that has been presented by the administration and sold as a deficit reduction package, and it has been sold as an investment in the future of our Nation.

Madam President, an investment is one thing, but added debt is another. When you use the words "investment in America," by the figures that I have just given, it is truly a debt to America. We have increased our national debt under the proposed CBO figures from $4.1 trillion to $5.1 trillion in the timeframe of 1993 to 1998. A part of this, of course, is the Btu tax, which is a significant portion of additional new taxes, Madam President, estimated to be $95 billion, but which nets roughly $40 billion after taking out offsetting spending and administrative costs.

At the end of this period, as I have indicated, we have increased our national debt to $5.185 trillion. I think, unfortunately, most Americans truly believe that the administration has a workable proposal to address the deficit and reduce the national debt. But I urge my colleagues and all Americans to look at the bottom line and to see realistically where we are at the conclusion of the administration's proposal because clearly it does not realistically address meaningful deficit reduction. It does not, by any manner or means, reduce the national debt. The national debt is increased by a trillion dollars and it does not make, Madam President, the necessary cuts that are needed from the standpoint of what is good for this country.

I know that some of my colleagues want to speak. I will wind up my statement. If I may ask the Chair, how much time is remaining?

The ACTING PRESIDENT pro tempore. The Senator has 8 minutes and 47 seconds remaining.

Mr. MURKOWSKI. I am sorry, I did not hear.

The ACTING PRESIDENT pro tempore. Eight minutes and 47 seconds remaining.

Mr. MURKOWSKI. Madam President, let me conclude, and it will just take me another minute. Let me highlight who gets hurt, Madam President, by this tax and by specifically the tax on home heating oils. Everyone who heats their home by home heating oil and has no other alternative gets a double whammy on this. They get hit twice. They get hit with a base tax of 26 cents plus the surtax of 34 cents, which is only on oil.

How do the oil companies make out? Oil companies who have imported refined products into the United States will capture a potential windfall due to higher prices. What about OPEC, Saudi Arabia? Do they generate benefits of higher oil prices? They certainly appear to. And in addition to generating higher prices, they can readily see this as a signal to increase prices further.

So the conclusion is that there is simply no justification, no equity, and no point in having this sin tax on heating oil. It costs more than it raises. It taxes the poor and cycles their money through an inefficient bureaucracy, putting many of them below the poverty level. It punishes those who use oil to heat their homes, and creates a windfall for foreign oil companies and OPEC countries.

Madam President, I yield 4 minutes to the Senator from Oklahoma.

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma.

Mr. NICKLES. Madam President, one, I wish to congratulate our colleague, Senator MURKOWSKI, for his excellent statement.

Madam President, I ask unanimous consent to be listed as a cosponsor of the amendment of the Senator from Alaska.

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

Mr. NICKLES. Madam President, the Senator from Alaska has brought to the floor a very important amendment. He has made several comments concerning the Btu tax. And as the Presiding Officer is aware, we had an amendment to eliminate the Btu tax. Unfortunately, we were not successful. We were not successful because primarily almost all the colleagues on the other side of the aisle voted against us.

As I stated on the floor last week, that tax is going to put hundreds of thousands of people out of work. The Senator from Alaska has come to the floor with an amendment that says let us exempt aviation from this tax. I think we should eliminate the entire tax, but I certainly agree with the Senator from Alaska.

I happened to have a very large employer in my State, American Airlines. They are actually the largest private employer that we have in the State of Oklahoma. They employ about 11,000 employees in Oklahoma. They do a super job with the maintenance facility and computer facility in Tulsa. But if this tax goes forward, American Airlines is going to lose hundreds of millions of dollars per year.

Some people say they are just going to pass that on to consumers. Frankly, last year they lost $985 million. This tax is going to cost American Airlines anywhere from $160 million to $300 million per year. So they cannot pass it on. If they could pass it on, they would not have lost almost a billion dollars last year. If you look at the airline industry overall, in the last 3 years, they have lost $10 billion. So this is an industry that is really hurting, and this tax is going to cost the industry altogether well in excess of a billion dollars a year. They cannot afford it.

So I think the Senator from Alaska has an excellent amendment. I hope that my colleagues will support this amendment. I hope that we will have some Democrats who will support this amendment because the airline industry and its employees are important.

I have noticed now we have the administration and Congress talking about what can we do to help the airline industry? One of the best things we can do to help the industry would be to not pass this punitive tax, which would put hundreds of thousands of highly paid, skilled people out of work.

So I congratulate my colleague from Alaska on an excellent amendment. I hope the Senate will likewise concur and adopt it later this afternoon.

Mr. MURKOWSKI. Madam President, I ask for the yeas and nays.

The ACTING PRESIDENT pro tempore. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MURKOWSKI. Madam President, I will also seek 10 minutes to talk on the amendments that are scheduled to come up later on this afternoon.

The ACTING PRESIDENT pro tempore. There is no existing order providing for 10 minutes for discussion on the Murkowski amendment.

Mr. MURKOWSKI. Madam President, I ask unanimous consent that I might have 10 minutes to speak on the amendment prior to the vote later this afternoon.

Mr. SASSER. The Senator from Alaska is requesting he have 10 minutes to speak on the airline amendment prior to the vote on the amendment; is that the Senator's request?

Mr. MURKOWSKI. That is correct.

Mr. SASSER. I have no objection to that, if the Senator will agree to have the time equally divided.

Mr. MURKOWSKI. I agree to that. I thank the Senator from Tennessee.

Madam President, if I may conclude, I have how much time remaining?

The ACTING PRESIDENT pro tempore. Without objection, there will be 10 minutes equally divided on the Murkowski amendment prior to the vote.

The Senator from Alaska has 2 minutes remaining on his amendment.

Mr. MURKOWSKI. I thank the Chair.

Madam President, as a matter of putting my colleagues on notice, I have filed a home heating oil amendment. It is amendment No. 204. It is my intent to bring that amendment up at an appropriate time. I recognize I will not have an opportunity to describe that amendment, but I clearly feel that this body should vote up or down on the merits of striking the 34-cents-per-million Btu surcharge on oil and its effect on those who have no other alternative. I have already spoken at great length on the equity of the issue.

I also have another amendment, No. 205, which I intend to bring up as well, that would address the viability of America's mining industry as it relates to the user tax which would basically put America's mining industry out of business if a mandate prevails requiring a 12.5-percent royalty on minerals. We would lose some 27,000 jobs in this country. It would cost us about $500 million, and we would have achieved nothing but to move that industry overseas.

Finally, Madam President, I thank you and I want to encourage the Members of this body to recognize that the Btu tax, as far as it is applied to oil, is ineffective; it is unfair to your State of California, my State of Alaska, to Texas, to Oklahoma. It puts a huge burden on millions of Americans who have no other alternative except oil. They might like to use alternative fuels to heat their homes, but cannot. Yet we are asking that group to pay double.

Madam President, they are mad. They are upset. They want this body to repeal the 34-cent surtax on oil, and they want it done now.

I thank the Chair and I thank my colleagues.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. SASSER. Madam President, I will vote against the amendment offered by our colleague from Alaska. To borrow a line from a former President that I am sure my friend from Alaska has tremendous admiration for, "Here we go again." Here we have another amendment offered by my friends from the other side of the aisle that attempts to tinker with a proposed tax in a manner that clearly should be subject to the confines of a Finance Committee markup.

Let me remind my colleagues once again that the budget resolution simply cannot dictate to the Finance Committee what revenues to raise or not to raise in order to meet the revenue target of the Finance Committee. In fact, while this amendment would reduce the Finance Committee's revenue target by some $4.6 billion, it offers no guarantees that the Finance Committee will go ahead and exempt aviation fuel from the Btu tax. That is because, as I have just stated, we do not have the authority in the budget resolution to specify to the Finance Committee what revenues to raise and what revenues not to raise.

Now, I ask my colleagues, where do you guess the offset is found for the almost $5 billion in revenues that will be lost under this amendment? If you had been around the Senate for the past few days, the answer is easy. The Senator from Alaska proposes an unspecified reduction in the good old allowances account, function 920.

Now, the reduction in discretionary spending of $5 billion is not small change even by Washington standards. What sort of consequences would a reduction of this magnitude have? It is hard to say since we do not know where the reductions would come from, but we do know they are going to end up coming out of discretionary accounts, and we do know our friends on the other side are going to resist any further reductions in military spending.

So that means the reductions are going to come out of domestic discretionary spending. Maybe less will be able to enroll in the Head Start Program. Maybe we will just take the money out of Head Start. Or, maybe it is implied that the Senator would not hit Head Start, maybe we would reduce some other programs, the childhood immunization program.

Well, if that is ruled out of bounds, maybe since this amendment deals with energy, the amendment would discourage the creation of cooperative research and development agreements between the national laboratories, I say to my friend from New Mexico; development agreements between the national laboratories and industry in efforts to enhance industry's ability to develop new energy and environmentally friendly technology, including electric vehicles and the greater use of natural gas.

I doubt that many Senators, particularly those with national laboratories in their States, will look very favorably on that development.

I hope the Finance Committee will address the concerns raised by the Senator from Alaska when they put together a tax bill.

Any energy tax proposals should not force one industry to absorb a disproportionate impact of the tax, and the aviation industry is certainly included in that. I would not want to be a party to forcing the aviation industry to absorb a disproportionate tax burden. I am confident that Senator Moynihan and his colleagues on the Finance Committee will not let that happen.

Last evening, one of the senior members of the Finance Committee was on the floor of this Chamber stating that he felt the Btu tax could have a disproportionate impace, adverse impact, on the aviation industry. I am confident that that senior member of the Finance Committee is going to use his good offices and his influence to see that there is not a disproportionate impact on the aviation industry.

This amendment should be rejected because it simply will not achieve the goals that the distinguished Senator from Alaska is seeking. But it could—and I think would—adversely affect many of the domestic discretionary programs that we all support here in this body, including programs I just named such as Head Start, the Women, Infants and Children feeding Program—a whole host of programs across the board that have had bipartisan support over the years, and which administrations of both parties have urged funding increases for.

So for that reason I say, Madam President, that I think this amendment ought to be rejected at the appropriate time.

Madam President, I might inquire: how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 30 minutes, 29 seconds left.

Mr. SASSER. Is there additional time remaining to the proponent of the amendment?

The ACTING PRESIDENT pro tempore. The time of the Senator from Alaska has expired.

Mr. SASSER. Madam President, I am prepared to yield back all of our time and move forward. I see the distinguished Senator from New Mexico [Mr. BINGAMAN] is on the floor. Under the agreement, his will be the next amendment in order.

Mr. BINGAMAN addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from New Mexico [Mr. BINGAMAN].

Mr. BINGAMAN. Madam President, I appreciate the chance to offer an amendment this morning.

AMENDMENT NO. 215

(Purpose: To ensure that fiscal year 1998 funding levels for defense conversion programs are consistent with the levels requested by President Clinton in his investment program)

Mr. BINGAMAN. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will report.

The bill clerk read as follows:

The Senator from New Mexico, Mr. BINGAMAN, for himself, Mr. PRYOR, Mr. LIEBERMAN, Mr. PELL, Mr. Bryan, and Mr. DODD, proposes an amendment numbered 215.

Mr. BINGAMAN. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the resolution, insert the following:

SEC. . ASSUMPTIONS.

In setting forth the budget authority and outlay amounts in this resolution, Congress assumes that the defense conversion programs will be funded at the level requested by the President for fiscal year 1998.

Mr. BINGAMAN. Madam President, this amendment to the budget resolution is a sense-of-the-Senate proposal to ensure that fiscal year 1998 funding levels for defense conversion programs are consistent with levels requested by President Clinton in his reinvestment program.

Madam President, I am proud that I was able to join President Clinton and several of our colleagues, including Senator SARBANES and Senator MIKULSKI, when his defense reinvestment and conversion program was announced in Baltimore on March 11.

President Clinton has developed a comprehensive package that addresses the four major areas of need. Those areas are: First, worker training and adjustment assistance; second, investment in hard-hit communities; third, dual use technology development and commercial military integration; and, fourth, conversion opportunities in new civilian technology investments.

The President's plan is based in large part on the work done by the defense conversion task force that Senator PRYOR headed during his last year, in which I was fortunate enough to serve.

I would like once again, as I have several times previously, to commend Senator PRYOR for his fine work in this area.

The President's plan calls for an investment of almost $20 billion in conversion programs from 1993 through 1997 fiscal years. This includes $9.65 billion in new civilian technology investments primarily in the Department of Commerce, as well as in other civilian agencies.

It includes $1.5 billion in worker-training programs administered through the Department of Labor; it includes almost $3.4 billion through the Department of Defense for the Department of Defense personnel assistance and for community support; and it includes $4.7 billion in continued funding for dual use technology and commercial military integration programs established under the fiscal year 1993 defense authorization of appropriations bills.

Madam President, the end of the cold war has provided us with a historic opportunity to move away from the military challenges that consumed us in the past, and to begin addressing the economic challenges that define our future. Unfortunately, the transition that is required to move from a cold war economy to a post-cold war economy will not be an easy one. Hundreds of thousands of people will be affected by this transition. Madam President, I know many in your State have been affected already.

I know of your strong commitment to these types of programs.

Communities across the country will suffer as military bases close and defense firms adjust to lower levels of procurement. Military and civilian personnel, defense prime contractors and subtiered suppliers in cities large and small, all will be affected.

We have choices as we make these cuts. We can take steps now to ease the transition for these workers in these communities and these firms. This approach, which is the one advocated by President Clinton and endorsed by this amendment, would ensure that firms are given the opportunity and assistance they need to apply their technological skills in the commercial sector. It will ensure that military and civilian personnel and defense industry workers are given the opportunity to retain for the new commercial sector jobs that will be created over the next 5 years. It will assist communities that are impacted by the defense downsizing in building a new and stronger economic base for the future. It also ensures that a strong national industrial and technology base will remain to serve future defense security needs.

Our other choices are either to continue high levels of defense spending and put these issues off until the future or second, to cut defense spending without regard to the fate of workers and firms and communities that will be affected, and run the risk of not having a robust technology and industrial base to serve our national defense needs.

Madam President, the Clinton administration, in my view, has made the right choice. The President has developed a plan that balances the need to deal with the budget deficit, with the need to bolster the economy.

It is a plan that deals fairly with those impacted by smaller defense budgets and it provides opportunities for affected individuals to continue to move forward with their lives and their careers.

These choices are very important to me and to my State of New Mexico. New Mexico is second in the country in per capita Federal spending. Almost all of the Federal spending we receive in our State relates to our defense effort. At the same time, New Mexico is 47th in the country in per capita income. So defense cuts will hit New Mexico as they will many other areas of the country. The easy course would be to support continued high-level defense spending to maintain those New Mexico jobs. However, the only constant in today's world is change, and I believe that the better course is to build for the future and to help my State and other States adjust to the new economic reality.

The better course for the Senate is to support the President's adjustment and reinvestment program. It is our best hope both in my State of New Mexico and around the country for building a stronger economic base for the future.

I believe we need to endorse the President's plan. We need to put the Senate on record in support of this defense reinvestment and conversion program. I urge my colleagues to support the amendment.

Madam President, I ask unanimous consent that a summary of the President's proposal on defense reinvestment and conversion be printed in the RECORD.

There being on objection, the summary was ordered to be printed in RECORD, as follows:

DEFENSE REINVESTMENT AND CONVERSION, MARCH 11, 1993

Today, President Clinton announced a major Defense Reinvestment and Conversion Initiative that will go into effect immediately. In a sweeping policy shift, the Clinton Administration will distribute $1.4 billion that Congress appropriated last year for defense conversion, which the Bush Administration had opposed and declined to spend. In addition, the Clinton Administration has redirected funds and proposed other FY93 spending totaling $300 million. By 1997, the investments for defense conversion would almost triple to over $5.2 billion, with a total of nearly $20 billion invested in FY93–97. These investments will promote economic growth while preserving a strong military and defense industrial base.

In today's announcement, the President described in detail the $1.7 billion in specific programs that will be implemented in 1993. The immediate conversion package includes four major areas of new investment:

1. Worker training and adjustment;
2. Investing in hard-hit communities;
3. Dual-use technology and commercial-military integration; and
4. Conversion opportunities in new civilian technology investment.

A National Economic Council interagency working group on defense reinvestment and conversion will issue a white paper in early April.

BRIEF SUMMARIES—1993 DEFENSE REINVESTMENT AND CONVERSION INITIATIVE:

1. Military and civilian worker training and adjustment: Now that we have won the Cold War and are readjusting our defense posture, we cannot leave the talented individuals who are responsible for that victory out in the cold. To achieve the economic strength that will ensure our national security in the new era, we must refocus the talents, energy and dedication of the men and women involved in national defense on creating economic growth and serving their communities. That is why the President's Defense Reinvestment and Conversion Initiative will dedicate over $375 million in FY93 alone to transition assistance, employment services and job training. Some defense funds will be transferred to the Labor Department and other agencies to carry out these programs. During FY93–97, the President's defense conversion plan will allocate nearly $4 billion for worker adjustment. FY93 funding includes:

$150 million for government- and employer-sponsored training programs for displaced defense workers;

$112 million for transition initiatives for members of the guard and reserve and severance pay and health benefits for separating civilians;

Early retirement benefits for military personnel with 15 or more years of service; retirement credit for service in law enforcement, teaching and other critical professions; and

Pilot programs to train separating military personnel and defense workers to enter critical jobs in teaching, law enforcement and health care.

In addition: The Department of Energy is redirecting $25 million for employee retraining and assistance programs.

2. Investing in hard-hit communities: There is a compelling need for actions that will speed and case the transition of workers, communities and firms that are being hard hit by cuts in defense spending. Scores of defense-dependent communities are undergoing distress, as their workers lose jobs and their businesses contract. The recession and high unemployment have aggravated all of these problems. For communities that lose a military base, environmental clean-up is a major obstacle to base reuse. The 1993 package helps hard-hit communities by providing:

$30 million to substantially expand DoD's Office of Economic Adjustment so that every community with a military base scheduled for closure will have the tools and expertise to plan and adjust and create new economic opportunities;

$80 million for revolving-loan programs and grants through the Commerce Department to target the communities that will be most hard-hit by declines in the industries affected by the defense contraction; and

$84 million for Defense Department programs that allow retired military and reserve personnel to address unmet needs in the nation's schools and communities.

In addition:

DoD will streamline environmental cleanup to speed local economic recovery; a new DoD deputy undersecretary for the environment is being created to make this happen.

The Administration will explore the potential for using unneeded military facilities for community health and other programs.

3. Dual-use technology and commercial-military integration: For too long, our nation has denied itself the benefits to economic growth and technological advancement that could result from integrating the pursuit of defense and civilian goals. But we can no longer separate national security from economic security; in a post-Cold war world, they are one and the same. We must restructure the military-industrial complex so that commercial firms play the dominant role, since they now produce much state-of-the-art technology. That is why the Defense Advanced Research Projects Agency (DARPA) was renamed the Advanced Research Projects Agency (ARPA)—as the agency was known before 1972. This change symbolizes the Clinton Administration's commitment to supporting dual-use technology and integrating the commercial and military sectors.

ARPA is now ready to accept proposals for over $500 million in technology and industrial base programs. These funds will support industry-led R&D consortia in critical dual-use technologies and pioneering state/local efforts to commercialize and deploy technology. All programs require matching funds and merit-based selection. (For information, call: 1-800-DUAL-USE.)

ARPA and four other agencies (Commerce, NSF, Energy and NASA) are cooperating to jointly implement these programs through the Technology Reinvestment Project. The agencies will hold a series of regional outreach meetings in early April to brief potential applicants and answer questions. These programs, some of which were mentioned in our technology initiative, include:

$255 million for government-industry partnerships to develop advanced materials, manufacturing and other dual-use technologies;

$100 million for "regional technology alliances" among firms to share information and develop new products and markets;

$100 million for state and local manufacturing extension programs to assist small defense firms in making the transition to commercial production; and

$100 million for other programs to help small defense firms acquire dual-use capabilities.

In addition:

ARPA has $200+ million for industry research to develop electronics and materials technologies with both commercial and military application.

DoD is redirecting $85 million of Small Business Innovation Research (SBIR) funds to companies that are developing dual-use technology in such areas as electronics, materials, and instrumentation.

To encourage large defense firms to pursue dual-use and commercial applications, DoD is enlarging the scope of independent research and development (IR&D) reimbursed under defense contracts. This should result in the redirection of some share of IR&D activities, which total several billion dollars annually.

4. Conversion opportunities in new civilian technology investments: Technology is the engine of economic growth. By investing more in new civilian technologies, we can create exciting new opportunities for defense workers and firms, enhance U.S. competitiveness, and tackle unmet domestic needs. That is why the Clinton Administration has redirected funds and proposed other FY93 spending totaling $300 million.

Proposed spending in the President's stimulus package includes:

An additional $94 million for Department of Energy R&D partnerships with industry;

$117 million for the Advanced Technology Program and other activities of the Commerce Department's National Institute of Standards and Technology; and

$64 million for pilot projects to demonstrate the benefits of computer networking to schools and libraries.

DEFENSE REINVESTMENT AND ECONOMIC GROWTH INITIATIVES

[Budget authority in millions of dollars]

	1993	1994	1995	1996	1997	1993–97
Assistance for defense workers, personnel and communities:						
Department of Defense personnel assistance and community support	597	697	[1] 697	[1] 697	[1] 697	3,385
Department of Energy personal assistance	25	100	.....	.....	.....	125
Department of Labor displaced worker training	([2])	[3] 300	[3] 400	[3] 400	[3] 400	1,500
Department of Commerce community diversification assistance [EDA]	[4] 15	33	55	55	55	213
Total: Worker and personnel assistance programs	637	1,130	1,152	1,152	1,152	5,223
Department of Defense dual-use technology reinvestment	[5] 845	[5] 964	[1] 964	[1] 964	[1] 964	4,701
New Federal high technology investments (conversion opportunities)	165	1,206	2,329	2,758	3,175	9,651
Grand total: Programs that will assist defense workers, personnel, communities and firms	1,667	3,300	4,446	4,874	5,291	19,575

[1] This is the 1984 level. Specific estimates for 1985, 1986, and 1987 will not be available until the DOD completes the comprehensive review of Defense programs this year.

[2] $75 million will be transferred in 1983 from the Department of Defense.

[3] This is the portion of overall investment increases that could be expected to be used to retain displaced defense workers.

[4] In addition, $80 million will be transferred in 1983 from the Department of Defense.

[5] This excludes impact of broadened scope of allowable 1980 reimbursement.

[6] This includes investment programs that provide direct conversion opportunities (e.g., Department of Energy-Industry R&D partnerships and NASA civil aviation research) and 1994 of programs that provide some conversion opportunities (e.g., Department of Commerce programs for information highways, manufacturing and advanced and advanced technology). Not included are increases for Enterprise zones, Community Development Banks, National Science Foundation, highway programs, and the R&D tax credit that will provide opportunities for defense firms and workers, and help develop infrastructure useful for community economic diversification.

DEFENSE REINVESTMENT AND ECONOMIC GROWTH INITIATIVES

[Details of 1993 programs, budget authority in millions of dollars]

	Amount
Department of Defense dual-use technology reinvestment	[1] 845
Reinvestment initiatives	327
Dual use technology partnerships	95
Commercial-military integration partnerships	48
Regional technology alliances	95
Agile manufacturing enterprise integration	29
Advanced materials partnerships	29
Advanced manufacturing technology partnerships	23
Manufacturing engineering education program	29
United States-Japan management training	9
Less baseline programs included above	−30
Manufacturing/Technology Extension [2]	190
Electronics and materials initiatives	243
High definition systems	92
Optoelectronics	23
Metal matrix and ceramics	9
Diamond substrates	9
Multi chip modules/high temperature superconductivity	14
Multi chip modules	25
Advance lithography	71
SBIR refocused to dual use	85
New Federal high-technology investments (conversion opportunities):	
Direct conversion opportunities for defense firms and workers:	
Department of Energy	94
Government/Industry R&D partnerships, civil	47
Government/Industry R&D partnerships, defense	47
Some conversion opportunities for defense firms and workers:	
Department of Commerce	181
National Institute of Science and Technology [NIST]	117
Information highways	64
Assume 50 percent of this category provides conversion opportunities	91
Total: New Federal high-technology investments (conversion opportunities)	185
Grand total: Programs to assist defense workers, personnel, communities, and firms	1,667
Assistance for Defense workers, personnel, and communities:	
Department of Defense personnel assistance and community support:	
Temporary early retirement	10
Temporary health transition assistance	11
Guard and reserve transition initiatives	40
Separation pay and civilian health benefits	72
Troops to teachers/health care/law enforcement personnel	8
DOD Environmental scholarships and grants	([3])
Job training and employment services (Department of Labor)	[4] 75
Job bank program	4
Military personnel occupational conversion and training	75
Transition Assistance/Relocation Assistance Programs [5]	60
Office of Economic Adjustment	30
Philadelphia Naval Shipyard Economic Conversion (1-time)	50
Community diversification (Department of Commerce)	[6] 80
Retired military and reserve support of community programs [7]	84
Subtotal: Department of Defense	597
Department of Energy personnel assistance	25
Department of Commerce community diversification assistance [EDA]	[8] 15

DEFENSE REINVESTMENT AND ECONOMIC GROWTH INITIATIVES—Continued

[Details of 1993 programs, budget authority in millions of dollars]

	Amount
Total: Community adjustment and assistance programs	637

[1] Excludes impact of broadened scope of allowable R&D reimbursement

[2] Programs to be managed by the Department of Commerce (NIST) with active DOD participation; FY 1993 funds support program over two year period.

[3] Program in development.

[4] These funds will be transferred to the Department of Labor.

[5] Although this is a continuing program, it is shown here because it is an important element of the Department's transition program.

[6] These funds will be transferred to the Department of Commerce.

[7] This includes high school training programs and Civilian Community Corps/National and Services programs.

[8] In addition to this funding, the Department of Commerce will have $30 million transferred from the Department of Defense.

DEFENSE REINVESTMENT AND CONVERSION INITIATIVE DOD PROGRAM SUMMARIES

PERSONNEL ASSISTANCE PROGRAMS

Early military retirement

This initiative would offer retirement benefits to military personnel with 15 or more years of service. Previously DoD offered retirement benefits after 20 years of service. The goal of the new incentives is to encourage voluntary retirements of military personnel with greater than 15 but less than 20 years of service, and thereby minimize layoffs. This program is targeted at military personnel who are not covered by other retirement or separation incentives, such as the Voluntary Separation Incentive/Special Separation Bonus, which are aimed at personnel with between 6 and 15 years of service.

Health transition assistance

This process is aimed at providing transitional health insurance to separating military personnel from the time they leave the armed services until the time they obtain health insurance through their civilian employer.

Guard and reserve transition initiatives

These initiatives are designed to ease the transition for members of the guard and reserve who are released as a result of the defense cutbacks. The initiatives include, among other things, new retirement incentives, separation pay, and priority placement in open positions in guard and reserve units.

Separation pay and civilian health benefits

This initiative would offer retirement and resignation incentives to DoD civilian personnel. The goal of this initiative is to encourage voluntary retirements and resignations among the civilian workforce, thereby minimizing layoffs. The incentives would be equal to $25,000 or the amount of severance pay to which an individual would be entitled, whichever is less. This initiative also offers transitional health insurance to separating civilians.

Troops to teachers/health care/law enforcement personnel

This initiative would establish three pilot programs to train separating military personnel, DoD and DoE civilian employees, and private sector defense workers to enter three public service professions for which many are particularly well suited: teaching, health care, and law enforcement. These programs use as a starting point the "Troops to Teachers" legislation passed for fiscal year 1993.

DoD environment scholarship program

The FY93 defense conversion package called for scholarships, fellowships, and training administered by DoD for the purpose of enabling individuals to qualify for employment in the field of environmental restoration and waste management in DoD. Program details are being developed.

Grants to colleges for training in environmental restoration

The FY93 legislation authorizes DoD to establish a program to assist institutions of higher education to provide education and training in environmental restoration and hazardous waste management techniques applicable to DoD and Doe facilities. Program details are being developed.

Job training and employment services

This initiative will establish a $75 million program to provide job training to separating military personnel, DoD civilians, and private sector defense workers. The program will be carried out by the Department of Labor.

Job bank program

DoD will expand access to the Interstate Job Bank, a Department of Labor-administered list of job openings. In addition, DoD will improve integration of existing databases of jobs and resumes to improve job search services for separating military and civilian personnel.

Military personnel occupational conversion and training

This $75 million program will provide employer-sponsored, DoD-approved job training for veterans. Employers who participate in the program would agree to hire individuals following on-the-job training. DoD will work closely with the Departments of Veterans Affairs and Labor in implementing this initiative.

Transition assistance/relocation assistance program

Each of the armed services offer transition assistance programs for their separating personnel. These programs provide services such as pre-separation counseling, employment assistance, and a variety of other services and benefits.

COMMUNITY ADJUSTMENT AND ASSISTANCE PROGRAMS

Office of economic adjustment

DoD will increase substantially the activities of its Office of Economic Adjustment (OEA). OEA is responsible for leading DoD's efforts to work with communities severely affected by reductions in defense spending. In particular, OEA will assist each community affected by a base closing develop a plan for economic conversion and revitalization. OEA works closely with other federal, state, and local government organizations to bring the full range of assistance programs to bear on affected communities. OEA grants will help communities develop adjustment plans and states develop assistance and diversification programs.

Philadelphia Naval Shipyard economic conversion

The 1993 Appropriations Act stated that $50 million may be available for conversion projects in Philadelphia. DoD is ready to work with Philadelphia to develop effective defense conversion programs using these funds. If the entire sum is not required for these programs, DoD proposes to use the remaining funds to run defense transition demonstration projects.

Community diversification

DoD will dedicate $80 million to pay for adjustment programs for defense-dependent communities to be carried out by the Economic Development Administration (EDA) of the Department of Commerce. The charter for EDA's Title IX program allows it to provide funds to pay for a variety of services in communities experiencing economic dislocation. EDA grants and revolving loan funds can be used to support business development, technical assistance public works, or almost any other activity that addresses economic adjustment problems that have been identified in each community's economic adjustment plan. DoD will execute a memorandum of agreement with EDA to transfer the $80 million. EDA will speed up the application process and provide priority attention to applications for these funds, and to reduce sharply its processing time for such applications.

Retired military and reserve support of community and educational programs

The Department of Defense will expand its support of a variety of programs that allow retiring and reserve personnel to address unmet needs in the nation's schools and communities. In particular, programs that foster youth development—such as the National Guard Civilian Youth Opportunity Pilot Programs and Junior ROTC Career Academies For At-Risk Youth—can put to good use the mentoring skills of retiring defense personnel.

DEFENSE REINVESTMENT TECHNOLOGY PROGRAMS

Dual-use critical technology partnerships

This program will support partnerships aimed at developing technologies that have both military and commercial applications. Industry will take the lead in submitting proposals, and may include federal laboratories, universities, and other entities.

Commercial-military integration partnerships

This program will support partnerships aimed at developing and maturing dual-use technologies with clear commercial viability. Industry again takes the lead in submitting proposals, with other research institutions involved as industry deems appropriate.

Agile manufacturing/enterprise integration program

This program is designed to capitalize on the emerging shift from mass production to flexible or "agile" manufacturing. Agile manufacturing allows independently-owned companies to form instantaneous partnerships with firms that have complementary capabilities in order to exploit market opportunities. These partnerships—called "virtual enterprises" or "virtual corporations"—will leverage our nation's strengths in information technology. Agile manufacturing capabilities are required in both the commercial and military sectors and are key to reconstituting military capabilities in any future national emergency. Industry will take the lead in submitting proposals in partnership with universities and other appropriate institutions.

Advanced materials synthesis and processing partnerships

This program will support partnerships aimed at improving industry's ability to take new materials from the laboratory to commercial production. Industry takes the lead in submitting proposals with other institutions involved as appropriate.

Advanced manufacturing technology partnerships

This program will fund partnerships aimed at developing new manufacturing technologies with dual-use applications with particular emphasis on significantly reducing health, safety, and environmental hazards associated with existing manufacturing

processes. Industry will take the lead in submitting proposals with other institutions involved as appropriate.

Manufacturing engineering education grant program

This program will support manufacturing engineering education programs at colleges, universities and other institutions of higher education, on a matching basis. Educational institutions will submit proposals in partnership with industry and other institutions as appropriate.

Manufacturing experts in the classroom program

This program will support teaching, curriculum development and other activities of manufacturing experts with practical experience at institutions of higher education. Educational institutions will submit proposals in partnership with industry or labor organizations and other institutions as appropriate.

U.S.-Japan management training program

This program provides training for US scientists, engineers, and managers in Japanese technology management, language, and culture, and provides research opportunities in Japan to: 1) increase understanding of Japanese industry and technology management methods, 2) provide US scientists, engineers, managers, and students an understanding of Japanese business and social culture, and 3) provide opportunities for direct involvement in research, engineering and management activities.

Manufacturing/Technology extension programs

Manufacturing Extension Program: this program will assist small manufacturing (with up to 500 employees) in upgrading their capabilities to serve commercial and defense needs. Modelled after the agricultural extension program, this program will fund on a matching basic the efforts of state and local governments to deliver services to small manufacturers. State and local governments will submit proposals under this program in partnership with other institutions as appropriate.

Dual-Use Extension Assistance Program: this program will assist businesses economically dependent on Department of Defense expenditures to acquire dual-use capabilities through a variety of mechanisms. The program will involve state and local governments, the private sector, nonprofit organizations and other federal agencies.

Electronics and materials initiatives

These initiatives support industry research to develop dual-use technologies in: higher definition systems, optoelectronics, metal matrix and ceramics, multichip modules, multichip integration, advanced lithography, diamond substrates, multichip modules/high temperature superconductivity, battery technology, and composite materials manufacturing.

For information on the above programs, call 1-800-DUAL-USE.

NEW CIVILIAN TECHNOLOGY INVESTMENTS

R&D partnerships between industry and the National Labs: This initiative provides $235 million in FY93 to encourage partnerships between industry and the Department of Energy's defense and civilian labs. These labs are home to more than 59,000 scientists, engineers and technicians who perform over $6.6 billion worth of R&D each year. With the end of the Cold War, the mission of the National Labs should expand to include partnering with industry in areas such as renewable energy, microelectronics and photonics, environmentally-conscious manufacturing, and high-performance computing. Using Cooperative Research and Development Agreements (CRADAs) and other mechanisms, the labs can increase the share of their resources devoted to industry-driven, cost-shared partnerships.

Advanced Technology Programs: The Commerce Department's Advanced Technology Program, managed by the National Institute of Standards and Technology, provides matching grants for industry-led R&D projects, which are proposed by single companies or joint ventures. The Advanced Technology Program has provided funding for projects in machine tools, advanced automotive manufacturing, recycling of plastics, and flat panel display manufacturing. ATP can help defense contractors make the transition to the civilian sector. One defense contractor commented that "I've got a better perspective of the way commercial businesses operate than I did prior to our collaboration with . . . [joint ventures partners] . . . on the ATP."

Information Superhighways: Although the private sector will take the lead in deploying an advanced communications network, government can act as a catalyst by helping non-profit institutions such as schools link up to national networks. With the right investments, students will be able to tap into on-line electronic libraries, conduct scientific experiments using equipment anywhere in the country, and collaborate with other students on a wide variety of learning projects. In FY93, the National Telecommunications and Information Administration will have $64 million to promote networking pilot projects.

Mr. BINGAMAN. Mr. President, I yield the floor. I know there are other Senators, the Senator from Maryland being one, who would like to speak and address the same subject.

The PRESIDING OFFICER (Mr. DORGAN). The Senator from New Mexico has control of the time.

Mr. SARBANES. Who has the time?

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Who controls the time? Is it myself and the Senator from New Mexico?

The PRESIDING OFFICER. The time is controlled by the proponent of the amendment, Senator BINGAMAN, and he has 52 minutes remaining. The time in opposition, the Chair advises the Senator, is controlled by the minority.

Mr. SASSER. Mr. President, will the Senator yield me time?

Mr. BINGAMAN. I am glad to yield the Senator from Maryland whatever time he consumes.

The PRESIDING OFFICER. The Senator from Maryland [Mr. SARBANES] is recognized.

Mr. SARBANES. Mr. President, I thank the distinguished Senator from New Mexico.

Mr. President, I just rise briefly, primarily to express my appreciation to the very able Senator from New Mexico for the lead he has taken on two issues. I want to link them together.

One is a very strong lead on the question of advanced technology, anticipating the economy of the future and focusing on developing high-skill, high-wage jobs in this country which I think is the route America must go. The very able Senator in a series of hearings which he has chaired in the Joint Economic Committee has focused attention on the high-technology field, on science, on research and development, and on all of the factors that together offer the opportunity for America to have a 21st-century economy.

This is particularly important because there is increasing concern in this country that we may be going down the low-wage, low-skill path as we address international competition. Of course, if we do that, that is a loser in the short term and in the long term.

We are never going to underbid what can be done by a lot of very low-wage countries around the world. That is not the path that our major industrial competitors are following in Europe or on the Pacific rim.

These countries are focusing on advanced technology, on research and development, on the new scientific breakthroughs, on developing the human talents through education and training of their people to the highest level.

The distinguished Senator from New Mexico has consistently drawn attention to that. He has been very much involved in the various efforts to develop a competitiveness strategy for the United States so that we are effective in the international arena.

We increasingly are being drawn into a global economy and, of course, if that is going to be the case, we have to pay attention to how we are going to be effective competitors in that global economy. The Senator from New Mexico [Mr. BINGAMAN] has certainly focused on that.

That is related, of course, to a defense conversion strategy. The President came to Maryland to the Westinghouse Corp. to lay out a play for defense conversion. Clearly in the defense field we have enormously talented people, very highly skilled, highly trained people, who for years and years now have been making a major contribution to this Nation's security through their work in defense industries. Of course, we also have highly trained and competent people within the defense services themselves.

Now, we can draw down the defense establishment that is necessary for our security in the light of changing and the light of the developments around the world, which have altered significantly the threats we are facing. That is not to say we do not continue to face threats, but they certainly are different in degree and quality from what we have experienced throughout the post-World War II period, throughout the time of the cold war where you had two major nuclear superpowers, in confronting one another with all of the repercussions that flowed from that kind of bipolar division in the world community.

That is no longer the case or at least has been significantly diminished. We have to rethink the resources we commit into the Defense Establishment, both military and civilian. But if you are going to do that, clearly you must couple it with a rational and effective conversion strategy. That is what the President is trying to do and that, in fact, is what the Senator from New Mexico has focused on now for a sustained period of time as you try to develop a strategy whereby you succeed in shifting your resources into these high technology sectors which represent the future for the economy of the country.

If we can accomplish that, and there is no reason to think that we cannot, then we are able, in effect, to offer opportunities for some very highly trained and capable people to continue to make a significant contribution moving though from the strictly defense sector into the civilian sector, at least into a dual-use sector which is something the President emphasized in his talk at Westinghouse.

We are familiar with the work of DARPA, which has been primarily in the defense sector. Because some people are concerned that the Government will get too heavily involved, there is no reason why that need be the case. With some prudence and care, we can provide some support for the shifting into the civilian technologies which represent the hope for the future.

So, I simply rise to express my appreciation to the Senator for the lead he has taken on this issue ever since he has come to the Senate. Sometimes it is not the most glamorous of work in terms of attracting a lot of attention, but I can assure you in terms of the future of the economy of this country it is fundamental and essential. The hearings which he has held and the legislation which he has sponsored and introduced, which incidentally has commanded very broad bipartisan support in this Chamber, are extremely important to the economic future of the country.

I thank the Senator for yielding me time. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Maryland yields the floor.

The Chair recognizes the Senator from New Mexico [Mr. BINGAMAN].

Mr. BINGAMAN. Mr. President, let me just thank the Senator from Maryland for his kind words and strong leadership on this set of issues and particularly in the work he has done through the Joint Economic Committee, as chairman in the last Congress, and his continued leadership there.

I do believe that through that committee we have been able, through a variety of hearings that he has chaired, to highlight some of the threats to high technology industries, the airline industries, and other industries that have traditionally been a mainstay of high-wage jobs in our economy and in putting that in the context of our international trade relations and the need to invest in workers, in technology development, and application.

I commend the Senator from Maryland for all the good work he has performed.

I agree with him that this defense conversion reinvestment program that President Clinton has put out here follows on very naturally from the initiatives we have taken in the Congress, and it is a central part of a rational technology policy for this country which I think will serve us very well in the next century.

So, I again thank the Senator from Maryland very much.

Mr. President, I yield 10 minutes to the Senator from California [Mrs. BOXER].

The PRESIDING OFFICER. The Chair recognizes the Senator from California [Mrs. BOXER] for 10 minutes.

Mrs. BOXER. I thank the Chair and I thank my colleague from New Mexico for yielding me this time.

I, too, want to add my words of praise that the Senator from Maryland had for the Senator from New Mexico because of leadership on this issue. I think that his amendment is very wise.

What we are doing is simply saying that we support President Clinton's initiative on conversion and reinvestment. President Clinton's initiative will help our defense workers, companies, and their communities by ensuring that they have the skills, the training, and the support they need to compete and prosper in a post-cold-war economy.

But, more than that, Mr. President, I think that this initiative is broader in its scope, because we have an opportunity as a nation to move from a military-based economy to a civilian-based economy and with it to create even more jobs to stimulate our economy in the longrun.

We have always, in this country, picked winners and losers, although there are those who say we never have and we never should.

During the cold war, this Government invested trillions into a military buildup and, by the very nature of making those investments, picked winners. And the winners were those in the military industrial complex and all the people who worked with them, and they were extremely successful.

Mr. President, we cannot just walk away, turn away on a dime, without having any plan or economic strategy for this transition.

There are many of us, including the Senator from New Mexico, who offered this amendment, and many of us in the House of Representatives over the past 10 years, that saw this day approaching, that saw it as an opportunity, that went on defense conversion bills which would have made sure that we were ready for this day.

As recently as a few years ago, the Congress, as a whole, tried to get out in front of this issue. We tried to get out in front of this issue by appropriating $200 million 3 years ago to begin to move toward this transition, to begin to give the communities the funding they needed to absorb the hits of these base closures and to avoid the hits of these terminated contracts.

But, unfortunately, the previous administrations, Mr. President, did not even spend the money. They signed the bills, Mr. President—the last one was $1.5 billion—to ease the pain and begin this transition. Not a dime was spent.

But when our new President took office and learned that these moneys were in fact appropriated and not spent, he flew out to California and he gave the people out there their first bit of hope, which is that he has a vision and he has a plan for doing these technologies, and he has a vision and he has a plan to invest in these technologies, not to throw away the military industrial complex but to make sure we can retain it.

I have a very simple theory. If you can build a bomber, you can build a bus. And do you know, Mr. President, that not one company in this great country of the United States of America can build a bus from start to finish? And do you know that last year the Senate and the House—and it was signed by the President—voted to spend many billions of dollars on mass transit in this country, a very needed and essential program if we are to compete in the global economy?

Where are these contracts going to go? I would like them to go to American companies. And this is the initiative our President is taking, to make sure that we have American companies and American workers that know these new technologies.

Mr. President, we are going to have to spend hundreds of billions of dollars cleaning up the environmental mess that we face—military bases that cannot be reused because they are too dirty and too hazardous. And yet none of the American companies are coming up with these new technologies. They are beginning, and I think the future looks bright.

The Senator from New Mexico and I both have nuclear weapons labs in our particular States. We have testimony from the employees at those labs, Mr. President, that, with the same kind of modeling that they use to replicate nuclear explosions, they can use that same kind of modeling to figure out ways to clean up this environment and keep these scientists employed. That is what this amendment is all about. It is underscoring this initiative taken by our President.

So, Mr. President, Congress tried to get out in front of this a long time ago. And now the day is upon us. More bases are closing. And we will fight to see

that those are fair, that that list is fair.

But whether we add back bases or eliminate a few more, we see the writing on the wall, Mr. President. We need to be prepared for this transition or we are never going to win this new war we are in. We won the cold war. We must now win the economic war, or at least be able to compete in it. And that is why the President's initiative is so crucial.

In conclusion, let me say to my colleagues that my State is suffering. It is suffering for a lot of reasons. Construction is down, the aerospace industry is down, the defense budget is going down. It is suffering from the general recession in real estate. We know that.

But I have great hope that our President, with the help of those of us in the Senate and the House who see this picture clearly, can move this economy in a very exciting direction, can make sure that our communities have the help they need as they get hit hard with the impacts of base closures and canceled contracts, so they can make the transition.

And as we invest in the workers and as we invest in high technologies and we bring these companies along, we are going to have a new day in America and in California. We are going to educate our workers and reeducate them. We are going to make sure that our work force is ready.

California enthusiastically embraces President Clinton's call for change and enthusiastically embraces his economic plan.

Mr. President, in conclusion let me say to my colleague, the Senator from New Mexico, that his amendment today is a very important one because, without a transition plan, as we move toward this civilian-based economy, we will not be prepared for the global marketplace of the future.

I hope the Senate will pass the amendment unanimously.

I yield back my time to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from California yields back her time.

The Chair recognizes the Senator from New Mexico.

Mr. BINGAMAN. Mr. President, let me thank the Senator from California for her strong support for this amendment and for all of these initiatives that affect the defense sector and our high-technology sectors generally.

She is a relatively new Member of this body and has established herself very quickly as a strong advocate for defense conversion, defense reinvestment, and industrial modernization programs. Those were priorities of hers in her service in the House of Representatives, and I know that they remain that.

I very much appreciate her strong support and kind words for this amendment.

Let me now yield 15 minutes to the Senator from Arkansas. Let me state initially that he was the head of our task force on defense conversion. He was the leader in putting together the passage of initiatives that we were able to legislate last year and the President is building on in the defense reinvestment and conversion program that he announced this month.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I yield myself such time as I may consume of the portion of the time allocated to this side of the aisle on this amendment.

The PRESIDING OFFICER. The Senator may proceed.

The Chair would advise that the Senator from New Mexico has 33 minutes remaining and the Senator from Iowa has 60 minutes remaining.

Mr. GRASSLEY. I do not think it is our intention on this side of the aisle to use all that time.

Mr. President, when it comes to defense, some things change and some things do not.

What has changed is the threat to the country. The Department of Defense budget is changing, and the movement to conversion is evidence of such change. But what is not changing is the Pentagon's ability to squirrel away funds and also its ability to use accounting that is unique and different and very creative.

In regard to how the Department of Defense does business and the money that is available to conversion as a result of spending less money on military personnel and on weapons systems, I think we have to consider how does the Defense Department spend our money. And are we, as a Senate, on top of their creative accounting?

I rise, hence, to talk about the Defense business operations fund. It is known as DBOF. It is within the Department of Defense budget.

DBOF is a bookkeeping scheme devised by clever Pentagon bureaucrats to generate excess cash. DBOF is a machine that generates cash—a cash generator. And a cash generator in the hands of clever Pentagon bureaucrats is something that Congress should be concerned about.

Mr. President, I raise the DBOF issue at this juncture, because DBOF figures prominently in the budget justification material supplied by DOD to date.

The justification material for the $264 billion DOD request consists of just two sheets of paper.

Mr. President, one of the documents is entitled the "National Defense (050) Budget Track." This document was presented to the committee by defense officials in February. This document includes an item of interest to me under the heading "Adjustments to the Bush Baseline." That item is DBOF/Rescissions.

There is no budget authority associated with DBOF/Rescissions, but it shows here, out of a clear blue sky, $24.3 billion in outlays for fiscal years 1993–98.

Now, I am told that this is a technical adjustment to offset DBOF savings projected by DOD bureaucrats earlier this year. The savings in question are to be used to cover funding shortfalls outside of DBOF—in the O&M account and elsewhere. In the past, as I understand it, such transfers were off-budget and were not scored as outlays.

Mr. President, in my opinion, DBOF has never generated any verifiable savings. DBOF generates excess cash by jacking up the prices of items sold to the military services. In practice, DBOF leads to higher costs, not savings.

Mr. President, I think the technical adjustment, as reflected in the Clinton administration's document, is appropriate, but DBOF needs constant scrutiny.

In fiscal year 1993, about $80 billion was pumped into DBOF. DBOF purchases supplies for the military services—from toilet paper to spare parts. DBOF fixes the prices of items sold, depending on how much excess cash is needed.

The cash generated by DBOF transactions is merged in one big pot of money where funds lose their fiscal year and appropriations account identity. With monthly cash balances of $5 to $6 billion last year, the potential for abuse is great.

I remain concerned about the real purpose of DBOF. As the remaining M accounts are closed out over the next 7 months—and, remember we legislated doing away with these $50 to $60 billion slush accounts called M accounts. We did that in 1991, I believe. As the M accounts are closed over the next 7 months, DBOF could easily become a new slush fund—a new source of unrestricted money to finance unauthorized projects beyond the purview of Congress.

Last year, for example, an attempt was made to use $1.9 billion in excess DBOF cash to purchase two DDG–51 destroyers off budget, so the money set aside in the budget for the DDG–51's could be used to buy other ships that were neither requested nor authorized.

I have obtained a very interesting internal DOD document on DBOF. The document was prepared by the Office of Financial Management and Comptroller at MacDill Air Force Base, FL. It is dated May 4, 1992. It contains a very candid assessment of DBOF by the assistant comptroller there, Maj. Joe Lokey.

I would like to quote from this document:

> There are fewer than a handful of people who even understand the complex and convoluted way DOD washes money into and out of DBOF funds. They are, however, useful in

subverting the intent of Congress who will no longer appropriate for specific purposes but simply ensure that the DOD Kmart is adequately capitalized. DBOF serves no value added purpose to warfighting capabilities as it simply moves money on paper from our right pocket to our left pocket. These funds are always out of balance and constantly need an infusion of cash because they don't, and never will, pay for themselves. DOD wants DBOF so that inept and inefficient operations can be covered by profitmakers—"overchargers"—and thus balance themselves out of view of scrutiny.

Mr. President, Major Lockey's assessment confirms my worst suspicions about DBOF.

Here again, for purposes of emphasis, I want to remind you I just quoted from a document, a memorandum by an assistant comptroller at MacDill Air Force Base, a major there.

And he says that DBOF is a convoluted way that the Department of Defense washes money into and out of DBOF funds. He very candidly says that this is a useful way of subverting the intent of Congress, who will no longer appropriate for specific purposes.

So you have the Pentagon not satisfied with the way the Congress is appropriating money, not authorizing the things that they want, and they have a fund by which they can get the money to do things that are not authorized by the Congress. He refers to it as the Department of Defense Kmart, and they are going to see that this is adequately capitalized.

He says that the Department needs a constant infusion of cash because they do not and never will pay for themselves. I think this is a sad state of affairs, and we cannot allow it to continue.

Our chairman, the distinguished Senator from Tennessee, will remember that I raised questions about DBOF during the markup earlier this month. At that time, the Senator from Tennessee agreed and did include language in the committee's report that addressed my concerns about DBOF. That language, to which I want to focus my colleagues' attention, is on page 11 of Report No. 103–19.

My greatest concern is the disposition of the excess cash generated by DBOF. DOD was supposed to develop a policy governing the managing of DBOF's cash accounts by November 22, 1992. So far, the Department of Defense has failed to do that. With monthly cash balances totaling billions of dollars, the potential for abuse exists.

For these reasons, the committee has directed the General Accounting Office to conduct a thorough audit of the DBOF cash accounts. We want to know how much excess cash has been generated since DBOF was established in 1991, how much cash has been used to operate the fund, and how much has been diverted outside the fund for other purposes.

Mr. President, if the General Accounting Office finds abuses in the use of DBOF cash, I hope that we will move to kill the program. Under current law, DBOF is scheduled to go out of existence by April 15, 1994, unless it is able to justify itself to Congress before then. That date could be easily advanced 6 months to October 15, 1993, for example, if we do not find this fund being used in a fiscally responsible way.

The bottom line is, we talk about defense conversion in this amendment. I do not find fault with the idea of defense conversion. I am not even going to find fault with the amendment of the Senator for New Mexico. I think we all supported some defense conversion, not as much as asked for by the President and inferred in Senator BINGAMAN'S amendment. The amount of money, I suppose, can be legitimately debated. He is asking for full funding of it. I think we all know that there has to be some plan for helping people to be qualified for other jobs. I suppose the justification is going to be that we are spending less on defense and some of this money ought to be used for defense conversion. Again, I do not think that there is any particular argument with that point because, in the fiscal year 1993 budget, there are some several hundred million dollars for that purpose.

As is evidenced from the Department of Defense use of DBOF and the cavalier approach to it being a slush fund, reminiscent of the days of M accounts that added up to $50 billion to $60 billion of slush fund money for the bureaucrats to play around with, we obviously have to be very careful how these new funds are being used, and in being careful, we might find that there is adequate funding or adequate money to be saved through the wise expenditure and handling of those funds, not only to do everything that the Senator from New Mexico wants to do, but, as a bottom line, have a lot of money left over to reduce our deficit.

When people at the grassroots hear us talking about spending less on defense, I think, as a practical matter, they are thinking in terms of our reducing the deficit by spending less on defense. They say to us that generations unborn have paid for the buildup of defense during the 1980's. You are talking to one Republican who would agree with you that a lot of that money was irresponsibly spent. But we still had, as irresponsible as it might have been spent, generations unborn paying for the buildup of defense in the eighties so that finally the victory in ending the cold war could be accomplished.

Now it seems to me that when we are at a point of building down and saving money because we are spending less on defense, those generations unborn who have to pay for the 1980 buildup in defense ought to have the right to demand of us today that we actually reduce the deficit with less expenditures on defense.

I yield the floor.

Mr. PELL. Mr. President, having served last year as a member of the Senate Democratic Defense/Economic Transition Task Force which was led by my extremely able colleague, Senator PRYOR, I am pleased to cosponsor this amendment introduced by my colleague from New Mexico, Mr. BINGAMAN. This amendment would ensure fiscal year 1998 funding levels for defense conversion programs consistent with the levels requested by President Clinton in his investment program.

I was pleased to be with the President 12 days ago at the Westinghouse electric plant in Baltimore when he unveiled his program and announced his decision to immediately make available $1.8 billion for defense conversion, the bulk of which was appropriated last year by Congress. This was certainly a welcome sign to many communities across our country which, like my State of Rhode Island, have been impacted with massive layoffs in the defense-based industries.

I have been arguing for nearly 10 years that the Federal Government should take a far more vigorous role in promoting diversification—or defense conversion—and adjustment to decreased expenditure for defense and have repeatedly introduced legislation to that effect.

It is critical that we support the President's defense conversion initiative. The President's initiative will help defense contractors to find a new future for themselves and their employees through dual-use technology and conversion opportunities in new civilian technology. Moreover, it will continue to help dislocated workers through worker retraining and adjustment and also assist impacted communities make the adjustment to the post-cold-war economy.

Mr. President, I strongly believe that it is precisely this sort of action that many communities across our country desperately need, and I urge my colleagues' support.

Mr. LIEBERMAN. Mr. President, I rise to enthusiastically support the amendment offered by Senator BINGAMAN on the issue of defense conversion. This amendment expresses the sense of the Senate that the President's plan for defense conversion be fully funded by fiscal year 1997. I was particularly pleased to work with Senator BINGAMAN, Senator PRYOR, and others on the Defense Conversion Task Force last year and I look forward to continuing work on the task force in the month's ahead.

Mr. President, the issue of defense conversion has been a priority of mine since I came to the Senate in 1988. Between then and now we have witnessed

the destruction of the Berlin Wall; the collapse of communism in Eastern Europe; the reunification of East and West Germany; and the disintegration of communism in the former Soviet Union. Despite these historic changes, the Persian Gulf war and the current conflict in Bosnia make it clear that the world is still a dangerous, unsettled place, but it is also clear that the defense budget is coming down.

Mr. President, this amendment says that just as it was in our national interest to spend billions of dollars on defense over the last decade, it is now very much in our national interest to provide for an orderly transition and to enact diversification programs concurrent with reductions in defense spending.

As we consider this amendment, it is critical for us to remember that unlike most other conflicts the cold war was not fought on the battlefields, on the oceans, or in the skies. This was a war of wills and minds. Our strategy rested on the premise that the United States must have a technological edge in order to offset either the numerical advantage or unpredictable nature of our adversaries. As such, an important part of the war was fought in factories and laboratories throughout the country, and the soldiers included not only the armed services, but some of America's finest engineers, and scientists, and skilled workers.

Mr. President, the United States no longer needs to place the containment of communism as our top spending priority. We have the opportunity to reevaluate our national defense needs and reorder our national spending priorities.

While this opportunity is refreshing and is long overdue, we cannot forget that the actions we take to reduce defense spending will have broad and direct ramifications on our economy, on our industrial base, and on our ability to compete in the world marketplace. This is not to mention the workers and communities who, for reasons of national security, have become economically dependent on defense programs.

The fact is that for the past 45 years we have made an enormous investment in our defense infrastructure, in terms of both industrial capability and human resources. In the past we have evaluated levels of defense spending on either national security or budgetary grounds. It is clear, however, that since defense industries now represent a major part of our industrial, technological, and manufacturing base, it will be essential to make these decisions on economic grounds as well.

While Japan and Germany have been pouring capital into their civilian industrial base, we have been pouring it into our defense base. Currently 31 key U.S. industries produce 15 percent or more of their output for defense-related purposes, representing a big piece of what's left of our overall industrial and manufacturing base.

It is also important to recognize that it is clearly in our national economic interest to retain and reuse one of the finest trained and highly skilled work forces in the world—our defense workers—highly qualified and motivated—stars of the American work force. They can and should play an important role in the peaceful economic challenges that lay ahead.

Mr. President, I know of the need to assist in the transition of defense workers and industries from firsthand experience. Throughout the cold war, as it was in the Revolutionary War and in other conflicts involving our Nation, Connecticut has been an arsenal of democracy. Thousands of my constituents have been working in round-the-clock shifts to produce submarines, tanks, helicopters, and military aircraft engines—all the best in the world.

Now is the time for the Government, business, communities, and workers to pull together in order to provide for an orderly, thoughtful, transition to the economic challenges that lay ahead. President Clinton's plan for defense conversion, transition and reinvestment hits these challenges head on. It represents a comprehensive and well-balanced diversification initiative which addresses industrial, business, work force, and community issues.

In short, the President's plan will retrain defense workers for nondefense jobs; help communities adjust to defense cuts and base closures, and promote industrial diversification for the global, commercial marketplace. The plan sets the stage for a new, more relevant defense policy which recognizes the importance and necessity of dual-use products and technologies; of commercial/military integration; and of commercializing a much larger portion of defense related research and development.

Perhaps most important, Mr. President, the President's plan recognizes that absent economic growth and job creation, diversification is meaningless. Workers cannot be retrained for jobs that do not exist and communities cannot hold out hope for businesses that will never come. This plan focuses on making investments today—particularly in technology, manufacturing, and human capital—which will pay dividends in the future.

Mr. President, this country faces a number of challenges as we move into the post-cold-war era—a weakened economy, a crippling budget deficit, a chronic trade deficit, and an array of domestic problems demanding our time and attention. This, in combination with the global crumbling of communism, suggests that our defense budget can be reduced. We can do this one of two ways—either we can cut programs, troops, and contracts without regard for the consequences of our actions, or for a fraction of the cost, we can protect our investment in both our work force and our industrial base and provide for an orderly, less painful, transition to the hopefully more peaceful environment that lies ahead. I believe the President's plan leads us down the latter, wiser course.

Mr. DODD. Mr. President, I rise in strong support of this amendment and I ask unanimous consent that my name be added in cosponsorship. This amendment would amend the budget resolution to put the Senate on record in support of full funding for the President's defense conversion plan.

Today in communities all across the country, defense cuts are taking a heavy economic toll. This amendment is a very simple statement to the working men and women whose skills and ingenuities enabled us to win the cold war. The message is that we won't forget you and all you have done for our country.

Just 2 weeks ago, the President offered a $20 billion, 5-year defense conversion plan to help diversify defense industries, retrain defense workers, and stimulate economic activity in defense-dependent communities. In fiscal 1993, the current year, that plan would provide $375 million for job retraining, $110 million for grants and revolving loan programs for communities, and over $500 million for the development of new commercial technologies by defense-dependent firms.

Mr. President, with almost every day we come across another reason why we must act now on defense conversion. For Connecticut it was the news that the Defense Department plans to significantly reduce the operation of the sub base at Groton. A report published last Friday by the Connecticut Department of Economic Development estimates that such a move, if it is approved, would result in the loss of 2,700 jobs and cut nearly $40 million from the gross State product over the next 7 years.

Later in the year we will have the opportunity to enact the President's plan and fill in all the necessary details. But today we have the opportunity to fulfill a symbolic but no less important task: to place the Senate on record in support of full funding for this very important blueprint. I urge my colleagues to support this very important amendment.

Mr. BINGAMAN. Mr. President, at this point, I yield 15 minutes to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas [Mr. PRYOR] is recognized for 15 minutes.

Mr. PRYOR. Mr. President, thank you for recognizing me. I appreciate very much my distinguished colleague from New Mexico allowing me to speak for a few moments.

Mr. President, I do not intend to use the full 15 minutes. But I thought I

would be remiss this morning not coming to the floor of the Senate and making a couple of comments about defense conversion. I think what the Senator from New Mexico is doing is basically redefining defense conversion into what he terms reinvestment—reinvestment in our country and certainly reinvestment in our future.

Mr. President, I wish to say a word or two about the fact that the Senator from New Mexico [Mr. BINGAMAN], since his arrival in the Senate, has constantly talked about what we are going to need to do when the cold war is over. He has constantly reminded colleagues of his in the Senate, long before it was popular or long before we thought it was even possible, what we were going to need to be doing in a post-cold-war environment.

The Senator from New Mexico has very wisely, I think, begun to put the Senate on a course that we must follow now and in the future and looking at new strategies and new ways that we can take the resources of our country, resources of our people, and channel those resources, Mr. President, into the right avenues so that we can provide jobs for our people and a higher quality of life for all Americans.

The reinvestment that Senator JEFF BINGAMAN, of New Mexico, talks about he has constantly identified in the past as growth technologies, those particular growth technologies that will afford the greatest potential for the greatest number of citizens throughout the entirety of the United States of America. He has truly been a leader in this field and, of course, he has been an eloquent spokesman and an advocate for reinvestment of defense dollars.

Mr. President, finally, related to Senator BINGAMAN, I think it was his opportunity—and I am glad that he had this opportunity—of going with our new President, just in the last several days, to Baltimore to Westinghouse and talking to the employees there and listening to their concerns about what is happening in this dramatic transformation of the American workplace with regard to our defense industries.

I can state for certain, Mr. President, that in Mississippi County, AR, we are going through the wrenching decisions and the wrenching realities of having just closed an enormous SAC base that has been in that community now for almost 35 years. Today, that base is nonexistent. Eaker Air Force Base, which served honorably and with distinction this country and its defense purposes, is now basically a hollow shell waiting to find someone to occupy it or some business to come forward and once again bring forth its vitality but in another mission.

Mr. President, all across America we are facing those decisions now, and because of the Senator from New Mexico and his leadership, we truly believe with his ability to identify the problems and also to join in working with our new President in such a commitment as this country has never seen before, we are truly going to accept the challenge, and that challenge is going to be met.

We also found that the Economic Development Administration, that agency of Government, small though it may be in size, was the one agency of Government that was given the mission of helping and assisting States and local communities with particular projects and concerns during a base closure period or a situation or an environment we would be ultimately creating. The Economic Development Administration has been recommended to receive zero dollars, and that indicated about the degree of commitment the past administration had in finding the necessary reinvestment dollars and reinvestment commitment that Senator BINGAMAN has so eloquently talked about for a number of years on the floor of the Senate.

We believe the President's commitment and his vision for reinvestment in this area of defense conversion is going to be an unprecedented first step in finding the ways to make a peacetime economy a viable economy, a real economy, and as Senator BINGAMAN has done identifying those growth technologies, getting the greatest good for the greatest number of Americans in the workplace.

Mr. President, I would also like to state that the 22-member task force which was appointed by Senator MITCHELL last year, upon meeting some 2 or 3 months ago, ultimately came forward with a proposal that was endorsed by all 22 members on the Democratic side of the aisle. We were also joined at the time, let me state, by former Senator Rudman of New Hampshire, with a very good, constructive report proposed by Senator Rudman and his colleagues on the Republican side of the aisle.

I think we are beginning to see a bipartisan approach to this reinvestment concept, to conversion of the military in a peacetime economy. I think we are going to see some positive and constructive things come forward, and this is one reason I am very proud that the distinguished chairman of the Budget Committee, Senator SASSER of Tennessee, and also others on each side of the aisle are supporting the Bingaman amendment. I am proud to support the Bingaman amendment today.

Before I sit down, Mr. President, let me, if I could, say a word about the Senator from Iowa, who has just concluded his remarks. Frankly, I do not know whether he is for or against the Bingaman amendment. But I will say, Mr. President, as a personal observation, the Senator from Iowa, Senator GRASSLEY, has been in the vanguard. He has been a pioneer in the last decade in pointing out some of the great concerns of defense spending that have not been properly prioritized. I compliment my friend from Iowa because he has taken very brave, extremely courageous stands in his very strong and certain positions, I might add, with regard to defense spending.

Mr. President, we think it is that sort of bipartisanship that is going to lead us into a new day of reinvestment spending, rechanneling our energies and calling forth our resources in the area of reinvestment.

I know the Senator from Iowa has had some concerns about sending these dollars, at one point $6 billion, as the President is now recommending, I believe, back over to the Defense Department.

Mr. President, let me assure the Senator from Iowa that a lot of this money is now going to be going to the Commerce Department and to the Department of Labor, where it should be expended properly. I am hopeful that proper monitoring of these expenditures will be held and certainly will be properly accounted for.

Mr. President, if I do have any remaining time, I yield back the remainder of my time and I thank the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from Arkansas yields back his time.

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. I thank the Senator from Arkansas for his leadership. As I stated earlier, he has been the catalyst for a great deal of the activity that has occurred in this area here in the Congress, and I greatly appreciate his leadership in the Senate.

Mr. President, I have been advised by the Senator from Tennessee that the manager of the bill has some concluding remarks he wants to make on this amendment, and I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico yields the floor. The Chair recognizes the Senator from New Mexico [Mr. DOMENICI].

Mr. DOMENICI. Mr. President, if we were following the regular process of using all time on the amendment, how much time do we have on the amendment?

The PRESIDING OFFICER. The Chair advises the Senator from New Mexico that the Senator from New Mexico controls 23 minutes, and the Senator from New Mexico [Mr. BINGAMAN] controls 23 minutes.

Mr. DOMENICI. We clearly do not intend to use our time, but I have standing behind me the senior Senator from Alaska, who asked me if I could yield him—2 minutes?

Mr. STEVENS. Yes.

Mr. DOMENICI. Two minutes, as if in morning business, to be charged against the amendment. Does anybody object to that?

The PRESIDING OFFICER. Without objection the Senator from Alaska is recognized for 2 minutes.

(The remarks of Mr. STEVENS pertaining to the introduction of S. 628 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. STEVENS. I thank the Senator from New Mexico.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Might I ask the distinguished chairman, did he have a unanimous-consent request that he was going to propound?

Mr. SASSER. Yes, I do. May I ask, Mr. President, has all time expired on the pending amendment?

The PRESIDING OFFICER. The Chair advises the Senator from New Mexico [Mr. BINGAMAN] controls 23 additional minutes; the Senator from New Mexico [Mr. DOMENICI] controls 21 additional minutes.

Mr. SASSER. Mr. President, I ask unanimous consent that the pending Bingaman amendment be laid aside; that it be disposed of following the Murkowski amendment No. 203; that prior to the disposition of the Bingaman amendment there be 10 minutes of debate on the amendment equally divided in the usual form; and that no second-degree amendments be in order to the Bingaman amendment.

The PRESIDING OFFICER. Is there objection?

Mr. SASSER. Mr. President, I assume the Senator wants to reserve the right to object.

Mr. BINGAMAN. Mr. President, I reserve the right to object to inquires. Is it the intention of the manager that we ask for the yeas and nays on this amendment before we conclude this?

Mr. SASSER. It is my intention to ask for the yeas and nays. If the Senator will withhold for just a moment——

Mr. BINGAMAN. Mr. President, I raise no objection.

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

Mr. SASSER. Mr. President, I ask for the yeas and nays on the Bingaman amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico [Mr. DOMENICI].

Mr. DOMENICI. The yeas and nays have been ordered. Is it our understanding that when we have completed debate on this amendment that Senator PRESSLER will go next?

Mr. SASSER. That is my understanding. I think the unanimous consent ordered that.

The PRESIDING OFFICER. The Chair advises the Senator that is correct. The yeas and nays have been ordered.

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

Mr. President, while I compliment my colleague, Senator BINGAMAN, for his very conscious and serious effort in the defense conversion field, hopefully it will yield some good results as we attempt to apply some resources to converting to a nondefense America, and hopefully to a State like ours. But I do want to make sure that the record reflects that this is a nonbinding amendment. In a sense the Chair has told me, as I exchanged parliamentary inquiries about amendments like this, that they are in order only because they are the equivalent of a sense-of-the-Senate resolution.

What is happening on this round of budget resolutions on the floor is unique, in that instead of offering a sense-of-the-Senate resolution somehow or another the other side has come up with the idea that if they do it in the manner recommended in the Bingaman amendment, which is to have a sense-of-the-Senate resolution about an assumption that is in the budget, that we are voting in a more binding way or that it is more significant.

I just, without in any way diminishing my complimentary remarks regarding my colleague on defense conversion, hope everybody understands that first of all we do not have a budget before us on defense. There may be assumptions made. But we do not really know what the President is recommending.

Again, I say this is the first time this has ever happened. So to assume defense conversion will continue at the recommended and assumed dollar numbers is a good statement, sort of saying the Senate would very much like that defense conversion by fully funded. And even in that context, the Senator from New Mexico finds no fault with it. I just want to make it clear that is different than changing the budget resolution. The budget resolution is not being changed. It is not being altered.

There are thousands of assumptions in this budget resolution. If one were to now come up with an assumption on every item, one knows that the appropriators are not going to do all of those items. But you could still keep voting for them on the basis that we assume that set of assumptions.

Having said that, I hope as we move through defense cutbacks we do justice to defense conversion, and that we try to find the best possible ways to do this; that we spend some money on it.

My closing remarks, however, are that the best way to effect defense conversion; I think there is most general approval of this and most economists would concur: The best way to effect defense conversion is to have a very strong vibrant growing economy adding thousands of jobs each month.

That is the best way to effect conversion, because those people in the industry, defense industry, will find jobs.

Having said that, again I compliment my colleague for offering the assumption resolution here on the floor.

I yield back the remainder of my time on the Bingaman amendment at this point.

Mr. SASSER. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. I advise the Senator that pursuant to the previous order, the amendment was laid aside.

Mr. SASSER. Is there time remaining on the Bingaman amendment?

The PRESIDING OFFICER. The order provided for 10 minutes prior to the recorded vote on the Bingaman amendment.

Mr. SASSER. Other than that, all time has elapsed or yielded back?

The PRESIDING OFFICER. The Senator from Tennessee is correct.

Mr. DOMENICI. My time came off the resolution. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. I thank the Senator very much.

The PRESIDING OFFICER. Who yields time?

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota [Mr. PRESSLER].

AMENDMENT NO. 210

(Purpose: To express the sense of the Senate that no small business, family farm, or family ranch have its taxes increased to fulfill the requirements of this concurrent resolution)

Mr. PRESSLER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from South Dakota [Mr. PRESSLER], for himself, Mr. BURNS, Mr. BENNETT, Mr. COATS, and Mr. KEMPTHORNE, proposes an amendment numbered 210.

At the end of the concurrent resolution add the following new section:

SEC. . SENSE OF THE SENATE REGARDING TAXATION OF SMALL BUSINESSES, FAMILY FARMS, AND FAMILY RANCHES.

It is the sense of the Senate that no revenue increase set forth in this concurrent resolution assume a tax rate on income generated by small businesses, family farms, or family ranches (regardless of the manner by which such businesses, farms, and ranches are organized) above the highest corporate tax rate.

Mr. PRESSLER. Mr. President, this amendment concerns the taxation of small business. Specifically my amendment states that it is the policy of the Senate that income from small businesses and family farms and ranches, our Nation's most productive job creators, shall not be taxed at a rate higher than our country's large corporations.

As the ranking member of the Senate Small Business Committee, I am deep-

ly concerned about the effect of a significant tax increase on America's small businesses. Under the President's proposal, the top effective individual income tax rate will be raised to 42.5 percent when the surtax and Medicare tax are factored in, and the top corporate income tax rate would increase to 36 percent.

Eight out of ten small businesses pay income taxes at the individual rather than the corporate rate. This translates into 21 million small businesses nationwide, and some 15,000 in my home State of South Dakota.

Thus, raising taxes on individuals means raising taxes on the vast majority of small businesses. However, with the proposal to raise the top individual rate to a level higher than the top corporate rate, not only will small business see their income tax bill increase, but some could end up paying proportionately more in taxes than our Nation's major corporations. Our main street corner store could pay a higher percentage of taxes than IBM or General Motors.

Some say, oh, no, this is supposed to be a tax only on the very rich. A tax increase only on the wealthy? Think again. According to U.S. Treasury Department figures, 67 percent of the revenue paid by the top 2 percent of taxpayers is paid by small businesses and family farms, many of which file individually as S corporations.

The chart behind me illustrates that at the very least 28 percent, and estimates are that the numbers are between 40 and 50 percent, of the people that the administration has classified as rich are actually small business men and women. I point to this chart behind me which represents small businesses paying taxes as rich individuals. The reason for this is that most small businesses file an individual tax return, whether that small business is a proprietorship, S corporation, or partnership. Classifying them as rich is very misleading.

These small businesses and farms are paying the salaries of our families across South Dakota and our country.

As you can see, unlike the so-called rich, increasing the individual income tax rate paid by small businesses hurts not only the proprietors and owners—but millions of people who work for sole proprietors, partnerships of subchapter S corporations.

Not only could small businesses end up paying proportionately more in taxes than big businesses, but by enacting such a proposal, the Government would be taking money away from small businesses that could be used to expand and hire more employees.

Cash flow often is small businesses' primary source of working capital, new investment financing for growth—and job creation. Since the after-tax profits of a business are critical in supporting its ability to borrow—in other words, its line of credit at its bank—increasing taxes would have a disastrous impact on economic growth. Increasing the tax burden on small businesses is counterproductive to our efforts here to reduce the deficit and stimulate the economy. Every extra dollar of income small businesses hand over to the Government is a dollar less that can be reinvested in the economy.

This is a critically important point. It is important because small businesses are driving this economy. The Small Business Administration reports that from June 1991 to June 1992, small businesses created 173,000 jobs, while firms with more than 500 employees lost 235,000 jobs. Small businesses accounted for 2 out of every 3 new jobs from 1982 to 1990. The bottom line is simple: Hamper small business development and you hobble our country's economy.

I would prefer very much that we cut spending, rather than increase taxes, to reduce our Federal deficit. However, the writing is on the wall—we have an administration and a majority in Congress determined to raise taxes. If that is their intent—let me point out that raising taxes is not my intent—then they need to do so fairly and responsibly. That is what this amendment is designed to do.

My amendment makes clear that the revenue figures set forth in this budget resolution do not assume that income generated by small businesses and family farms and ranches shall be taxed at a rate higher than the highest corporate tax rate. As I mentioned, if a majority in Congress vote to raise taxes, they should do so in a fair manner. My amendment would help to ensure that happens.

Some may argue that this amendment would make the Tax Code more complex. I disagree. By making the various changes to the Tax Code proposed by the President and others, Congress already is making the Tax Code more complex. My amendment is based on the proposition that if changes must be made—if taxes must be raised—then, at the very least, this process should be done fairly.

Indeed, while my amendment may add a level of complexity for individual taxpayers who receive income from both small business and from other sources, it also removes one very significant level of complexity. If the top individual rate is set at a level higher than the top corporate rate, many small businesses organized as S corporations, partnerships, or sole proprietorships will have to make difficult decisions as to whether it would be worth the time, trouble, and expense of incorporating to take advantage of the lower corporate tax rates.

It is perhaps inevitable that many business decisions are made based on the tax consequences of the decision rather than whether it would be good or practical in business terms. However, we should avoid injecting the Tax Code into the business decisionmaking process whenever possible. That is something else my amendment seeks to do.

For the reasons I have just presented, the proposed increase in income tax rates is a shortsighted policy. However, last week's vote on the energy tax made clear that a majority in Congress is intent on raising taxes. Yes, we in the minority should continue the fight to cut spending, rather than raise taxes. But we also have to minimize the damage higher taxes advocated by Members on the other side of the aisle could inflict. I encourage my colleagues to join me in supporting this amendment. If we are serious about economic stimulus and deficit reduction, the Senate should be supporting small businesses—the engine driving our economy—rather than continuing to increase their taxes, regulatory burdens, and Federal paperwork requirements.

I encourage all of my colleagues to study and support this amendment.

So, Mr. President, in conclusion and in summary, let me say that the purpose of my amendment is to provide that small businesses not be taxed at a higher rate than corporations in this country.

I think it has been overlooked that under the proposal from the administration, small businesses would pay at a higher rate. Many of these small businesses are individual proprietorships, some are partnerships, some are farms, some are subchapter S organizations. They are those small businesses that dot across America and make up most of the employment and most of the new jobs.

When we talk about a stimulus package, we should be talking about creating new jobs. Most new jobs in this country are created in the small business sector. As I pointed out, in the corporate sector there has been a loss of jobs.

Most of the innovation in this country is being done by small businesses where good research is occurring. That is the magic of the American system, and all around the world people are trying to imitate the American free enterprise system.

It seems we are beating up on the very portion of our economy that is creating the most jobs, creating the most technology, creating the most research. As the ranking member of the Small Business Committee, I offer this amendment to express the sense of the Senate that we are opposed to taxing America's small businesses or family farms at levels higher than corporations.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. LIEBERMAN). The Senator from South Dakota yields the floor.

The Chair recognizes the Senator from Tennessee [Mr. SASSER].

Mr. SASSER. Mr. President, this amendment is not about small business at all. What this amendment does I think is lay bare the real agenda of some of our friends on the other side of the aisle, and that is protecting the very rich. They have done that with great devotion and dedication over the past 12 years, and that dedication continues here today.

Most of us in this body are concerned about the impact of any tax change, particularly tax changes that affect small business or family farms.

But that is not what this amendment is about, Mr. President. The proponents of this amendment are trying to equate tax increases for families at the very top of the income scale, and I am talking about the top one-half of 1 percent in this country with an attack on small business. That is simply not accurate.

If the limits in this sense-of-the-Senate resolution were adopted, we would be creating a special class of taxpayers whose income would be taxed differently from every other group of taxpayers. I think it is important that everyone knows just how we get into this special class of taxpayers that this amendment would set up.

The criteria is very simple. You have to be have an income from a small business or a farm or a ranch, and that income has to be more than $250,000 a year. That is right. If you have an income of over $250,000 a year, a quarter of a million dollars, then you have the right to this special tax treatment at a lower rate.

Now, my colleagues would have us believe that in order to protect small business we should vote for this amendment. How can anyone stand here and tell the American people that small business owners who make more than a quarter of a million a year should be treated differently from other people with the same income? Let us say you own a metal fabrication shop and you have an income of over a quarter of a million dollars a year, and you have another person who is a super salesman and is a life insurance salesman, and he or she makes over $250,000 a year selling life insurance. Why should that life insurance salesman's income be taxed at a higher rate than the person who owns the metal fabricating shop which will be classified as a small business?

Just in case someone says, well, you know $250,000 a year, a quarter of a million a year, that is not too much money; that seems too low. Let me point out that this figure is taxable income. This is income after all deductions and all exemptions have been removed. Gross income for this new and, according to the proponents of this amendment, especially deserving type of taxpayer. This new class of taxpayer's gross income would be considerably higher than a quarter of a million dollars a year, at least $135,000, and certainly much more for some people.

So, this amendment is not about small business. It is about protecting the rich.

Let us just look at the facts. I have a chart here which indicates the effective tax rate of the top 1 percent of taxpayers. Bear in mind, we are not talking about the top 1 percent in this amendment. We are talking about the top one-half of 1 percent who are wealthier than the top 1 percent. But in 1979, the effective tax rate on the top 1 percent was 33.7 percent.

Then, during the Reagan years, that was lowered to 27.9 percent. Their taxes were lowered and they made out like bandits during the past 12 years. All the statistics show that their taxes came down. Middle-income wage earners, their taxes stayed the same or went up, when you included their Social Security taxes.

Now, what the Clinton administration seeks to do is simply reestablish some tax equity here. It raises the effective tax rate of the top 1 percent up to 33.1 percent, still slightly below where it was in 1979.

So this amendment simply creates a special class of taxpayers in the very top one-half of 1 percent and says:

> We are not going to tax you as much if you happen to run a business or you happen to run a farm and you have a taxable income of over a quarter of a million dollars a year, a gross income of maybe $319,000 a year. You are not going to get taxed as much as some man or woman out here working on a daily basis that does not happen to own a business and makes that much money or makes the same amount of money.

Now where is the equity there and where is the fairness? It is just another effort to carve out a special little niche here—lower taxes for some of the wealthiest among us who have enhanced their wealth over the past 12 years, while those in the middle class were paying the bills.

I say to my colleagues: Where is the fairness there? Where is the equity?

That is what this whole Clinton approach is about—restoring some fairness and restoring some equity to the Tax Code that has been lost over the past 12 years. And that is what this budget resolution would do, Mr. President.

So I want to say to my colleagues: Do not be fooled by this assertion that this is to protect small business. We all want to protect small business. We know that small business has been the instrument of creating jobs in this country.

And do not be fooled by saying this protects the family farmer. We all want to protect the family farmer. But this amendment, Mr. President, as I read it, simply creates another special privileged class of taxpayers at the very top, at the very top, in the top one-half of 1 percent.

That is not what this Clinton plan is all about. It is not about protecting privilege. What it is about is trying to establish some fairness and some equity in this Tax Code.

The President of the United States, appeared before a joint session of Congress and spoke to the American people. He told them the truth. He said, "We are going to have to make a contribution. There is going to have to be some shared sacrifice to put our house back in order here."

And he said, "I am going to ask those at the very top who have benefited the most and disproportionately from the tax policies of the past 12 years to come once again and pay their fair share," as they did before that 1981 Kemp-Roth tax cut.

And that is what we have here. Simply an effort to get them to pay their fair share again and still, still at that, if we look at this chart, we see that they are still not paying quite the rate they were paying in 1979, before the gigantic tax cuts that favored the wealthiest among us went into effect in 1981.

There is nothing wrong with being wealthy. I think most of us in this country aspire to be wealthy. We do not want to unduly penalize or tax someone who is wealthy. All we are saying here is just let us have some equity. Let us have some fairness. And let us have those who have done the best, particularly over the past 12 years, let us have them pay their fair share like everybody else.

Our ox is in the ditch here. We have seen the national indebtedness of the United States of America spiral from less than a trillion dollars, in effect about $986 billion in 1979, spiral now to over $4.2 trillion.

It took us 200 years to build up a national debt of about a trillion dollars. We have quadrupled that national debt in the last 12 years. And one of the chief culprits has been that 1981 tax cut that deprived the Federal Government of about 20 percent of the revenues that it was getting at that time. That and the fact that we increased defense spending by about 33 percent in real terms. And that is why this ox is in the ditch.

The President, when he appeared before a joint session of Congress, said: "I am not complaining. I am not blaming anyone. There is plenty of blame to go around."

He said: "I am going to play the hand that is dealt me without complaining about it."

So he has appeared before us and presented a budget, an economic plan. We have modified it some in the Budget Committee. We think we made it better.

But I would say to my friends here, this amendment is not about protecting small business and family farms. It is simply about creating another spe-

cial class of privileged taxpayers who have incomes considerably in excess of $250,000.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. PRESSLER. I yield to the Senator from Alaska.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I was just listening to the debate. Somehow or another we seem to be missing one another in this debate over who is rich and who is not.

I was just in Alaska over the weekend. And I was talking to some people that have small businesses.

For instance, a boat owner, who has an adjusted gross income of $250,000. After paying for fuel and everything else, he has $250,000. He is going to be affected by these new taxes. He currently is in the 31-percent bracket.

But, Mr. President, what the proposal from the administration misses is he has $130,000 a year he has to pay for his mortgage. He has to have money from that $250,000 after he pays his taxes to pay his mortgage or he is out of business.

As a consequence of the proposals that are in this budget this year, he faces not only a 5-percent increase on his income tax—from 31 to 36 percent—he faces increased Social Security taxes as an employer and he also faces a 10-percent surtax on income after that. He will not be able to have enough left to pay his mortgage.

I do not understand people that put these small business organizations, entrepreneurs, partnerships, and subchapter S corporations in the category of rich people who sit and collect income off of investments.

The $200,000 that might come from an investment basis is not the same as income that comes in to somebody who is in the process of capital formation. Admittedly, if he ever gets his boat paid for he is going to have a fairly good estate. But he is never going to have a sizable income. He has about a $40,000 take-home pay now. This new package that the administration has presented, and endorsed now in the budget resolution, is going to cripple my State.

About 80 percent of the employers in my State, other than government—either State or local or Federal Government—and the big businesses such as the oil industry, 80 percent of the employers are small businesses. People who are in this category the Senator from South Dakota has, earn somewhere from $200,000 to $500,000 in terms of their adjusted gross income. They are paying for the buildings, they are paying for the trucks, they are paying for the boats in after-tax income. How do we face the problem of convincing these people who want to increase taxes that they have to get off the backs of people that are building the country, providing most of the new jobs? I think the Senator from South Dakota, as a representative of small business, is presenting an amendment that should be supported 100 percent by the Senate. Until people understand what it means to have capital formation by small entrepreneurs, by people who are expanding this country, they are not going to understand the economy at all.

I do predict, I say to the Senator from South Dakota, unless an amendment of this type is adopted, the small States such as we represent are going to be absolutely devastated by the impact of this new proposal.

For those people who are working and have an income from a law firm where the law firm is already paying for the building and paying for all the infrastructure and who have a take-home pay of some $200,000, I might understand the presentation made in behalf of the administration. I do not understand the failure to comprehend the point that the Small Business Committee is trying to make through this amendment.

The PRESIDING OFFICER. Who yields time? The Senator from South Dakota.

Mr. PRESSLER. Mr. President, I would just say in reply to some of the things that have been raised, the question still remains why should a small business, making $300,000, be taxed at a higher rate than IBM or General Motors?

Let me also say in my State, at least, many of the small businesses will be paying much higher energy taxes. Small businesses are getting kind of a double or a triple whammy. Under the Clinton plan, not only are they paying a higher rate of taxation than corporations but they will also be in a position—small businesses have the hardest time passing on the additional energy taxes. So we are doing a double whammy to the most productive element in the American economy.

Let me say, raising the taxes on small businesses also hurts hundreds of thousands of workers who are employed by the small businesses. You can draw somewhat of a parallel to certain other tax increases, such as the so-called luxury tax. It was designed to soak the rich, but in actuality if put tens of thousands of employees out of work. We need to think of the employees of these small businesses.

I think what we have seen here is small businesses paying taxes as rich individuals. Frequently these small businesses, because of the higher rate of taxation, because of the energy taxation, are really getting hit with a substantial tax increase that will slow the growth of the economy, slow the expansion of small business and the creation of new jobs.

As I understand it, the Senate is going to consider this week a so-called stimulus package. I have seen figures that the jobs created will cost anywhere from $40,000 to $80,000 per job. Those are make-work, public sector jobs. They are very expensive to create. But here we have job creation in the small business sector that does not cost the Federal Government anything. These are real jobs, good jobs. These are permanent jobs, jobs that will create goods in industries within our society and create tax payers, not tax consumers.

But increasing the rate of taxation on small business to a higher rate than corporations pay, at a time when corporations are reducing their number of employees while small businesses are increasing theirs, is very inconsistent. It is true that certain individuals make $250,000 or $300,000 a year from a small business. But as my colleague from Alaska has pointed out, there are usually mortgages and certain liabilities, not to mention tort liability that go with the territory. So this is not as it seems.

In any event, the basic question is, even if you accept all the arguments of my friend from Tennessee, we are still taxing small businesses at a higher rate than we are taxing corporations. Why?

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Mr. President, before yielding to the Senator from Alabama, let me just make one point here. Statements have been made that the owners of these so-called small businesses have mortgages to pay or bills to pay. If these mortgages that they have to pay or the bills they have to pay are in conjunction with the business—for example, if you have a partnership or a sole proprietorship, and have to pay the mortgage on the building that is owned by the partnership or the sole proprietorship—then all of that is deductible. We are not taxing that. The taxes are not levied against the small business. They are not levied against the partnership or the sole proprietorship. The taxes are levied against the individuals after they have paid all the expenses and deducted that and taken the money out for their personal income. Then that is when the taxes are levied. And they still have their personal deductions and personal exemptions to take credit for before the taxes are levied against what they take out.

So I think there is a misunderstanding here. The small business person, or the farmer or the rancher or what not, still deducts the cost of running the business. That is set off before the income is ever pulled out of the business to be taxed to the individual.

If they want to they can flip over and incorporate, if they wish to do that. If they incorporated, they would be eligible to get the lower corporate tax of 36 percent, as I understand it.

But I want to correct the misapprehension that this tax is just something

levied on the top. No; it is not. It is levied after all deductions have been taken from the business and what is left over after all the business expenses are paid. Then that is the income to the individual. Then the individual takes the deductions, all the personal deductions, and personal exemptions, and then they pay the tax. I see on the floor my friend from Alabama. I yield the Senator form Alabama 4 minutes off the amendment.

The PRESIDING OFFICER. The Senator from Alabama [Mr. HEFLIN].

Mr. HEFLIN. Mr. President, the standard by which we must judge this proposed budget is simple: Does it put us on the road to reducing our Federal budget deficit?

The answer to that question is clearly "Yes." Consider the difference between deficit projections under this proposed budget and our current budget. With the Clinton economic plan, as modified by the Senate Budget Committee, the budget deficit in 1997 is expected to reach $187 billion. Without it, $346 billion. Cumulatively, over the next 5 years, this plan will reduce our Federal budget deficit by $502 billion. As a percentage of gross domestic product [GDP], this plan is expected to cut the deficit in half, from 5 percent in 1993 to 2.5 percent in 1997.

So we know that this plan is a step in the right direction. The real question being debated here is whether or not it is a big enough step. Of course, it does not solve our deficit problems overnight. It is simply not possible to do so under any plan. Our problems were created over time and they will be solved over time. The President's plan is creative and constructive. It is always easier to criticize than create, to obstruct rather than construct.

President Clinton has rightly challenged anyone opposing his plan to link their criticism to specific proposed improvements in it. He has evidenced a willingness to be open-minded and give any proposal full consideration.

This is quite simply the largest deficit reduction package ever seriously considered by the Congress. It makes substantial spending cuts in some 150 Federal programs, cutting Federal spending by $332 billion over 5 years.

The President's plan gives great momentum to action. This momentum must not be slowed by the politics of inaction which has prevailed for more than a decade.

But the important thing to understand about this plan is that it does not signal an end to our budgetary reduction efforts; it signals a beginning. Just last week we saw what happens once we start the deficit reduction ball rolling. On top of the cuts proposed by the President, Congress found $90 billion in additional cuts; that is, the Budget Committee. We cannot afford to let this momentum be stopped. We must commit to making this budget a starting place from which to find further cuts in Government spending and from which to overhaul Federal programs which are spending taxpayer dollars unwisely. The American people must have our pledge that this budget means accepting this budget as a starting point, not as a resting point. I hope my colleagues will join me in making that commitment.

In thinking about the President's proposed budget, I am reminded of Winston Churchill's famous remark about democracy: "It * * * is the worst form of government except all those other[s]."

President Clinton's plan has its shortcomings. We can all point to our particular dislikes in it. But it is better than all those others and, at some point, if you are serious about solving a problem, you must have the will and courage to take the first difficult step on the road to solving it. The President's plan can be that step. We should support it, amend it where necessary, and with continued vigilance by all Members of Congress, ensure that it works.

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

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. I thank the Senator from Alabama.

Mr. President, I am prepared, if the Senator from South Dakota is, to yield back all time on the amendment and ask for the yeas and nays and then move on to the Simon amendment. I see Senator SIMON is on the floor.

Mr. PRESSLER. I might just say, in summary, I feel very strongly this is an important amendment for the country because it affects the rate of taxation on small businesses and farms, and it affects the direction we are going in terms of stimulus in this economy. Rather than creating public service jobs, I think we should be creating private jobs, jobs in small business. I feel very strongly about that, and I have stated those arguments.

I understand Senator GRAMM of Texas wants to speak on this amendment, but if he could speak later on this amendment, it would be agreeable to me. I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. SASSER. Mr. President, I am prepared to yield back my time, if the Senator is prepared to yield back his time.

Mr. PRESSLER. I am prepared to yield back my time.

The PRESIDING OFFICER. All time on this amendment has been yielded back.

UNANIMOUS-CONSENT AGREEMENT

Mr. SASSER. Mr. President, I ask unanimous consent that the pending Pressler amendment be laid aside, to be disposed of following the Bingaman amendment No. 215; that prior to the disposition of the Pressler amendment, there be 10 minutes of debate on the amendment equally divided in the usual form; and that no second-degree amendments be in order to the Pressler amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. SASSER. Mr. President, I seek the distinguished Senator from Illinois has arrived on the floor and his amendment will be next in order.

The PRESIDING OFFICER. The Chair recognizes the Senator from Illinois [Mr. SIMON].

AMENDMENT NO. 217

(Purpose: To ensure that fiscal year 1998 funding levels for education reform and initiatives are consistent with the levels requested by President Clinton in his investment program)

Mr. SIMON. Mr. President, I offer an amendment on behalf of myself, Senator MURRAY, Senator BOXER, Senator PELL, and Senator KENNEDY.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Illinois [Mr. SIMON], for himself, Mrs. MURRAY, Mrs. BOXER, Mr. PELL, and Mr. KENNEDY, proposes an amendment numbered 217.

At the end of the resolution, insert the following:

SEC. . ASSUMPTIONS.

In setting forth the budget authority and outlay amounts in this resolution, Congress assumes that the education reform and initiatives will be funded at the level requested by the President for fiscal year 1998.

Mr. SIMON. Mr. President, this amendment is a very simple one. It says that the priority of education that is set forth in this budget is one that we applaud, we affirm.

We have had a lot of talk about education. People are claiming to be education Presidents, Senators, House Members, Governors and so forth. We have not had very much action at the Federal level. This moves us in the right direction, and I applaud President Clinton for this.

Let me just add what is impressive about the Clinton interests in the field of education. It is not simply some speech that someone hands him and he reads. I have been impressed, being on college campuses and elsewhere with the President, that he really is concerned and is knowledgeable in this area.

Where are we? First, from the viewpoint of the local elementary and secondary education program, in the last 12 years, we have seen a drop in Federal assistance from 11 percent of the budget to 6 percent of that local budget. There may be some argument about the 11-percent figure. I have seen other figures at 9 percent. Let us just assume

the more conservative figure; that 12 years ago, 9 percent of local education funding came from the Federal Government. Now it is down to 6 percent. Clearly, we have slipped.

Let us take a look from a different perspective at the budget. In fiscal year 1949, 9 percent of the Federal budget went for education. Today, we are down to 3 percent of the budget. Does that make sense in the world in which we live?

Mr. President, when I was in the, I guess, fourth grade, fifth grade—something like that; I cannot tell you precisely, but I remember reading in that geography book that the United States is a rich Nation because of all the natural resources that we have, and I believed that up until maybe 10, 15 years ago when all of a sudden I realized the countries that were moving ahead of us economically, in terms of growth rate, were countries like Japan, Taiwan, Sweden—countries that have virtually no natural resources. What they have done is invest in their human resources, and that is what we have to do if we want to move ahead. It is just that simple.

If you take our No. 1 economic competitor today—and it is Japan and I say that with great respect. I am not a Japan basher. I think occasionally some of that gets just a tinge of racism to it. But in Japan today—and let me digress to say I am not suggesting the Federal Government alone can shift the emphasis in our country, it is going to have to be all of us working together—in Japan today, they go to school 243 days a year. In Germany, they go to school 240 days of year. We go to school 180 days a year. I am going to get in trouble with the pages by these remarks.

Why do we go to school 180 days a year? The theory is so that our children could go out and harvest crops. My guess is there is not going to be a single page this summer who will be out harvesting crops.

I live at Route 1, Makanda, IL, population 402. That is about as rural as you can get, and even at Route 1 Makanda, IL, there are not very many students in the summertime out harvesting crops. We have to adjust to a different world and we have not done that. The Clinton budget starts to move us in that direction.

Or let us take another example, and I say this with great respect for the dedicated people who have become teachers in our society, but if you look at the college entrance scores for those going into teaching, unfortunately too often it reflects the fact that not the brightest and the best are going into teaching. That has to change. You talk to the top 5 percent of any high school graduate in class. Ask them what they want to become. They want to become physicians, lawyers, architects. Very few, if any, want to become teachers. That has to change, and I hope with the help of this budget, it can gradually change.

It is very interesting, in Japan, again—and these figures I have are about 6 or 7 years old; they may have changed—but in Japan at that point, teachers were making approximately the same as physicians and lawyers. I do not need to tell people in this body that that is not the case in the United States. In Japan, those who want to go into teaching score at the very top of their college entrance exams. They are appealing to very brightest and best of their young people to go into teaching. We have to do the same. I am not suggesting pay alone will do it, although I think that is a significant part of it. I think along with that we have to have higher standards.

But we have to do better in this whole field of education. We have to do better in the field of curriculum. There is only one country on the face of the Earth where elementary school students do not study a foreign language. Do you know what this country is? Well, of course you know. It is the United States of America.

There is only one country in the world where you can get into the Foreign Service without the knowledge of a foreign language. The United States of America.

I have talked to George Shultz about it. I have talked to Jim Baker about it. I have talked to Warren Christopher about it. One of things they say is you cannot expect our Foreign Service to do what our education system has not done. I talk to educators and they say, well, you cannot expect us to require foreign languages if even the Foreign Service does not require foreign languages.

But it is hurting us in security. When our hostages were taken in Tehran, only 6 of the hostages spoke Farsi, the language of the people there. One of the hostages testified before a subcommittee I chaired in the House and said, "We were speaking to the elite in English. We were not communicating to the people on the streets."

We just got involved in Somalia. Incidentally, despite occasional minor problems that we are facing over there, I think it is one of the finest hours for the United States, and I think it is perhaps George Bush's finest hour when we got involved there. But all of a sudden we needed people who spoke Somali. Well, not to the surprise of anyone here I suppose, we had a desperate time to find people who spoke Somali. When we were involved in the Kuwait problem, we had exactly five people in the military who spoke Arabic with the Iraqi dialect. We had a very difficult time in that area.

Well, all of this gets back to the field of education. Math and science, again, we are woefully behind. I was there when President Bush made his speech saying by the year 2000 I want American students to be number one in math and science. And I applauded along with everyone else. But the reality is without the kind of budget we have here, we are not only not going to be No. 1, I doubt that we will be No. 1, frankly, by the end of this century. I would love to do it and I will vote for help in that direction. But I think the reality is without this kind of constructive help that we have in this budget, we will be lucky not to slip back further.

I had been spending some time, Mr. President, visiting Chicago schools, going to the West Side of Chicago and the South Side of Chicago particularly, not taking reporters along with me, just to get a good feel of what is happening in urban schools. While there are some very good things happening—and sometimes we do not focus on those—there is also very much that is discouraging. We have to do better in this country in the field of education. There is just no question about it.

I visited a school on the South Side in Chicago with about 700 students, an area of high crime, high drug use. They had one part-time counselor. You simply cannot expect to do the kind of job that needs to be done with that kind of a commitment.

And then finally, in the field of higher education, this budget faces the $2 billion shortfall that we have in Pell grants. The basic grant, which we call the Pell grant, is now only about one-third of the assistance we give to students. We have in the last 15 years shifted from two-thirds assistance in grants and one-third in loans to two-thirds in loans and one-third in grants.

One of the things that this budget assumes also is that we are going to move to direct loans which will help hundreds of thousands of young people and others in this area. Without this $2 billion, if we could not borrow into the future on the Pell grants, the Pell grants would fall from $2,300 down to approximately $1,500 per student, precisely the wrong message.

I have just been handed a note that my new colleague from Wisconsin, one of the great additions to the Senate, wants to speak on this issue, and I am pleased to yield to Senator FEINGOLD. I am impressed by the way he is going about his duties in the Senate. The people of Wisconsin can be proud of him as well as the people of the Nation.

The Senator from Tennessee, the chairman of our committee, controls the time, but I yield the floor at this point.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Actually the Senator from Illinois controls the time on his amendment. It is his amendment. I will be pleased to yield back to him.

Mr. SIMON. I am unaccustomed to such power, Mr. President.

Mr. SASSER. I am confident the Senator will yield it in his usual efficiency.

Mr. SIMON. In that event, I will yield 10 minutes to the distinguished junior Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin [Mr. FEINGOLD].

Mr. FEINGOLD. I thank the Senator for his remarks.

I congratulate the senior Senator from Illinois for his amendment. I support it.

I would like to take this brief time to comment generally on the budget resolution reported by the Senate Budget Committee and associate myself with the remarks that the senior Senator from Alabama made a few moments ago.

The Senate resolution builds upon President Clinton's economic plan. It would achieve deficit reduction totaling $502 billion over a 5-year period. This would be the largest deficit-reduction package in the history of this country. It is a substantial downpayment on restoring the economic stability of this Nation, and it deals honestly with the most serious fiscal crisis we have ever faced. It contains tough economic measures. These measures will cause pain and sacrifice, but the irresponsible fiscal policies of the past 12 years, those years of increased Federal deficits and runaway Federal spending, have, unfortunately, brought us to the point that tough and decisive action is the only solution to the economic crisis which is undermining our Nation.

I think this country is at a turning point. If we do not change the economic course of this country now, we are going to sink deeper and deeper into debt, condemning our children and our grandchildren to a truly declining standard of living under an intolerable debt.

The President's economic proposal presented just a few weeks ago was one of the boldest and most ambitious economic plans to deal with the Federal deficit that has ever been proposed by any President. The Senate Budget Committee has modified the President's proposal in a manner that is totally consistent with the President's goals, but the committee also enhanced the President's proposal in some very significant ways. The Senate Budget Committee resolution provides for even greater net deficit reduction, $502 billion. That is $29 billion more in deficit reduction than was originally proposed by the President.

The Budget Committee's task was made even more difficult by the CBO and Joint Tax Committee reestimates of the President's proposal, particularly the revenue assumptions, which decrease the estimated deficit reduction impact of the President's proposal to only $406 billion. But the committee got to work and it worked to achieve real deficit reduction using the most conservative estimates and budget scoring. They deserve much credit for the work and effort which has gone into producing this resolution.

They have remained faithful to the President's overall economic program, achieving most of the additional deficit reduction by retaining but stretching out spending in the President's investment proposals over a longer period of time. The balance of the gap in this proposal has been built by increasing reductions in discretionary spending by $41 billion over the 5-year period, and by modifying the income tax proposals affecting upper income taxpayers.

Mr. President, there are a few specific points I would like to express. First, both President Clinton and the Senate Budget Committee proposal have proposed significant, deep cuts in Federal spending as a part of the deficit reduction proposal. The resolution assumes spending reductions totaling $332 billion over 5 years. That includes defense cuts of $105 billion, $81 billion in nondefense discretionary cuts, and $91 billion in entitlement and mandatory program savings.

These are not going to be easy cuts to enact or accept. They are going to cause pain. Real people will be affected by the cutbacks in spending on these programs, both in the defense area and in other areas. For the President to propose and the Congress to endorse spending cuts of this magnitude is, in my mind, indeed, courageous.

The budget resolution before us today demonstrates an ability to focus on priorities in the Federal budget and identifies what programs are essential and what programs are not.

It proposes the elimination of programs that do not work, or are no longer needed. It endorses the elimination of subsidies and free Government services for those who can afford to pay for the benefits they receive from the Government. It includes management reforms, to cut back in Government waste, making Government agencies more efficient and effective.

Mr. President, these are the kinds of changes that we must make if we are really going to be serious about reducing the Federal deficit. We must demonstrate to the American public that we are capable of looking at programs that may have at one time served a worthy purpose but are no longer justifiable. We need to show the American public that we can say it is time to terminate these programs or reduce spending on them. We need to show that we can withstand the pressures generated by special interests who are fighting to maintain the status quo.

American families make these kinds of decisions on a regular basis, a daily basis. They reassess and reevaluate where their dollars are needed, and adjust their budgets accordingly. They do not just continue to pay and pay for services or goods that they no longer need or cannot afford. Our Federal Government has to apply the same kind of discipline to the Federal budget.

Second, Mr. President, I do believe that we can cut Federal spending even deeper than that proposed by the President and the Senate Budget Committee. I have already cosponsored several bills that would make deeper cuts in certain areas, including eliminating the super conducting super collider and the space station. I have introduced legislation, S. 51 and S. 477, which would make deeper cuts in overseas broadcasting activities, and the Wool and Mohair Support Program. These are larger cuts than were proposed by the President in these areas.

At the same time, I fully recognize that this budget resolution itself does not prevent deeper spending cuts later in the year. The resolution simply says that the Congress must cut spending at least to the level set in the resolution. We are free to make even deeper cuts at a subsequent point in time. I hope that we will.

I believe we can and must make deeper cuts to bring down the Federal deficit, even further than this resolution proposes. My desire for deeper cuts does not in any way diminish my admiration for the President and the Senate Budget Committee for proposing deep and serious spending reductions and net deficit reductions. I will work to support both this resolution and the legislation that will actually implement the spending reductions the adoption of this resolution will require.

Mr. President, there is a final point that I want to stress. Both the President's proposal and the budget resolution include revenue increases as a part of the deficit reduction package. It would be ideal if we could achieve meaningful deficit reductions through spending cuts, but President Clinton is right in arguing that the size of our deficit requires a combination of targeted revenue increases along with spending reductions. Spending cuts should remain our top priority, but anyone who argues that the Federal deficit, given its current size, can be balanced just by cutting Government spending is playing games with the American public. The American public understands that some revenue increases, although never pleasant, are necessary to bring the Federal deficit under control. I think they are willing to accept these increases if they know that we are serious about cutting the Federal deficit.

Mr. President, I finally want to address the increased Government spending contained in both the stimulus and investment proposals made by the President.

For the most part I am supportive of the individual elements of these proposals. There is little question that this country does need to invest more

in our infrastructure, our education and health care systems, and urban and rural development, and in making our work force and our industrial base more competitive and productive in the global economy.

But I do have deep concerns about the need to make these investments in a fiscally responsible fashion. When American families make decisions about investments, the purchase of a home, educational expenses, health care, they balance the benefits to be gained from those investments against problems of going deeper and deeper into debt. Sometimes they actually have to defer important expenditures until they have the money to pay for them. The Federal Government needs to apply the same kind of discipline.

I think the President has done a responsible job in the overall budget proposal of offsetting the increased spending for new, long-term investment by reducing spending on existing programs that have less justification, and at the same time the President provides significant deficit reductions.

Mr. President, I continue to be concerned that the new spending proposed in the economic stimulus package should be tied to spending reductions. I expect to work to create that linkage when the economic stimulus package is considered by the Senate so that we do not run the risk that we will approve significant, new spending without corresponding spending reduction.

In conclusion, Mr. President, I would like to reiterate my support for the tremendous work of the Senate Budget Committee and President Clinton in developing a budget that will begin to address seriously the fiscal crisis which the irresponsible fiscal policies of the past decade have created.

We must do everything we can to repair the damage which has been done to our economy before that damage becomes irreversible. That will require strong action now. The President has given us the leadership that is necessary. Now we must act.

Thank you, Mr. President.

I yield the floor.

Several Senators addressed the Chair.

Mr. SASSER. Would the distinguished Senator yield 1 minute to me?

Mr. SIMON. I am pleased to yield.

Mr. SASSER. Mr. President, I want to express my appreciation to the distinguished Senator from Wisconsin [Mr. FEINGOLD], for his statement here today. I think that Senator FEINGOLD is speaking the truth to the American people today. I agree with him. If we will lay out the facts, then I think the American people will support the efforts that are made to bring our fiscal house in order, and to restore some measure of sanity and balance to our Federal budget.

I welcome the remarks of the distinguished Senator. I think they were most appropriate. I commend him for the fine work that he is doing, not just on this budget, but the fine job that he is doing here in the U.S. Senate on behalf of the Senate and on behalf of the people of Wisconsin.

The PRESIDING OFFICER. Who yields time?

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I will ask the chairman a procedural question. Are we ready for a unanimous-consent agreement on amendments for this evening?

Mr. SASSER. If the Senator will withhold for just a moment and let me have the opportunity to examine a proposed consent agreement and discuss it briefly with staff, I think we may be.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, the chairman of the committee that has jurisdiction over education is Senator KENNEDY, and he is a leader not just in name but has been an extremely effective leader and advocate in this field of education. I am pleased to yield to him such time as he may consume.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I thank my friend and colleague from Illinois for his kind comments. I acknowledge, as all of us on our committee and in the Senate that education policy has been an area of prime interest to the Senator from Illinois, not only in the course of his service here in the Senate, but in the House of Representatives as well.

I welcome his strong leadership in establishing the priorities for education in this particular budget. In proposing this amendment, this action is consistent with his leadership on education policies generally.

I am very hopeful we can get resounding support for this amendment which he offers to the Budget Committee, which I think is really reflective of the concerns of families.

I was in Boston over the weekend. The papers were doing a review of the service of Mayor Flynn, who is on his way to being appointed by the President as the special envoy for the Vatican. The newspapers also had a general review of the principal concerns of the people in Boston, and education once again was the overwhelming concern of the people in that city. I think it continues to be the concern of people all over this country, and I welcome the initiatives which have been provided to address this issue in the form of the budget resolution.

Mr. President, I strongly support Senator SIMON'S amendment on President Clinton's education funding package.

In the last 12 years, the Federal share of support for education has dropped from 11 percent of total spending to just 6 percent, and President Clinton's proposal to invest $9.2 billion in the next 5 years is an important step toward rebuilding the education infrastructure in our country.

Money alone is not the answer, but the Federal Government cannot be a catalyst for education reform without making a major investment. We have at last a President willing to invest in change instead of talking about it, and then depending on private initiatives to provide the needed support.

Public education means just that—public. It is our responsibility to provide incentives for reform strategies to encourage schools to improve the way teachers teach and how students spend their time.

The country can no longer afford the economic and social consequences of an education system that fails so many of our students. In some cities, the dropout rate for high school students is approaching 50 percent. Dropping out will scar these students all their lives. They have little chance for productive employment or worthwhile careers. Thirty percent of all new jobs expected to be created between 1990 and the year 2005 will go to college graduates or workers with equivalent skills. Where does this leave high school dropouts? On the street.

The President's plan, however, targets this problem. It shows understanding of the fact that students are best prepared for the workplace with a mixture of school and work.

With respect to higher education, in the last 12 years, the Education Department has left the student loan and Pell grants program in disarray. The need to put Federal support for higher education on a structurally sound foundation has never been greater. These programs are a lifeline to thousands of poor and working class Americans.

Student needs are soaring and the cost of higher education is skyrocketing. The President is willing to face up to the $2 billion Pell shortfall head-on in a courageous action that is long overdue. We cannot create an expectation among students that we are unwilling to help those who need our assistance the most. We must also do more to reduce student reliance on loans so they can enter the work force without a crippling debt.

The President is also prepared to offer strong support to improve standards for education and to ask Congress to join him in certifying new standards and laying them out for the American people so they can at last get a clear sense of what their children and their future workers should be able to do. Again, Federal leadership is essential and must lead the way and present a blueprint for States to consider.

President Clinton also supports the enactment of the national goals in education into Federal laws. These goals were developed over 3 years ago and

still have not been acted on by the Congress. Action on our part is long overdue, and it is a central part of the President's program.

Goals and standards alone, however, will not guarantee that students learn more. Success depends upon each school in the Nation.

The President's package provides incentives for schools to reorganize themselves and prepare their students to master a more rigorous curriculum.

Finally, we must pay greater attention to the classroom and focus on results. For many years students did not get enough attention. We need a system for monitoring students in the classroom that does not isolate them. We cannot ignore the negative effect of labeling them on children.

President Clinton has challenged us to rethink our programs and encourage a coordinated approach to student needs. Requirements and regulations are useful and necessary, but they can also inhibit a coherent plan and reduce the creativity of teachers in the classroom. The best teachers spend too much effort finding ways around poorly thought out rules and requirements. President Clinton has challenged us to examine the current array of programs to give schools and parents more flexibility to fashion appropriate and individual solutions to the challenges facing students.

For all these reasons, I urge the Senate to support the amendment and more effective leadership on education. We cannot improve the Nation's schools overnight, but at least we can start moving in the right direction.

Mr. President, I think it is important for this body and the American people to understand the comprehensiveness of the President's proposal in the areas of education—the commitment of this administration to the full funding of Head Start and efforts to ensure that there is adequate funding to strengthen the content of the program and improve the working conditions and the salaries of those involved in the program. Head start continues to not only enrich the lives of the children who are participating in it but in many instances their parents as well.

In this budget proposal there is also an increase of funding for Even Start. That is the program to help provide literacy training for the parents of many of the needy children in our school systems. The administration and the President have also understood the importance of getting a good start for the children of this country by enhancing the WIC programs, immunization programs, and by a commitment to preventative health care for expectant mothers. If we fully fund Head Start and Even Start programs, and if we coordinate them with Chapter 1, the $6½ billion that we provide for the economically disadvantaged children, we will have taken important steps for our youngest children.

Chapter 1 is not solely restricted to the earliest years, but most of the funding for that program is focused in that area. We want to emphasize that we are also interested in well-baby care. All of these efforts will help poor children cope with some of the challenges, educational and social that they face.

There are also followup programs that the President has in elementary and secondary education which are going to help provide resources to local schools that will encourage them to be innovative and creative in dealing with the problems of dropouts, teenage pregnancies, and will help them enhance academic achievement. Some of the President's programs also encourage parents and teachers and businesses to be involved in the schools in a way that was enormously successful in South Carolina.

Finally, the President recognizes the importance of moving from school to work. Many of our friends overseas with whom we compete economically are very effective in bringing skills to high school students. This administration is working on that area so that we are going to be more imaginative and creative in moving young people from schools into work.

We will have a chance to talk later on about reform of higher education and the need to make additional resources available to young people at less cost through a direct loan program and to increase our commitment to Pell programs.

In the President's program, there will be opportunities for our young people to involve themselves in voluntary service and national service programs, hopefully all the way from K through 12. We want them to get the idea that voluntarism is a lifetime opportunity for Americans.

This is an exciting time for those who are committed to education. We are not just talking about single programs. We are talking about a comprehensive program. This program makes a comprehensive commitment to strengthening our education system, helping and assisting those programs which are really effective, and in trying to encourage programs in many different communities that can be creative and innovative to deal with some of the educational and social needs.

I should add that the President also shows an understanding of the importance of one-stop shopping in our schools to try and provide a comprehensive range of services for young people, particularly in inner cities, but also available in rural areas. The kinds of pressures that so many of these children are exposed to are great and include physical abuse, substance abuse, and violence in the home. This is an area of concern to the administration and we are working on those programs. I want to repeat that we cannot just ignore those young people who drop out. They are part of our society and they are part of our community. In many instances, they drop out for a variety of different factors and forces which we should be addressing in our society. We have to find ways of reaching out to them to involve them and bring them back into our society.

Finally, I want to say that this administration recognizes the importance of the private sector and in involving them in a more comprehensive way in our educational enhancement. This has been the feature of Governor Riley's own programs in South Carolina. Both Governor Riley and Governor Clinton have an extraordinary record of achievement in education as leaders in their States.

So, Mr. President, I am very hopeful that we can gain overwhelming support for this particular proposal. We are addressing these issues in the budget resolution. A clear vote in support of the Simon amendment will be a clear indication that this body and the American people want us to put the educational agenda on the front burner and not on the back burner. That is what I think this amendment does, and I am very hopeful that the amendment will be accepted by an overwhelming margin.

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

Who yields time?

Mr. SASSER. Mr. President, I ask unanimous consent that following the conclusion of the sequence of votes ordered to occur beginning at 2:25 p.m. today, the Senator from Mississippi [Mr. LOTT] be recognized to offer his amendment regarding Social Security, and that following disposition of the Lott amendment the majority leader or his designee be recognized to offer an amendment.

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

Who yields time in opposition?

Several Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Iowa oppose the amendment?

Mr. CRAIG. Mr. President, I yield 5 minutes of our time to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SPECTER. I thank the Chair.

(The remarks of Mr. SPECTER pertaining to the introduction of S. 631 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. Who yields time?

Mr. CRAIG. Mr. President, I yield myself 2 minutes of our time to speak in opposition.

Let me also ask unanimous consent the names of Senators SIMPSON and KEMPTHORNE be added as cosponsors to amendment 197.

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

THE BTU TAX

Mr. CRAIG. Mr. President, it is obvious that the extensiveness of the Btu tax as it has been proposed has brought this Nation's attention to the kind of impact that this approach would have on the economic viability of this country and its energy supply. Many Senators have come to the floor speaking of amendments filed that will be presented and voted on later. I, too, have filed such an amendment exempting hydro from the Btu tax. It is the only truly renewable energy source in this Nation that falls under the Btu tax as proposed by the Clinton administration. It is regional-specific. Clearly, 65 percent of the hydroenergy in this country is produced in the Western part of the United States, and primarily in the Pacific Northwest.

As a result of this renewable and relatively inexpensive energy source, as compared with other types of energy sources, clearly economies have developed around this, such as the aluminum industry, pump storage plants, irrigation, which is substantially important to my State and my State's agricultural base, along with the pulpwood paper industry of the West.

Many of those industries would become mobile. As the cost of this energy goes up, they would seek cheaper energy sources, immediately to the north of us. In the Province of British Columbia and Canada rests a very large abundant cheap hydroenergy source. It is feasible to see that kind of dislocation. It concerns all of us a great deal.

As we move toward the voting process this afternoon, I will call up the amendment for its consideration.

Mr. President, I ask unanimous consent to print in the RECORD a letter from the Joint Committee on Taxation, dated March 22, 1993.

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

JOINT COMMITTEE ON TAXATION,
Washington, DC, March 22, 1993.

Hon. LARRY E. CRAIG,
U.S. Senate,
Washington, DC.

DEAR SENATOR CRAIG: This is a response to your request of March 18, 1993, for a revenue estimate of a modification to the BTU tax on energy sources that has been proposed in the President's budget proposals.

The President's proposal provides for the imposition of an excise tax on fossil fuels and alcohol fuels based on the BTU content of each energy source. Further, hydro- and nuclear-generated electricity would be taxed at a rate equal to the national average of tax embedded in electricity generated from fossil fuel. Your proposal would exempt all hydroelectric generation from taxation.

This estimate and the estimate of aggregate revenues raised by the BTU tax are based on details of the President's proposal supplied to the staff of the Joint Committee on Taxation by the Treasury Department. Many details of the BTU tax proposal have changed substantially since it was originally proposed, and it is our understanding that additional changes are expected before it is formally submitted to the Congress. As a result of these changes to the President's proposal, the revenue effect of your amendment may change significantly before formal consideration of the BTU tax occurs.

Assuming your proposal is effective for energy sources purchased after July 1, 1994, we estimate the following effect on Federal fiscal year budget receipts:

[In billions of dollars]

Item	Fiscal year—					
	1994	1995	1996	1997	1998	1994–98
Current BTU tax proposal	1.0	9.4	17.0	22.1	23.5	73.0
BTU Tax with hydroelectric exemption	.9	9.2	16.5	21.5	22.8	71.0
Difference	(1)	−.3	−.5	−.6	−.6	−2.0

[1] Loss of less than $50,000,000.

Note.—Details may not add to totals due to rounding.

I hope this information is helpful to you. If we can be of further assistance, please let me know.

Sincerely,

HARRY L. GUTMAN.

Mr. CRAIG. I offer this amendment to strike the portion of the Btu tax that would be generated by taxing hydroelectric power generation at the same rate as nonrenewable energy sources.

The stated goal of the Clinton administration Btu tax was to tax energy sources that are polluting, inefficient, and reduce dependence on foreign energy supplies. On the other hand, hydropower is the antithesis of these goals being a renewable energy source that is nonpolluting, a highly efficient method of energy production, losing little energy in the conversion of falling water to electric energy, and domestically produced. Indeed hydropower generates over 85 percent of the Nation's renewable energy sources and displaces about one billion barrels of oil that would other wise be consumed in the United States each and every year. Other renewable energy sources such as wind and solar power are not taxed in the proposal before us. In the name of equity and fairness, hydropower should be treated the same.

In the Pacific and Mountain West, approximately 62 percent of the tax will be born by these two regions—a most disproportionate application of the tax. My amendment will reduce the Btu tax by approximately $2 billion over the 5 years of the new tax proposal. This reduction will affect electric ratepayers in the 47 States that generate electricity using water power from the streams and rivers of our Nation.

Industries that have grown up around hydropower have done so to take advantage of this dependable and economical source of electricity. I am very concerned that the tax as proposed will economically discriminate against hydropower. It is in the spirit of equity and fairness that I offer this amendment and encourage my colleagues to support its passage.

Mr. President, I yield and retain the remainder of my time.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. Who yields time?

AMENDMENT NO. 217

Mr. SIMON. Mr. President, the Senator from Connecticut [Mr. DODD] not only has been a leader in terms of family leave, he has also been one of the key leaders in the whole field of education, whether it is Head Start or student assistance or in the area of foreign student curriculum. I am pleased to yield such time as the Senator from Connecticut may consume.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. DODD. Mr. President, let me commend my colleague from Illinois for, once again, demonstrating his longstanding commitment to education. I do not mean longstanding just in terms of his tenure in this body or as a member of the Labor and Human Resources Committee, nor do I mean specifically his tenure in Congress, when I had the pleasure of serving with him since our first days in the House of Representatives, but also going back to his days in the private sector when he was a newspaper publisher and a member of the State legislature in his own State. His leadership in education issues is as long as anyone I know of in public life today. I am not surprised at all that he would be the author of the amendment that is before us.

I ask unanimous consent that I be listed as a cosponsor of that amendment, Mr. President.

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

Mr. DODD. Mr. President, there have been numerous remarks already given on the importance of this amendment and of education, in general. Every time I hear of an amendment like this, I just assume that everyone understands how critically important it is for this country to make whatever intelligent investments we can to improve the quality of education in this country.

Mr. President, it is now the hour of 12:20 on a Tuesday afternoon. By 3 o'clock today and every other school day, some 2,000 children in this country will drop out of school and never go back. Every school day in this country, somewhere between 150,000 and 180,000 students bring a gun to school. We have a dropout rate that hovers around 25 percent.

Thirty-five percent of our young people begin school totally unprepared to learn. In some States, one out of five children repeat first grade.

These numbers and statistics are powerful indicators of our Nation's direction, Mr. President. If you look around the world at our major economic competitors, in Western Europe

and the Pacific rim, you will find dropout rates hovering close to 1 percent—less than 1 percent of the student population. Yet, many of us get up and give speeches and talk about our country being a great power in the 21st century; as if we are going to be a strong economic force in the world. I do not know how anyone can give a speech like that, how anyone can stand before any audience in this country, and make such a prediction when you look statistically at where we are headed in our schools and with our children.

In 1989, the Governors of this country and former President Bush met and together identified the six national education goals for the year 2000. In 1989, the year 2000 may have seemed a long way off. We are now 6½ years away from that deadline.

While we have identified these goals, Mr. President, we are still widely divided over how we are going to achieve those goals, what measures we are going to use to determine whether or not we have made progress toward those goals, or what they mean for students and teachers.

What President Clinton and Secretary Riley have done is take our national goals and identify ways in which we can actually achieve them. Anyone who stands here, or stands elsewhere, and says reaching the goals is strictly a matter of money, ought to be discredited immediately. It is not just money, although money is clearly a critically important element. Good ideas, creative, innovative solutions to some of the problems that face our educational system are the essential elements of our success. And I would point out, Mr. President, that we already have some wonderful ideas that have emerged in our local communities, from parents and teachers, from business people, from legislators, from administrators at the community level in this country.

In my own State of Connecticut, many innovative ideas have emerged in communities where local people have come together to improve their schools. They do lack Federal support and funding, but they are terrific ideas already producing results. The Comer schools model in New Haven's elementary schools has now become a national model for how we can improve the educational performance of children at the earliest levels.

Connecticut's statewide mastery test and strategic schools profile has also been extremely helpful in our State in identifying our needs. The Yale-New Haven Teachers' Institute has been very successful in working with New Haven public school teachers to develop innovative and interesting curriculum for the public schools. Here is a major private learning institution, which for years, quite frankly, and I say this not to the great surprise of my colleagues, could have been anywhere; it was not involved with the local community. But today that is not the case. This great school, this institution of higher learning is today directly and deeply involved with public school teachers in the New Haven area working to improve the quality of those teachers.

The collaborative dropout program in Danbury, CT, has been identified as one of the best antidropout programs in the country, and the Statewide Excellence in Education Commission, a commission of educators, legislators, business people, and parents has also received national acclaim.

I point these out merely to show what one State is doing and what a series of communities are doing on their own to try and improve the quality of education.

President Clinton and Secretary Riley want to foster these kinds of local efforts. The Goals 2000: Educate America bill is soon going to be sent up by Secretary Riley as part of President Clinton's overall educational plan for elementary and secondary education. This bill will offer meaningful support to efforts to improve our schools. It will codify the national education goals, establish a standard setting procedure, and provide support for local school improvement efforts.

So, Mr. President, we are going to have a chance to actually vote on specific proposals that many people regardless of party, agree are absolutely vital if we are going to have the kind of economic growth and expansion that is essential to this country.

Mr. President, I speak at a public high school in my State every week and have for 10 years.

I have spoken at virtually every single public high school in my State, mostly to juniors and seniors. I do not think my State or our students are substantially different from most States today. You can go to certain high schools in my State, and they rival community colleges in terms of their campuses and in terms of their equipment and sports facilities and the ratio of students to teachers. Yet, you can literally walk from some of those schools to other schools, and I mean walk—I am not exaggerating here—15, 20 blocks, to visit another high school. And there you will see city schools, which despite the efforts of the school boards and teachers, are deteriorating and crime infested, with police walking the corridors just trying to maintain discipline.

I was at one public high school the other day where there are 30 computers for some 2,000 students. It is 1993. Thirty computers for 2,000 students. That is outrageous in this day and age where the computer is a critical learning vehicle and is an essential tool for advancement in education. Yet, here we are with a large secondary school and only 30 computers available to these kids. And we are going to ask them to be the best educated, best skilled generation we have ever produced.

Mr. President, I do not think Connecticut is unique in that regard. Obviously, my colleague from Illinois can speak with great certainty about similar problems; and my colleague, of course, from Rhode Island, who has been such a champion on these issues for decades, Senator PELL can speak of the disparity that exists in his State's schools.

Again, I am not subscribing to the notion that somehow turning on a faucet of money is going to resolve these problems. But if we do not come up with some sort of formulation to see to it that assistance reaches these students in very short order, then we are going to watch those trend lines of dropouts and educational performance continue to head in the wrong direction.

Thomas Jefferson said some 200 years ago that any society or nation that ever expects to be ignorant and free expects what never ever was and never possibly can be. I believe that statement certainly was true then, but if it was then it certainly is even more so today. It ought to be axiomatic that the investment of our society and Nation in educating our children is so directly linked to our ability to provide for a better future for coming generations that it ought not require debate. We could maybe argue about where some of those resources go, but the bottom line question the Senator from Illinois has raised today ought not to be a matter of debate. This is something on which every single one of us in the Senate, regardless of State, regardless of party, regardless of jurisdiction, ought to be joining together in because anything else we try to do will fail unless we deal with this issue. It is the cog of the wheel. It is the central ingredient. Without quality education, every other issue that we talk about will be left entirely to chance.

Mr. President, I commend any colleague from Illinois for raising this particular proposal, and I hope that on this issue, if on no other, there would be unanimity.

I commend him for his efforts and am pleased to join as a cosponsor and hope that the rest of my colleagues would as well.

I yield the floor.

The PRESIDING OFFICER. The Chair observes that the hour of 12:30 has come and passed. Senators need unanimous consent to proceed.

Mr. SIMON. Mr. President, I ask unanimous consent that the recess scheduled to begin at 12:30 be postponed until the conclusion of remarks by the Senators from Rhode Island, Washington, and Massachusetts.

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

Mr. SIMON. I also ask unanimous consent that the senior Senator from

Connecticut be added as an original cosponsor of the amendment.

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

Mr. SIMON. Mr. President, I yield 6 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator is recognized for 6 minutes.

Mr. PELL. Mr. President, I wish to express my strong support for this amendment, and particularly for the education action agenda already set into motion by President Clinton and his administration. It is abundantly clear that we have a President dedicated to improving American education.

Nothing could be better evidence of the administration's commitment to education than the appointment of Gov. Richard Riley as Secretary of Education. In the few short weeks he has been on the job, Secretary Riley has already demonstrated that his interest lies not in making headlines but in a sure, steady effort to strengthen our Nation's education system.

The education initiatives set forth by President Clinton in these early days of his administration are of critical importance in what they set out to accomplish. Perhaps even more important, they convey to the American people that we have a President who intends to be extremely active in the cause of bettering American education at every level.

The National Service objective already outlined by President Clinton are exciting not only because of how they will affect education but also because they kindle a new spirit of community concern and service on behalf of our citizenry. Tying student aid more closely to national and community service is a concept I am proud to have advocated for many years. I am literally overjoyed to see a President give life to this idea, and am committed to helping him bring it about. If we but give him the chance and work with him in the cause of national service, I am confident that our Nation will indeed be a better place to live in the coming years.

I am equally encouraged that the President clearly sees the National Service concept as an adjunct or supplement to the Pell Grant Program. Thus while he has acted quickly to move us forward in the area of National Service, he has acted with equally swift speed to place the Pell Grant Program on a sound footing for the first time in over a decade.

The proposal to erase the $2 billion shortfall in the Pell Grant Program is something that deserves the solid support of every Member of this Chamber, regardless of their party affiliation. It will erase all accumulated deficits, and give students and families the assurance that the funds we put into the Pell Grant Program will go out as aid to students, and that families can count on receiving the funds for which they are eligible.

Some may say that erasing the shortfall has nothing to do with economic stimulus. I would say simply that such an argument is wrong. Over the past several years, the ranks of individuals eligible for Pell grants have increased dramatically as thousands upon thousands of Americans have sought a college education or returned to school. This is a direct result of the recession in which both unemployed and underemployed workers see additional education as the avenue to a job, the way to upgrade their skills, and a chance to improve their economic standing. Restoring health to the Pell Grant Program will mean that individuals and families who count on this help can do so with the confidence that the help will be there when they need it.

President Clinton has also proposed an additional $500 million in funding for summer Chapter 1 programs in elementary and secondary education. This is an important provision. The Chapter 1 Program provides critical basic skills assistance to children from families who are not well off. A Chapter 1 summer program in our most disadvantaged areas will help sustain the gains that are made during the regular school year. It will also provide critical employment to the people who run the programs.

The President has also proposed $235 million to help States that did not benefit in the census, but which continue to feel the full weight of the recession and the ongoing responsibility to meet the needs of poor children in a program that, today, reaches only about 40 percent of those who are eligible to participate. This, too, is an important part of the economic stimulus package, for without it school districts will face the need to impose additional layoffs and cutbacks in services in the Chapter 1 Program.

Very soon the administration will submit its education reform legislation, Goals 2000: Educate America. My understanding is that this legislation, among other things, will codify the national education goals and the National Goals Panel, will provide an important framework for the development and certification of voluntary content standards, and provide important assistance to States, local education agencies, and individual schools to begin or build upon education reform efforts. I look forward with enthusiasm to working with the administration to obtain swift enactment for this important legislation.

Mr. President, I cannot emphasize too strongly how important it is that we give President Clinton and Secretary Riley the chance they deserve to chart a course of positive change in American education. It has been clear from the outset that the Clinton administration has an expansive view of education. It is committed to bringing fundamental change in elementary and secondary education through school reform, and to revitalizing American higher education by bringing the spirit of national and community service onto the campuses and into the minds and actions of students across America. I stand with the President in this pursuit, and urge my colleagues to give him the chance that he deserves to make American education second to none.

I yield the floor.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. I thank my colleague from Rhode Island for his remarks. I think the kind of high regard we have for our colleague from Rhode Island for his leadership in education is suggestive of the fact that we call the basic grant the Pell grant in this country. We are grateful to him for his leadership.

Mr. President, I think my time is just about consumed on this amendment. So on behalf of the majority manager, I yield 5 minutes to the Senator from Washington off of the resolution.

Let me add I am pleased to have her as a cosponsor of this resolution, and I appreciate the good work she is doing as a new Member of the Senate.

The PRESIDING OFFICER. The Senator from Washington is recognized for 5 minutes.

Mrs. MURRAY. I thank the Chair.

I appreciate my colleague from Illinois offering this very important amendment. Our great and diverse Nation requires an educational system which is relevant for all participants. I believe increased emphasis on education policy in this country will enhance our ability to compete in the global marketplace. We need a national agenda to bring educators, parents, students, business leaders, and Government together to improve education for the sake of all of our future.

For too long the message from our National Government on education has been that schools are bad, teachers cannot teach, and kids cannot learn. I disagree. I believe that our public education system has not failed. We have failed our public education system, and it is time to turn that around.

Finally, we have a President who fully recognizes this. Clinton proposes to invest $9.2 billion over the next 5 years toward rebuilding the education infrastructure in this country. This is a step in the right direction.

We need to reverse the pattern of indifference that has characterized the Government's attitude toward public education over the last decade. We know children need to learn how to use a computer for jobs tomorrow but far

too many schools today do not even have the electrical outlets they need to plug the computers in.

We know our children need access to the latest changes in our world, yet far too many schools do not have the money for current books and curriculum.

We know that the skills our children need for tomorrow are drastically different than the skills we needed when we were in our public education system, yet we have not invested in training for our teachers so they have those skills to pass on to their students.

Over the last 12 years the Federal investment in education has dropped from 11 percent of total spending to 6 percent. The United States spends less on critical kindergarten through 12th grade than do virtually all other major industrial nations.

One recent study comparing national expenditures on K–12 education ranked the United States 12th out of 16 nations. It is well past time to change our Nation's dismal record of neglect when it comes to investing in our children's education.

I know, as all of you do, that money alone will not solve our educational woes, but the Federal Government cannot serve as a catalyst for education reform without making a sufficient investment. While everyone agrees that education is the core of the American dream, the Federal Government up until now has failed in its responsibility to shape a comprehensive education policy that will provide leadership, vision, and resources for our children.

Fortunately, we now have a President who wants to get us back on the right track and his proposals deserve our full support. As a nation, we rob ourselves when we do not make education a top priority. The skill level and expertise of our work force is the foundation of our economic security. We must recognize that each year's class of dropouts costs our Nation $240 billion in earnings lost, and taxes forgone in their lifetime.This does not include the costs of welfare, health care, and social services borne by society.

By contrast, a high school diploma increases annual earnings by $927. We need to ensure that postsecondary education is within the reach of all Americans regardless of their family's income level. Nationally, the average cost for higher education has increased at twice the rate of family income over the last decade. Without financial aid, college has simply become unavailable, so far, to many students today.

Pell grants provide for hope for families who look to education as a way out of chronic poverty and we must support the President's proposal to fully fund the shortfall in Pell grant funding.

There is not a minute to lose. We cannot expect to retain our position as leader in innovation, research, products, and achievement in all areas unless we address the tragic state of our educational system in this Nation. The President has laid out a plan. We must join forces as legislators, principals, teachers, and parents to meet the needs of today's students for tomorrow's world.

I urge all of my colleagues to support the President's plan and begin the process of making educational excellence a top priority for our National Government.

I yield the remaining time.

Mr. SIMON. Mr. President, I ask for the yeas and nays on the pending amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. SIMON. Mr. President, I have conferred with my colleagues on the Republican side on this. While there is not a Republican Senator present right now, this is agreeable on the other side.

Mr. President, I ask unanimous consent that the pending Simon amendment be laid aside to be disposed of following the Pressler amendment No. 210; that prior to the disposition of the Simon amendment, there be 10 minutes of debate on the amendment equally divided in the usual form; and that no second degree amendments be in order to the Simon amendment.

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

Mr. SIMON. Mr. President, on behalf of the majority manager, I yield——

ORDER OF PROCEDURE

Mr. KERRY. Mr. President, I ask unanimous consent that I be permitted to proceed to extend the recess until such time as I can complete my remarks and proceed as if in morning business.

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

POLLUTION PREVENTION

Mr. KERRY. Mr. President, thank you.

Last week, I was joined by 53 of our colleagues here in the Senate in sending a letter to President Clinton urging him to issue an Executive order requiring the Federal agencies, all of them, to undertake comprehensive pollution prevention activities.

The Senators who signed this letter to the President requesting this Executive order all share a belief that issuing such an order should outline specific actions that Federal agencies would be required to take in order to prevent pollution at the source, including requiring Federal facilities to first, report their toxic emissions and pollution prevention efforts under the toxic release inventory; second, to prepare comprehensive pollution prevention plans; third, to use the Federal procurement process to reduce the government's use of toxic chemicals; and fourth, to build flexibility into the Federal grants programs so as to encourage States to develop innovative policies to promote pollution prevention.

All those Senators who signed this letter to President Clinton believe that the Federal Government has a unique opportunity, and most importantly, a responsibility, to become the leader—not the delayer—in pollution prevention practices and in its day-to-day operations and in its purchasing decisions and in its policies.

It should be very clear to us that if we are going to demand of the private sector the enormous expense and to promulgate a whole set of requirements for the private sector to live up to the Clean Air Act, toxic waste disposal requirements, and a host of other environmental requirements, we have a responsibility in the Government not just to lead by word but also by example.

The Federal Government can set that example by undertaking on its own spontaneously to do what we are asking of the States as well of industry. And we should not only do that. We should do more. We should lead by example.

Federal facilities are known to be the Nation's largest polluters, releasing literally billions of pounds of toxic chemicals into the environment. In 1992, the Department of Defense alone was responsible for over 14,000 toxic waste sites at over 1,500 domestic facilities. Each of these toxic waste sites, each of these facilities, represents a location in the United States where American citizens are put at risk not by the actions of the corporate sector, not by the actions of other countries, but by our own agencies, by the departments of the Federal Government itself that are busy preaching and setting standards for the private sector.

Just one Department of Energy facility, the Hanford Nuclear Reservation, which we have talked about on the floor of the Senate before, released more than 200 billion gallons of waste into the environment.

According to the National Toxic Campaign Funds 1991 report, entitled "U.S. Military Toxic Legacy," I quote, "In 1989 DOD's estimates that it generated about 900 million pounds of hazardous waste as well as 17 billion pounds of waste water much of it contaminated with toxic chemicals.

"Furthermore, in 1989 DOD was also responsible for 658 oil and toxic waste spills that require cleanup. The EPA estimates that the cleanup of domestic DOD facilities will cost $20 to $40 billion and will take decades to complete. But these projections"—they also admit are most likely to rise.

The DOD Inspector General's Office told the Los Angeles Times that the cost could go as high as $100 to $200 billion just to clean up the toxic waste of the Departments of Defense and Energy which are not alone among those Federal agencies creating waste in America's environment today.

Focusing solely on the cleanup of toxic waste dumps is, we should say, also wasteful of both natural resources and taxpayer dollars, and it is inexcusable. It is far better and it is high time that we focus on reducing the waste before it is created so that we can prevent many of these future toxic waste problems. Pollution prevention has proven to be the cheapest and by far the most effective way to eliminate waste, especially over the long term.

Many people in the private sector acknowledge and even champion this. As Frank Popoff, who is the CEO of Dow Chemical, stated in his remarks during President Clinton's economic summit last December:

> At one time conventional wisdom said that the economy and the environment were irreconcilably opposed. Today, there is a growing recognition that pollution prevention and waste reduction are not just societal imperatives but make fundamental good business sense.
>
> I think we are learning today that environmental reform can be the genesis of jobs and create its own competitive advantage [for our country.]

The Federal Government would be very well served if it would heed this sage advice.

I point quickly to the recent example in the Clean Air Act. For a period of time in this country, the Competitiveness Council under Vice President Quayle spent an awful lot of time trying to slow down the process of implementation of the Clean Air Act. And, in fact, regulations that were supposed to implement this act were 12 times delayed.

Meanwhile, Japan and Germany proceeded ahead on the implementation of clean air standards, and their standards were higher than ours. That required their companies to produce state-of-the-art technology to meet those standards.

Now, while Eastern Europe and Indonesia and other countries are deciding they want to clean up, they are not turning to the United States to buy the technology. They are going to Japan and Germany because they have the state of the art. That is a competitive disadvantage that has been created as a consequence of procrastination on environmental cleanup.

Mr. President, I would respectfully suggest there are countless jobs to be created in America today if we would heed the sage advice of the CEO of a company that often has been viewed as an enemy in terms of environmental cleanup.

An important avenue to encourage pollution prevention has been something known as the multimedia data base, the toxics release inventory, or the TRI, as it is known in shorthand. This requires businesses to report on their toxic emissions to the air, land, and water.

In 1986, Congress passed the Emergency Planning and Community Right-to-Know Act, or EPCRA, which is also known as title III of the Superfund Amendments and Reauthorization Act. This recognized the public's right to know about the risks that are posed by a number of private-sector facilities which produce certain toxic chemicals. So we have recognized this right, that the private sector has to live up to, and we have understood that very valuable information is compiled by the Environmental Protection Agency in its TRI data base.

In addition, in 1990, the Pollution Prevention Act was passed, and that required these same private-sector industries to report on their source reduction efforts. It is a way of holding them accountable. There are methods on measuring progress. But similar facilities owned by the Federal Government are exempt from these laws.

So here we are with another example of the Federal Government not living up to the standards that it requires the rest of America to live up to. And, frankly, the American public is fed up with Congress setting one set of laws for the country and another set for itself, or with the Federal Government requiring things in the private sector and not being willing to live up to these standards itself. It creates a double standard that is unacceptable and literally undermines Government.

EPCRA and the Pollution Prevention Act are unique among environmental laws. Both are nonregulatory statutes that rely on reporting and public disclosure of information in order to achieve environmental protection. And I would respectfully suggest that is a standard that we would be well advised to adhere to in this country.

In addition to reporting under the TRI, Federal facilities have a wonderful opportunity to take advantage of pollution prevention through the Federal purchases of environmental goods and services. It is very difficult to exaggerate the massive scale of the Federal Government's purchasing operations. The Defense Department alone has identified no less than 70,000 standardization documents that include specifications, standards, and handbooks.

I am pleased that the Defense Department is beginning to evaluate these specifications to resolve unnecessary purchases of hazardous materials. For example, the Department is already considering how to reduce the use of toxic chemicals that are targeted by EPA in at least 600 standardization documents that currently require the use of those chemicals.

Mr. President, it is time that every Federal installation reports its toxic chemical releases into the air, water, and land under title III and the PPA. I look forward to working with my colleagues and to working with the administration and working with Carl Browner of the EPA in order to try to implement a plan in the next weeks and months that can direct us to do by Executive order what we have required the rest of the country to do by legislation.

I hope that this will happen. It will save millions of dollars, billions of dollars. It will protect lives. It will improve the health and safety of Americans and it will shore up the entire effort of this Nation to make the environment a part of our creation of jobs, as well as a part of our second thinking on a daily basis.

Mr. President, I ask unanimous consent that a copy of the letter sent to President Clinton be printed in the RECORD.

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

U.S. SENATE,
Washington, DC, March 16, 1993.

The PRESIDENT,
The White House, Washington, DC.

DEAR MR. PRESIDENT: We are writing to ask that you consider issuing an Executive Order specifying actions for agencies of the Federal Government to take to prevent pollution at the source.

Pollution prevention—reducing waste at the source rather than at the end-of-the-pipe—is often the cheapest and most effective way to diminish pollution, especially over the long term. Unfortunately, the opportunities for source reduction often are not realized because existing regulations, and the resources they require for compliance, focus upon treatment and disposal rather than source reduction, and existing regulations do not emphasize pollution prevention.

Michael Porter of the Harvard Business School has stated eloquently that:

"Turning environmental concern into competitive advantage demands that we establish the right kind of regulations. They must stress pollution prevention, rather than merely abatement or cleanup * * * Properly constructed regulatory standards, which aim at outcomes and not methods, will encourage companies to re-engineer their technology. The result in many cases is a process that not only pollutes less but lowers cost or improves quality."

The federal government has an opportunity and a responsibility to become the leader in applying pollution prevention in its day-to-day operations, in its purchasing decisions, and in its policies. Pollution prevention holds the promise of making the government operate far more efficiently—ultimately moving us towards greater stewardship of the public's resources and thereby improving government's credibility and trustworthiness. Realizing this promise will demand that we ask federal agencies to establish new policies and new programs in a time that calls for austerity. If we are to be leaders, we must lead not only by word, but by example—we must do ourselves what we are asking of industry and the states. Quite simply, we must take the time and spend the

resources now to prevent waste and conserve resources so that we do not incur greater costs later.

There are many actions that the federal government can take to incorporate pollution prevention in its operations. A critical first step is to report publicly the amount of toxic wastes generated at federal facilities. Privately owned manufacturing operations already are required to report publicly such data under the Right-To-Know law and Pollution Prevention Act, and there is no reason why federal agencies should not play by the same rules.

The spotlight provided by these public disclosure requirements has helped companies to identify cost-effective ways to improve manufacturing efficiency by eliminating waste. Public reporting would allow federal agencies to reap these environmental and economic rewards, while providing a baseline against which to measure the federal government's progress in reducing waste. The Department of Energy's National Laboratories already have volunteered to take this step, providing a model for other agencies to follow. (The Right-To-Know law includes a provision that protects national security information from disclosure.)

Large federal facilities also can be instructed to prepare comprehensive pollution prevention plans that identify ambitious but achievable goals for reducing waste at the source. Many privately owned facilities already prepare such plans under state law. These plans, when combined with public reporting of toxic waste, would signal the federal government's new resolve to be a good neighbor to local communities that must live with the consequences of poor environmental management at federal installations. Plans should include measurable goals to improve energy efficiency as well.

The federal government exerts a powerful pull on the marketplace through its purchase of environmental goods and services. This power should be used to help build markets for environmentally benign products. An Executive Order can contribute to this goal by setting targets for reducing federal purchases of toxic chemicals or products made with environmentally harmful raw materials, taking into account the availability of safe and reasonably priced substitutes and by requiring federal facilities to publicly disclose the progress towards the targets. This initiative could accelerate efforts already underway at the Defense Department and in other agencies.

Finally, an Executive Order can direct agencies to build flexibility into federal grant programs to encourage states in their efforts to develop innovative policies to promote pollution prevention. It also may be valuable to consider establishing a national awards program to recognize products of technologies designed to reduce or eliminate environmental impacts in the design, manufacturing and marketing stages.

We pledge our cooperation with any such effort, and wish you every success in pursuing the twin goals of economic growth and environmental protection.

Sincerely,

George J. Mitchell; John H. Chafee; Patrick J. Leahy; Claiborne Pell; David L. Boren; William S. Cohen; Dave Durenberger; John F. Kerry; Carl Levin; Pete V. Domenici; David Pryor; Bill Bradley; James M. Jeffords; Donald W. Riegle, Jr.

Barbara Boxer; Herb Kohl; Paul S. Sarbanes; Daniel K. Inouye; Ben Nighthorse Campbell; Joseph R. Biden, Jr.; Arlen Specter; Edward M. Kennedy; Daniel K. Akaka; Richard H. Bryan; J. Robert Kerrey; Russell D. Feingold; Paul Simon; Howard M. Metzenbaum; Carol Moseley-Braun; Dale Bumpers.

John Glenn; Mark O. Hatfield; Tom Harkin; Jay Rockefeller; William Roth; Joseph Lieberman; Barbara Mikulski; Daniel Patrick Moynihan; Harris Wofford; Patty Murray; Bob Packwood; Richard Lugar.

Nancy Landon Kassebaum; Tom Daschle; Alfonse D'Amato; Dennis DeConcini; Dianne Feinstein; Dan Coats; Chris Dodd; Bob Graham; Paul Wellstone; Jeff Bingaman; Jim Sasser; Harlan Mathews.

Mr. KERRY. Mr. President, I notice the distinguished chairman of the Budget Committee is seeking recognition. So I yield the floor.

The PRESIDING OFFICER. The Senator yields the floor. The Senator from Tennessee.

Mr. SASSER. Mr. President, I ask unanimous consent that the time consumed by the Senator from Massachusetts be charged against our time on the resolution.

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

APPOINTMENT BY THE MAJORITY LEADER

The PRESIDING OFFICER. The Chair announces, on behalf of the majority leader, pursuant to Public Law 96-114, as amended, the appointment of Mr. Ralph Everett, of Virginia, to the Congressional Award Board.

RECESS UNTIL 2:15 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until 2:15 p.m.

Thereupon, the Senate, at 12:57 p.m., recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the presiding officer [Mr. CONRAD].

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEARS 1994-98

The Senate continued with the consideration of the concurrent resolution.

AMENDMENT NO. 185

The PRESIDING OFFICER. The pending business is the DeConcini amendment, No. 185.

Who yields time? The Senator from Arizona.

Mr. DECONCINI. Mr. President, I think under the agreement—I ask for clarifiation—there is 10 minutes equally divided at this time?

The PRESIDING OFFICER. The Senator is correct.

Mr. DECONCINI. Mr. President, the amendment before us is the community policing amendment which provides for some changes and some fulfillment of commitments made by President Clinton in his State of the Union Address. He talked about 100,000 police, and that is what this amendment says. It commits the Senate and the budget that we will pass here later to fulfill that commitment.

The amendment before us here will ensure that the funding levels for the community policing program are consistent with the $1.7 billion requested by president Clinton in his budget proposal.

Mr. President, I have previously spoken a lot about the problem that this country faces. It is severe. It is severe in my State and it is severe throughout the country. On the streets of America today, you literally are not safe, whether you are in the suburbs or in the inner city. There is a murder every 21 minutes in the United States of America. There is a robbery every 46 seconds. Before I finish here, there will be at least five robberies. And there is a burglary every 10 seconds. By the time I just said that, somebody's property was burglarized and something taken or destroyed.

This is obviously out of hand. I do not pretend to convince my colleagues that this is going to cure it. But what it is, it is the first step that I have seen from the White House to provide assistance to local law enforcement to see that there are more people available. We run across the arguments, now and then, about enforcing laws. Whether it is the drug laws—let us not enforce it, people are going to use drugs no matter what. Let us not have the interdiction program because they are going to fly planes in here.

That is like saying let us not put any more police on the streets because burglaries are going to continue to occur. Yes, they are. But there is a deterrent effect when the law enforcement people are seen, and particularly if they are part of the community.

In my State of Arizona there is approximately 1 police officer for each 400 residents of a city or town in Arizona. In Phoenix, approximately 2,000 officers serve a population of well over a million people. And in my hometown of Tucson, 800 officers serve a population exceeding 400,000 people.

That is not a lot of presence, when you think of 24 hours, administrative costs, the sick leave, problems that people go through. How many officers do you really have on the streets? Not very many. In fact, in Phoenix, AZ, the police department is so strapped that sometimes they do not have enough people to fully handle the basic emergency 911 calls. This is no fault of the police chief in Phoenix, AZ, Chief Garrett, one of the most innovative, hardest working chiefs I have ever known in Arizona. He just does not have the personnel. He cannot get them.

This amendment is known as cop on the beat. It puts people in the field, not

in the towers of the administrative offices of the chief or anybody else. It puts them in the field, exactly where they belong.

I am pleased there are some additional cosponsors of this bill. The Senator from Texas [Mr. KRUEGER]; the Senator from Nevada [Mr. BRYAN]; the Senator from Delaware [Mr. BIDEN]; the Senator from Pennsylvania [Mr. WOFFORD]—are all joining in this.

I hope my colleagues here will put aside the fact that this happens to be a Democratic President's idea because that is not the issue here. If this was George Bush's idea, this Senator would be speaking in favor of it, and maybe offering the amendment if no one else did. It is an idea whose time has truly come. If we want better schools, if we want businesses to survive—whether it is in the suburb and shopping centers or the inner cities—if we want our children to be able to play in the neighborhoods, we have to have more police. I urge my colleagues to adopt this amendment.

Mr. WOFFORD. Mr. President, I rise as a cosponsor of the community policing amendment to the budget resolution. The issue of crime touches every neighborhood in every city and town in every State of this Nation. No one is immune from the ravages of random violent acts that have increased in number beyond our ability to control them with traditional policing methods.

According to the FBI, the national rate for violent crime reached an all-time high last year, an increase of 24 percent since 1987. For the second year in a row the United States also set a new murder record with an estimated 24,020 violent deaths. As a result, homicide is now the 10th leading cause of death in this country.

If success in fighting crime could be measured accurately by the number of people we put behind bars, then we would not have the problems we face today. With more than 1.2 million citizens in our jails and prisons, the United States has the highest incarceration rate of any industrialized nation. We spend $24 billion per year to operate our prisons and jails with an additional $10 billion for prison construction. Yet the United States has a rate of violent crime 5 times that of Canada and 10 times that of England.

In my own State of Pennsylvania violence is on the rise. In the city of Pittsburgh drug and gang violence have taken over the streets of many of the cities poorest neighborhoods. In Philadelphia like other major cities across the country the increased incident of crime has crippled local police resources and held captive law abiding citizens.

Our communities and our local law enforcement agencies are demanding that we provide them with the resources they need to take innovative steps to stem the growth in crime. I believe that this community policing amendment, in addition to passage of the upcoming crime bill, is an answer to that call.

This amendment will provide $1.7 billion for community policing from fiscal year 1994 to fiscal year 1998. It is the first step toward putting 100,000 more police on the front lines in the fight against crime. In addition, it will meet the President's challenge to provide the necessary funding for local law enforcement agencies to implement promising community policing initiatives.

Community policing makes the police officer a proactive force for crime prevention in the communities they patrol. It moves the police officer from a position of anonymity in the patrol car to one of direct engagement in the community. By allowing police officers to play a more constructive role in the community, community policing has the potential for lessening hostility between the police and crime plagued communities, in addition to increasing police accountability to the public.

From Philadelphia to Los Angeles, New York to Houston, we have seen examples of community policing, when properly funded and implemented, making a difference where other programs have failed. We must lend a hand to these efforts and others like them by passing this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. DECONCINI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. NICKLES. Mr. President, I notice the Senator from Arizona is on the floor. I would like to ask him just a brief question. Maybe the Senator from New Mexico will yield me some time. I ask the Senator from New Mexico to yield me a couple of minutes.

Mr. DOMENICI. Mr. President, how much time do I control?

The PRESIDING OFFICER. The Senator from New Mexico controls just over 4 minutes.

Mr. DOMENICI. I yield the Senator 2 minutes.

Mr. NICKLES. Mr. President, I will ask the Senator from Arizona a quick question. It says under the Senator's amendment, it is a sense of the Senate that we will be funding the President's level for the community policing program. What was the President's level of funding for that?

Mr. DECONCINI. If the Senator will yield, it is $1.7 billion.

Mr. NICKLES. Are we spending any money in that program today?

Mr. DECONCINI. I do not know the answer to that question. This is additional money to fund an additional 100,000 police officers, he is talking about. I am sorry I cannot answer the first part of that program.

Mr. NICKLES. Is it a brand new program?

Mr. DECONCINI. I am advised it is an existing program. We are trying to find the money now. It is additional money to the existing program.

Mr. NICKLES. I share some of the concerns the Senator from Arizona has about some of the difficulties our police forces have in many cities and States. But I also am very concerned about the budgetary impact, and realize if we start picking up on more and more of the expense from the Federal side, I wonder about that liability, given the fact that the Federal Government is running such enormous deficits. That is my concern.

The intent or objective of helping local police forces is something that is very noble. I just question the financial aspect of it. That is the reason why I asked the Senator the question.

Mr. DECONCINI. If the Senator will yield?

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I thank my friend from Oklahoma for joining me on the floor.

Mr. President, let me say to my friend from Arizona, I hope that some day we can have an opportunity on this particular program that he is talking about.

I will suggest to everyone that we are in a new habit now during the last 4 days on budget resolutions. We try to phrase an amendment so that it is not just sense of the Senate but that is what it ends up being because you cannot really change a budget resolution and not change it. If you put words in and do not change the numbers, what you are doing is offering a sense-of-the-Senate resolution, otherwise it would not be in order.

I urge that Senators, if they really think this program some day under some circumstances might work, if they think that there is enough money around, they can vote for it if they want because it is nothing more than saying it is a sense of the Senate that we should have this kind of program.

I myself am not going to vote for it because I do not think the program ought to be adopted. I think we have in existence a program that we can fund that will help the local law enforcement people hire more law enforcement people, and we do not need a whole new program called community law enforcement. We are way underfunded on the authorizing side of an existing judiciary program. In fact, we are billions under the authorization.

That is the one they have been asking us to fund because it is policemen for the local community. It is helping the local police in Oklahoma City and Albuquerque, NM, or Kansas City. I do not think we need to experiment with a new tier of local policemen funded by the Federal Government. I am going to vote against it because I do not think the program ought to be adopted.

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

Mr. DOMENICI. I thank the Chair.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 185, offered by the Senator from Arizona [Mr. DECONCINI]. The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 56, nays 44, as follows:

[Rollcall Vote No. 43 Leg.]

YEAS—56

Akaka	Feinstein	Metzenbaum
Baucus	Ford	Mikulski
Biden	Glenn	Mitchell
Bingaman	Graham	Moseley-Braun
Boren	Harkin	Moynihan
Boxer	Heflin	Murray
Bradley	Hollings	Nunn
Breaux	Inouye	Pell
Bryan	Johnston	Pryor
Bumpers	Kennedy	Reid
Byrd	Kerrey	Riegle
Campbell	Kerry	Robb
Conrad	Kohl	Rockefeller
Daschle	Krueger	Sarbanes
DeConcini	Lautenberg	Sasser
Dodd	Leahy	Simon
Dorgan	Levin	Wellstone
Exon	Lieberman	Wofford
Feingold	Mathews	

NAYS—44

Bennett	Faircloth	McConnell
Bond	Gorton	Murkowski
Brown	Gramm	Nickles
Burns	Grassley	Packwood
Chafee	Gregg	Pressler
Coats	Hatch	Roth
Cochran	Hatfield	Shelby
Cohen	Helms	Simpson
Coverdell	Jeffords	Smith
Craig	Kassebaum	Specter
D'Amato	Kempthorne	Stevens
Danforth	Lott	Thurmond
Dole	Lugar	Wallop
Domenici	Mack	Warner
Durenberger	McCain	

So the amendment (No. 185) was agreed to.

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

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 186

The PRESIDING OFFICER. The question now before the Senate is on agreeing to amendment No. 186 by the Senator from Minnesota [Mr. WELLSTONE]. There is 10 minutes of debate evenly divided.

Mr. WELLSTONE. Mr. President, thank you.

Mr. President, I am very pleased to be able at this time to make an important announcement regarding the subject of my amendment. I think that the way for me to perhaps make this announcement is to read a letter. So I will do so.

This is from Secretary Bentsen.

DEAR PAUL: After studying the impact of the Btu energy tax on the ethanol and methanol industries in light of the Administration's objective to encourage use of alternative fuels, we have decided to exempt both ethanol and methanol from the energy tax. This exemption would also apply to other oxygenates, such as ETBE and MTBE, that are derived from ethanol and methanol.

Your leadership—

Mr. DOMENICI. Mr. President, the Senate is not in order.

Mr. WELLSTONE. I thank the Senator. I hope this will not count on my time. I thank the Senator from New Mexico. I remind my colleagues that all of us have issues that are important to people back in our States. This happens to be a very important issue to many of us. I thank the Senator from New Mexico for bringing us back to order.

Your leadership and input on this issue has helped us immensely in developing our position.

Please let me or my staff know if you have any further questions regarding this issue.

The only other thing I would like to say—and then I want to hand this over to Senator HARKIN and Senator DASCHLE, who are on the floor—I would like to thank the cosponsors, Senators HARKIN, PRESSLER, GRASSLEY, MOSELEY-BRAUN, EXON, SIMON, KERREY, BAUCUS, and KEMPTHORNE. I thank Senator DASCHLE for all the work he has done with Secretary Bentsen. And in Minnesota I would like to thank David Morris; Ralph Groschen, of Minnesota Department of Agriculture; and Richard Jurgensen, of the Minnesota Corn Processors.

I yield time now to Senator HARKIN and Senator DASCHLE.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HARKIN. I thank the Senator for yielding. I want to join him in this amendment. I congratulate the Senator from Minnesota for his great leadership in this area. I, too, have received a letter from Secretary Bentsen saying that they will basically exempt both ethanol and methanol and also the oxygenates, both ETBE and MTBE, from the Btu tax. I congratulate the Secretary for taking this position. It, quite frankly, made no sense that in the package they sent down the President excluded alternative forms of energy, such as wind, solar, and biomass energy, but did not exclude ethanol because ethanol is, by its very definition, a biomass fuel. This sort of completes the circle and makes sense of it by including it as a biomass fuel.

I just say this, Mr. President, I hope that in terms of further looking at this, they will narrow the methanol down to be methanol produced from biomass or methanol produced from renewable sources of energy.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. DASCHLE. Mr. President, let me commend the distinguished Senator from Minnesota for his leadership on this amendment and for his work on renewable fuels.

Let me also commend the administration for their announcement just now. We deeply appreciate the cooperative spirit with which the announcement has been made. Clinton and this administration has long indicated its support for ethanol. They know it saves one-half billion dollars a year in farm subsidies. They know it reduces the dependence upon foreign oil. They know it can make a major contribution in cleaning our air.

This issue really represented the first opportunity to demonstrate what we all know, and they have done so. The exemption recognizes that ethanol is the primary biomass fuel. It recognizes that we need to do all we can to encourage renewable fuels. The announcement today puts words to action. There should be no doubt about the administration's support for ethanol now.

By voting for this amendment, we, too, can reaffirm our support for reducing farm subsidies, for reducing dependence upon foreign oil, for cleaning our air. Ethanol is a critical amendment to farm policy, to energy policy, to improving our environment. This is the first opportunity in this Congress to reaffirm our support and to recognize the need to advance renewable fuels, to join with the administration to create not only an effective budget policy, but an effective energy, farm, and environmental policy as well.

So let me again commend the distinguished former chairman of the Finance Committee and now Secretary of the Treasury for his work and his leadership in this regard, and thank again the distinguished Senator from Minnesota for his work on the amendment.

Mr. WELLSTONE. Mr. President, how much time do we have left?

The PRESIDING OFFICER. Twenty seconds.

Mr. WELLSTONE. I reserve the remainder of that time.

Mr. DOMENICI. I have 5 minutes.

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. Mr. President, I yield 1 minute to Senator BRADLEY, the Senator from New Jersey, in opposition.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. I regret the action taken by the Secretary of the Treasury. I rise to oppose this action. I think we ought to focus——

The PRESIDING OFFICER. If the Senator will suspend for a moment.

The Senate will be in order.

Mr. BRADLEY. Mr. President, the current subsidy for ethanol is out-

rageous. It amounts to $7 per million Btu. That is the subsidy. Contrast that with a sales price of $2.50 per million Btu for natural gas and $6 per million Btu for gasoline.

In other words, Mr. President, the subsidy for ethanol on a Btu basis is larger than the sales price for natural gas or for gasoline. I mean this is outrageous. This amendment would give ethanol another 60 cents per million Btu of subsidy. We already are subsidizing it higher than the price of most other fuels. Now we are going to give them another 60 cents at a time when we are supposed to be reducing the budget deficit. This does not make sense in terms of the other arguments that are made.

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

Mr. BRADLEY. I ask for another minute.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I yield 1 minute.

Mr. BRADLEY. In terms of the life cycle greenhouse gas emissions, there are more in the production of ethanol from corn than there are emissions from gasoline. So it is not a great Clean Air Act amendment.

Finally, $1 billion in subsidies, one-third of all corn acreage going to ethanol will provide relief from a day and a half supply of oil.

So much for the energy-independence argument.

Mr. President, I ask unanimous consent that a "Dear Colleague" letter, a letter from Environmental Action and others, and a letter from the Independent Petroleum Association of America be printed in the RECORD.

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

INDEPENDENT PETROLEUM ASSOCIATION OF AMERICA,
Washington, DC, March 22, 1993.

DEAR SENATOR: Independent natural gas and oil producers have been informed that an amendment may be offered during Senate consideration of the budget resolution to exempt ethanol from the President's BTU tax proposal. The Independent Petroleum Association of America opposes such an exemption.

This is more than a "misery loves company" argument. Ethanol, which already enjoys tax exemptions levied on oil-based fuels, also competes with natural gas and natural gas-derived fuels in new transportation markets and would gain a significant advantage if exempted from the BTU tax. Such an exemption cannot be justified as a matter of environmental, energy or tax policy.

The IPAA does not support the BTU tax, nonetheless we strongly urge you to vote against the ethanol exemption amendment to prevent further competitive distortions in the energy market should the BTU tax be enacted.

Sincerely,

ROY W. WILLIS,
Vice President for Government Relations.

AMERICAN METHANOL INSTITUTE,
Washington, DC, March 18, 1993.

DEAR SENATOR: We respectfully urge you to be aware that the Dear Colleague letter you received yesterday from Senators Pressler, Wellstone, and Harkin, proposing that ethanol and methanol fuels made from biomass be exempted from the BTU tax proposed by President Clinton, does not reflect the position of the methanol industry. The American Methanol Institute strongly believes that if a BTU tax is enacted, it should, as the President has proposed, apply to all combustible fuels, including both methanol and ethanol, whether they are made from biomass, natural gas, or any other feedstock.

Proponents of further tax subsidies for ethanol cannot credibly argue that the use of ethanol increases energy efficiency, reduces the use of fossil fuels, and reduces oil imports, when at the same time the ethanol industry is claiming that the heavy use of fossil fuel to manufacture ethanol is a justification for giving more tax breaks to ethanol. The ethanol industry, already heavily subsidized by federal and state tax dollars, has asserted the illogical position that it should be exempt from the BTU tax because the very high energy input that goes into the manufacture of ethanol is, in itself, justification for not applying the tax to ethanol. In other words, because it takes so much energy to manufacture ethanol, and that energy will already have been taxed, the ethanol industry claims the final product should not be taxed, even though the final product is an energy fuel.

It is important to understand that energy is used to process all fuels. Extracting natural gas from the ground and compressing it to make CNG or LNG, or processing the natural gas into methanol, require the use of energy in the same way that farmers use energy to plant, harvest and dry the corn that becomes ethanol. Exempting ethanol or any other fuel whose feedstocks are produced with unusually high and inefficient energy inputs would punish the more energy-efficient fuels and reward those that waste the most energy.

Neither can ethanol legitimately claim to be a renewable fuel like solar energy or wind power. The production of ethanol often requires the depletion of non-renewable soils, the depletion of non-renewable groundwater resources, and always requires the use of great quantities of fossil fuels as already discussed.

Finally, we urge you to consider the severe budget and tax revenue consequences of continuing to provide more and more subsidies to ethanol. Sacrifices in other programs, and losses to the Treasury, cannot be measured only by the billions of dollars in subsidy payments to the ethanol industry. For every gallon of tax-subsidized ethanol used, our economy will not use fuels that pay the BTU tax, such as methanol and CNG. So direct federal revenue losses, and the economy's loss of investments in enterprises that pay the BTU tax, would be even higher.

Again, we urge that the Senate preserve President Clinton's principle of fair competition in the market-place by application of the proposed BTU tax to all combustible fuels, including ethanol and methanol made from any feedstock.

Very truly yours,

RAYMOND A. LEWIS,
President.

ENVIRONMENTAL ACTION, FRIENDS OF THE EARTH, NATURAL RESOURCES DEFENSE COUNCIL, SIERRA CLUB, UNION OF CONCERNED SCIENTISTS, THE WILDERNESS SOCIETY,
March 22, 1993.

DEAR SENATOR: As the Senate considers key elements of the President's economic package—the budget resolution and the stimulus package—we urge you to keep the public interest before the special interests. In particular, we urge you to oppose the Wallop Amendment and any other amendments regarding public lands subsidies, as well as the Durenberger and Wellstone Amendments regarding ethanol and the Gorton Amendment regarding hydropower. All of these amendments compromise the integrity of the President's package and all are both fiscally and environmentally irresponsible.

At the same time, we urge your support for the stimulus package and your opposition to the Boren-Breaux and Kohl Amendments. These amendments would seek further cuts in the stimulus package or in long-term programs, jeopardizing investments that are urgently needed to restore our human and natural resources and to lay the foundation for a strong economy.

Specifically:

The Wallop Amendment would block much needed reform of environmentally damaging taxpayer subsidies to mining, ranching, and agricultural special interests. These special interests would continue to collect almost $1 billion dollars in taxpayer handouts over the next 4 years, while degrading precious public resources. The public would doubly lose because needed investments in the stimulus package and other programs would be sacrificed to pay for continued subsidies to these special interests.

The Durenberger and Wellstone Amendments seek to exempt ethanol from the BTU energy tax. For environmental, as well as fiscal reasons the tax should be applied equally to all sources of energy, excepting only emerging technologies that are truly clean and renewable (such as solar and wind). As currently produced from corn, ethanol can actually exacerbate problems of global warming and poor air quality. The corn ethanol industry already enjoys hundreds of millions of dollars in annual tax subsidies (the existing federal subsidy of $7 per million BTU dwarfs the proposed $0.59/mmBTU proposed energy tax); much of the benefit flows to a single agribusiness giant, the Archer-Daniels-Midland (ADM) Corporation. The added subsidy to ADM and other ethanol special interests would again come at the expense of needed public investment. The Gorton Amendment which would exempt hydropower from the energy tax is also unjustified. Hydropower is an established technology with its own negative environmental consequences and should not be exempted from the energy tax.

It is time to end the special interests handouts that these amendments would preserve and it is time to invest in our human and natural resources. The targeted spending on environmentally sound infrastructure contained in the President's stimulus package is essential to create the foundation for a sustainable and competitive economy. Investments in water quality, restoration of public lands and forests, waste management, and an efficient transportation infrastructure will improve our quality of life and the environment, while putting thousands of Americans to work. Investment in the energy efficiency of federal facilities and federally-assisted

housing, for instance, will pay back in a few years and generate continued taxpayer savings—and pollution savings—in the future.

The President has shown courage and foresight in proposing a balanced economic package that begins to put the public interest before the special interests. We urge you to do the same: supporting the stimulus package and opposing amendments that would compromise needed public investment or preserve damaging special-interest subsidies.

Sincerely,

Leon Lowery, Environmental Action; Marika Tatsutani, Natural Resources Defense Council; Alden Meyer, Union of Concerned Scientists; Ralph DeGennaro, Friends of the Earth; Melanie Griffin, Sierra Club; Don Hellmann, the Wilderness Society.

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, DC, March 23, 1993.

DEAR COLLEAGUE: We urge you to oppose a Sense of the Senate Resolution introduced by Senators Wellstone, Harkin and Pressler, and another Resolution to be introduced by Senator Durenberger, that would seek to exempt ethanol from the Administration's proposed energy or "BTU" tax. It is expected that these resolutions will come to a vote on March 23, 1993. While we, the undersigned, have differing positions on the wisdom of a BTU tax, we do agree that tax policy should not artificially favor one form of energy. As currently proposed, the BTU tax would apply evenly to all combustible fuels, including methanol and ethanol fuels, on a weighted energy equivalent basis. An exemption for ethanol would result in an unjustified tax preference for ethanol over methanol, which is a safe and efficient fuel made from domestic natural gas.

All combustible fuels should compete on their merits in the marketplace without the tax system providing preferences for one product over another. Tax preferences that encourage the development of products which cannot otherwise compete in the marketplace necessarily result in a misallocation of resources. Elimination of such tax preferences was a sensible principle of the Tax Reform Act of 1986. We believe it is equally applicable to the exemption of ethanol from the BTU tax.

Whether you support or oppose the BTU tax, we urge you to oppose any resolution or amendments that would exempt ethanol from the tax.

Sincerely,

MALCOLM WALLOP,
U.S. Senator.
BILL BRADLEY,
U.S. Senator.

Mr. BRADLEY. Mr. President, enough is enough.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Thank you very much. Let me yield myself 1½ minutes and see if I have time for one other Senator.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, this amendment by Senator WELLSTONE does not change one number in the budget resolution, does not change one single solitary instruction, or order, to the Finance Committee to produce new taxes. What it is, and what the Secretary of the Treasury has done, is absolute, unequivocal, pure politics.

Now, some Senators can say, "I am voting for the resolution, but it does not include this provision that my people will not stand for." But why do they not take the money out of the budget resolution that accounts for that? That is very simple. Just put an amendment up and it says whatever this is going to cost, I want to make sure it is not going to be imposed and I am going to take out the money. What they are saying is put it on somebody else. But they run around back home and say, "I got it out as far as this particular kind of energy, I have seen to it that it is not going to be in this."

We could go through the whole budget resolution and do that. What I think is happening is that there are three kinds of votes around here. There is a yes vote, and there is a no vote, and there is a vote that says maybe sometime, but I am not sure when or if.

I yield 1 minute to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I thank our dear colleague for yielding. We had an opportunity to kill the Btu tax. We had an opportunity right on the floor.

The PRESIDING OFFICER. The Senator will suspend for 1 minute so I can restore order so the Senator can be heard.

Mr. GRAMM. Mr. President, we had an opportunity to kill the Btu tax on the floor of the Senate by dropping the revenues, by changing the reconciliation instruction that sends instruction to the Finance Committee recommending that it be adopted, and by cutting spending add-ons in order to keep the deficit at the same level. Yet, our colleagues voted against taking the tax money out, voted against cutting the spending add-ons to pay for it, and now we are getting a sense-of-the-Senate resolution that means absolutely nothing, that seeks to indemnify one more special interest group.

I want people to understand every time a special interest group is indemnified, that means the cost of this budget goes up. If the auto producers are indemnified for supporting this budget through protectionism, every American pays more for automobiles. If the airlines are indemnified for supporting this budget by not remitting a tax, people may pay more.

Mr. DOMENICI. Mr. President, I want to wrap this up by saying the Btu tax——

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

Mr. WELLSTONE. Mr. President, I have 20 seconds left.

The PRESIDING OFFICER. The Senator has 17 seconds.

Mr. WELLSTONE. There is nothing uncertain about this. It is based upon a U.N. report, "The Importance of Biomass, Clean Fuels." I remind my colleagues of an important letter from Secretary of the Treasury, Lloyd Bentsen, which now exempts ethanol from the Btu energy tax. It is fair, it serves the economy of this country, and it is an important amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

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

The result was announced—yeas 48, nays 52, as follows:

[Rollcall Vote No. 44 Leg.]

YEAS—48

Akaka	Durenberger	Lugar
Baucus	Exon	Mathews
Bond	Feinstein	Mikulski
Boxer	Ford	Mitchell
Bryan	Glenn	Moseley-Braun
Bumpers	Graham	Moynihan
Burns	Grassley	Pell
Byrd	Harkin	Pressler
Campbell	Hollings	Pryor
Coats	Inouye	Riegle
Conrad	Jeffords	Rockefeller
Daschle	Kempthorne	Roth
DeConcini	Kennedy	Sarbanes
Dodd	Kerrey	Sasser
Dole	Kohl	Simon
Dorgan	Levin	Wellstone

NAYS—52

Bennett	Gramm	Murkowski
Biden	Gregg	Murray
Bingaman	Hatch	Nickles
Boren	Hatfield	Nunn
Bradley	Heflin	Packwood
Breaux	Helms	Reid
Brown	Johnston	Robb
Chafee	Kassebaum	Shelby
Cochran	Kerry	Simpson
Cohen	Krueger	Smith
Coverdell	Lautenberg	Specter
Craig	Leahy	Stevens
D'Amato	Lieberman	Thurmond
Danforth	Lott	Wallop
Domenici	Mack	Warner
Faircloth	McCain	Wofford
Feingold	McConnell	
Gorton	Metzenbaum	

So the amendment (No. 186) was rejected.

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

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SIMPSON. Mr. President, the budget resolution that we are now considering is the first great policy initiative of the Clinton administration. There have been other bills considered before now—family leave legislation, motor-voter legislation, and others—but nothing of the scale and importance of the legislation before us today. Truly, this legislation, more than any that we have considered this session, will, to a great extent, determine whether this administration and this Congress will be perceived in the future to have been successful.

Whenever a new administration steps in, there is a renewed sense of optimism in the country. It is not a partisan phenomenon. I think that we, too, who are in the opposition, feel it.

When Republicans come forward and say, "We want the President to succeed too" We are responded to with some smirks and some rolling of the eyes. But there is nothing ironic or insincere about saying that we wish the administration success. We will oppose the administration on various issues, but all Americans have a stake in the President's success in reducing the deficit.

That is not a joke, nor an empty political utterance. It is a reality—it is especially real for those of us who have children and grandchildren. All Americans have a dire need to see the deficit brought down, and that goes for Republicans as well as Democrats. It goes for everyone who cares about the future of this country.

Which brings me to state my own firm belief about the budget resolution—this plan will not help the President succeed in his goal of controlling the long-term growth of the Federal deficit. I will soon give my specific reasons as to why that is the case. But let me just say first that I do not believe that it is even in the President's best political interest to see this measure passed.

Those who hear of Republican opposition to the President's plan have repeatedly said—what would you do? What is your plan? It is a fair question. It is fair because doing nothing is not an option. I will take issue with anyone who suggests that defeating the President's plan is an end in itself. Let me state that clearly. Let no one believe that we will have acted responsibly simply by letting the Government continue on as it has been doing. The President is right that we need change.

We will be offering a series of amendments to provide the kind of change in the budget process that we believe are desperately needed. We may succeed or we may fail to get them passed. But those who vote in favor, as well as those who vote against this resolution, will still have the responsibility of eventually effecting the type of spending reform that we will need.

Let me now turn to why this plan will not do what it is designed to do. I will make it very simple. It will not resolve our deficit problems because it does not address the source of those problems.

Very simply—the level of current Federal taxation is at a high in recent history, both in absolute terms and as a fraction of GDP. The reason we have a deficit is simply that Federal spending outpaces Federal taxation. It does not come from a lack of taxation, and it will not be cured by more taxation.

Last year Federal entitlement spending went up by 24 percent. Remember that this spending occurs automatically, without an appropriation, unless we change the system by which it is given.

Why did entitlement spending go up so rapidly? Because Medicaid went up by 38 percent. Because Medicare went up by 16 percent. Increased taxation will not address that problem.

Unemployment compensation saw a huge increase last year. Increased taxation will not solve that problem—just the opposite. Increased taxation will only weaken an economy and further increase the need for future unemployment benefits.

There is only one thing we can do to repair this Nation's long-term fiscal situation, and that it is to slow the growth of entitlement spending. Otherwise, the tax increases of today will simply have to be followed by the tax increases of next year in order to keep pace.

What then, will be the effect of passing this resolution? Will we see the projected explosion in the deficit disappear? Even if we were to collect all of the revenue hoped for from these new taxes—and that is open to question—the deficit would only decrease marginally in the next 4 years, and then begin to rise again, due to uncontrolled entitlement spending.

This gets me back to why I believe that this budget resolution is deleterious and disastrous even for the Clinton administration. The American public is ready to sacrifice. There is a collective willingness to give the new President a chance, as there should be. This makes it doubly important that the opportunity be seized, and the problems be set right when they can.

Let me read from a letter written to the President by Dr. Jeff Victoroff from California. This is a remarkable letter, which he was kind enough to copy to my office, and I believe it sets out the situation as clearly as I possibly could.

Cut entitlements. * * * If you take this courageous step, then deficit reduction, economic growth, and your presidency will be a success. If you don't, two years from now your current economic half-measures will have disappointed America.

Dr. Victoroff says of the American people—and we are hearing this from all of our constituents:

They not only will tolerate sacrifice, they are eager to sacrifice, to feel as if they are part of a truly new day in American history. * * * Your first budget must take full advantage of this unique historic moment. If Reagan or Bush had pushed for dramatic cuts in entitlements, they would have been perceived as cruel and uncaring. If you push for this, you will be perceived as courageous. * * * Act now * * * you will have just this one opportunity to do this great thing. * * *

I ask that a copy of Dr. Victoroff's full letter be placed in the RECORD.

That, I believe, is the crux of the situation, The citizenry is ready to pull together and get the job done—so we had better get it done. This resolution will not do it. What will happen if we pass this resolution is only that we will collect more taxes, and then in 4 or 5 years we will have to come back and ask them to sacrifice some more.

Will they be willing to sacrifice then? Will they really believe us or ever believe us again? They will have little reason to do so on the basis of their experience with the results of this resolution.

I do not want to sound apocalyptic. But it will get harder and even harder to convince the people to make the sacrifices that need to be made to get the job done. Every time we promise success and provide failure, we increase cynicism and fuel selfishness. Thus we had better do this right.

I hope that my colleagues will give careful consideration to the Republican amendments as they are offered, and do not simply reject them reflexively out of hand. I hope that amendments to scale back projected mandatory spending increases will receive particular consideration, for they are the most important.

Before I close, I would again ask my colleagues to note the projections of increasing deficits beyond 1998 if this plan is adopted, and to contemplate how an overtaxed American public will react to deficit-reduction plans when that time comes. They may not be so receptive as they are now. It is my hope that we can amend this plan and improve it, and turn the promise of deficit reduction into a reality. I thank my colleagues and I yield the floor.

UNIVERSITY OF SOUTHERN
CALIFORNIA SCHOOL OF MEDICINE,
Downey, CA, March 10, 1993.

DEAR PRESIDENT CLINTON: You asked for the input of the American people. I'm writing in response to your challenge. I'm a neurologist, a psychiatrist, and a social scientist. I am not an economist. Nonetheless, I voted for you on the hope that you might act courageously in this moment of need. I am writing to make a strong plea for a specific economic action, based on a hopefully deep understanding of the American psyche. Please forgive me that I am so presumptuous, but the time is urgent.

Cut entitlements. Cut them swiftly, sharply, and without hesitation. Cut Social Security dramatically. Cut other entitlements to a degree that will take away the breath of even the most conservative of your Republican detractors. If you take this courageous step, then deficit reduction, economic growth, and your presidency will be a success. If you don't, two years from now your current economic half-measures will have disappointed America. You will lose the emotional support of the people, you will lose the White House, and you will lose any chance you might have had to bring eight years of moral vision to this country.

As a strong liberal, I am well aware that the idea of cutting entitlements may sound politically outrageous. However, as a social scientist, allow me to explain why it is not only politically possible but essential for your political survival: at this single historic moment, you have the full attention, the full sympathy, and the full cooperation of the American people. They are awaiting your

economic plan as a starving throng awaits their deliverer. For the first time since the Kennedy administration, an American president is in a position to ask anything of the people, and get it. They not only will tolerate sacrifice, they are eager to sacrifice, to feel as if they are part of a truly new day in American history, a second American Revolution. Your first budget must take full advantage of this unique historic moment. If Reagan or Bush had pushed for dramatic cuts in entitlements, they would have been perceived as cruel and uncaring. If you push for this, you will be perceived as courageous. You will be perceived as the one person in government willing to face up to the truth about American economics, willing to take the heat for politically incorrect but morally brave and economically essential action. Act now, at the very beginning of your presidency, or you will forever lose the hearts of a desperate and needy populace. You will have just this one opportunity to do this great thing.

Now, again forgive me for my presumption, because I do not know you personally, and I have no right to speculate about your personal feelings. However, I am deeply concerned that you will shrink from taking this dramatic economic action because of your discomfort with confrontation. Please forgive me for putting it so strongly, but you may need to overcome your own psychological set to do the right thing for America at this critical moment. You have accepted the job of Commander in Chief, and the economic jeopardy of this country is every bit as serious a threat as war. You must act like a general. You must, setting your shoulders and holding in your feelings, send off good people to suffer, because the greater good requires it. Because, in your heart, you know that you will be protecting the freedom of a hundred lives for each one that dies in this battle.

Cut entitlements. Cut them now. You will win the most important victory a human could desire: you will act bravely, act beyond the limits you have set for yourself, and see your bravery justified by the course of history. Most sincerely yours,

JEFF VICTOROFF, M.A., M.D.,
Assistant Professor of Neurology.

AMENDMENT NO. 188

The PRESIDING OFFICER. The question is now on agreeing to the amendment of the Senator from New Mexico.

The Senator from New Mexico is recognized.

Mr. BINGAMAN. Mr. President, this amendment is one which we debated yesterday. Let me just briefly describe it and then defer to the Senator from Louisiana, who is chairman of the Energy Committee, to discuss his view of it and also to the Senator from Montana, who has taken a great interest in it.

The amendment tries to put the Senate on record with regard to two proposals in the budget resolution. One relates to the grazing fee on public lands. The other relates to the royalty for hardrock mining on public lands.

With regard to the grazing fee, it says that any change in the grazing fee shall be accomplished with an eye to maintaining a viable ranching industry. And that these changes would not be driven by an arbitrary budget target, revenue target.

With regard to royalty fees, again, it recognizes that a royalty fee may be appropriate for the hardrock mining industry. But again it puts the Senate on record as saying that the mining industry needs to remain viable in this country. We do not want a fee that interferes with that. And that any royalty that is imposed should not be arrived at by reference to arbitrary revenue targets.

I think it is a useful amendment, and I urge my colleagues to adopt it.

I also draw the attention of my colleagues to the statement that our Energy Committee chairman is going to make with regard to communications that he has had with the budget chairman.

I now yield to the Senator from Louisiana.

How many minutes does the Senator need?

Mr. JOHNSTON. May I have 4 minutes?

Mr. BINGAMAN. I yield 4 minutes to the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. JOHNSTON. Mr. President, the Bingaman amendment calls into issue the same issue the Wallop amendment calls into issue. That is the reasonableness of the reconciliation instructions to the Energy Committee. Those instructions assume with respect to hardrock mining that there will be a royalty fee of 12.5 percent. It also assumes a holding fee for hardrock mining. It also assumes some other things, such as grazing fees, which are in the jurisdiction of the Energy Committee.

The question is posed: Are these instructions to the Energy Committee reasonable and do we expect them to come into law? The answer, Mr. President, is no.

Mr. President, I ask unanimous consent that a letter from me to Chairman SASSER be printed in the RECORD.

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

COMMITTEE ON
ENERGY AND NATURAL RESOURCES,
Washington, DC, March 22, 1993.

Hon. JIM SASSER,
Chairman, Senate Committee on the Budget, Washington, DC.

DEAR JIM: As you know, Senator WALLOP has proposed an amendment to the Budget Resolution that would significantly reduce the amount of increased revenues required for the Committee on Energy and Natural Resources.

I intend to vote against the Wallop amendment. However, I should tell you that in my judgment the Committee will not approve changes in law that will meet the requirements of the Budget Resolution in its current form. We have been unsuccessful in our efforts to identify initiatives that would achieve savings and be supported by a majority of the Committee.

The Committee was not consulted about the Resolution's assumptions. Some are very unrealistic. For example, the Resolution assumes a 12½ percent royalty on hard rock mining on Federal lands. Senator Bumpers, the leading proponent of Mining Law reform has an 8 percent royalty in his legislation.

I will, of course, be glad to work with you to arrive at a more desirable result.

With kindest personal regards, I am

Sincerely,

J. BENNETT JOHNSTON,
Chairman.

Mr. JOHNSTON. Mr. President, in effect what that letter does is put the chairman on notice, as he and I have discussed orally, that we have to find a solution to this; that we do not expect to report, nor would it be reasonable to report, a royalty fee of 12.5 percent. I do not think you would realize the amount of revenue. You would put too many mining companies out of business if you had that kind of fee.

If that is my view, why would I then vote against the Wallop amendment? The answer is very simple, Mr. President. In a budget resolution, if you start taking it apart bit by bit and piece by piece, pretty soon the whole resolution falls apart, and I do not think we ought to do that. I believe that the chairman of the Budget Committee, and indeed the conference on the budget resolution, is going to work out these problems of what I call the western cluster bomb satisfactorily. In fact, I hope that the issue of mining law reform can be taken all the way out of reconciliation and solved in separate legislation.

I believe that the Secretary of the Interior, in effect, agreed with this the other day in testimony before us that it ought to be done by separate legislation. But it will take us a little time to do that. And, in effect, I think what we ought to do is support this resolution and put the finger on the chairman of the Budget Committee, as he understands—and he has already been put on notice—to help us solve this problem in the conference. I believe that he and we, working together on this conference committee, can do it, and that is the reason that I am going to not only vote for the Bingaman amendment but vote against the Wallop amendment.

Mr. BAUCUS addressed the Chair.

Mr. BINGAMAN. Mr. President, how much time remains for the proponents?

The PRESIDING OFFICER. The proponents had 10 minutes. They have 5 minutes remaining.

Mr. BINGAMAN. Mr. President, I yield 4 minutes to the Senator from Montana.

Mr. BAUCUS. I thank the Senator from New Mexico.

Mr. President, I strongly support the amendment offered by the Senator from New Mexico. I thank the chairman of the Energy Committee for his letter. It is very much on target; namely, it is not possible for that committee to achieve the savings anticipated in the budget resolution without some modification and working with the Budget Committee and working with the President.

If I might, Mr. President, I would like to ask a question of the Chairman whether the question with respect to grazing fees and the question of hardrock mining royalty fees also applies to low-cost timber sales; that is, that provision in the President's economic program will again be subject to the chairman's committee. Do the same problems with respect to the issues you raised in your letter apply to the low-cost timber sales?

Mr. JOHNSTON. Mr. President, I do not know where we come out on any of these things individually. I know, for example, I have stated that I think we ought to have legislation this year on hardrock mining law reform, and I expect that we will do that. But I do not believe it is reasonable to require us to come up with these amounts of money from the Energy Committee jurisdiction.

The letter brings into view all of what I call cluster bomb issues in the West. We only have time to deal with these outside of reconciliation.

Mr. BAUCUS. Mr. President, very generally, these are all issues that must be dealt with but they must be dealt with on an evenhanded, fair basis, whether it is grazing fees, hardrock mining royalties, or low-cost timber sales. They must be addressed. There is room for some reform, and the industries in each of these areas do want to deal with this on a reasonable, balanced basis.

I want to say, Mr. President, that the President's economic program, as it was proposed, is not reasonable, is not balanced. It very much adversely affects the Western States, public lands States.

I must add to that, Mr. President, just last week I met with President Clinton, along with other Western Senators and, very much to his credit—and I applaud him for this—he said to us at the end of that meeting that we did have a very good case and he would work with us and would work with the economic program he proposed to the Congress to make sure that the President's overall economic program is evenhanded and is balanced.

I underline that point, Mr. President, because obviously if we are going to reduce the budget deficit, obviously if we are going to provide jobs for America, obviously if we are going to invest in the long term, we must work with the President's program because it is the only realistic program before us.

I call upon Members on the other side of the aisle, when the Wallop amendment comes up, to not vote for the Wallop amendment because once amendments like that begin to be adopted, the resolution will fall apart, it will fray and we will have nothing.

Instead, I ask them to work with this side of the aisle, support the Bingaman amendment, work with amendments to work with the President's program because, I say to the Members on the other side of the aisle, the President does want to work with Members of Congress on both sides of the aisle in trying to resolve these Western issues. He has given that assurance.

With that assurance, Mr. President, I strongly support the Bingaman amendment. I think it is right on target. I urge our Members not to go down the track of voting for the Wallop amendment and other similar amendments because to do so is to support gridlock and to support bringing down the program and is not working cooperatively with the President to find a solution.

I yield back the remainder of my time.

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

The PRESIDING OFFICER. Forty-nine seconds.

Mr. BRYAN. Mr. President, I rise today as a cosponsor of the sense-of-the-Senate amendment introduced by my colleague, Senator BINGAMAN, regarding royalty fees for hardrock mining, and domestic livestock grazing fees.

Senator BINGAMAN's amendment addresses a part of President Clinton's economic plan that overlooks economic realities in the Western States. Just last week several of us from Western States took our plea to the President himself. It was at this time that we expressed our concerns that his economic plan would result in significant job losses in Western States, and how imperative it was that a compromise be reached that took into account the realities of modern mining and ranching. My colleague's amendment does just that.

The mining and ranching industries realize that they have to pay their fair share. However, the plan as it now stands asks them to do more than what is considered fair.

The last decade has witnessed a remarkable rural economic revival in my State, largely because of our latest entry into world-class mineral production.

Nevada is known for its gold and silver production, but copper production also sustained the economy for many years until the 1970's. It must be noted that Nevada also possesses substantial resources of molybdenum, lithium, barite, tungsten, iron, gypsum, and a variety of specialty clays, all of which are important strategic minerals. We also have active exploration for platinum. Many of these resources are largely undeveloped but will become important to Nevada and the Nation in the future. It must be noted, however, that a royalty such as the one proposed in President Clinton's economic plan could prohibit the development of such important strategic resources.

If important changes are not made in the President's economic plan, investment into Nevada mining and ranching operations could become restricted. Mining, as well as ranching, are historical, integral, and critical elements of the Nevada economy. These are two of the few sources of ongoing direct investment in the rural communities of the West, and they are an important source of State tax revenue and jobs, as well as raw materials to fuel the economy.

Mining companies invested approximately $5 billion in Nevada in the last decade; employment in the industry has increased from 6,000 jobs in 1985 to a peak of 16,000 in 1990; State and local taxes paid by the mining industry have increased from $21 million in 1986 to about $90 million annually.

In addition, total nonfuel minerals production in Nevada in 1992 was nearly $2.8 billion, about 12 percent of the total gross State product. We produced more than 6 million ounces of gold, about 62 percent of the United States production, about 11 percent of the world's production. It must not be overlooked that Nevada's gold production reduces the Nation's trade deficit, since we are a net exporter of gold.

Revision of the historic mining law of 1872 is complicated, as is the grazing fees issue, and these issues are sensitive for those of us who are vitally concerned both about the economy of the Western States, as well as the status and protection of our public lands.

The mining law of 1872 has been a source of controversy for several years. At the same time, however, much of the criticism of this law has been misplaced. Few people really understand the way the law operates. A few isolated cases of abuse of the mining law has tended to color public opinion even about the many highly responsible mining operations who make such a positive contribution to our economy.

There are, however, legitimate mining law reforms that need to be examined that have garnered broad support.

First, payment of fair market value when any person receives a mining patent pursuant to the mining law of 1872. This would prevent the perception that public lands are available for purchase under the law for $2.50 or $5 per acre. In reality, the fee historically has been merely a processing fee—the actual cost to develop a patent application is typically several thousands of dollars.

Second, the second major revision to the existing law that I support is to provide that once mining activities cease on formerly public lands, they will be reverted to the public ownership.

Third, and finally, I support the proposition that any land used for mining be appropriately reclaimed pursuant to applicable Federal or State laws when mining activity ceases.

Nevada's first general mining reclamation law became effective October 1, 1990, and is working well. Likewise, a host of other environmental laws and

regulations have grown around the basic parameters of the mining law, and their impact on the industry has been substantial.

However, I know that some abuses of the mining law for mining purposes have occurred, and I believe there is a broad consensus within the industry as well as outside to prevent such abuses. But for those of us who represent public land States—Nevada is comprised of nearly 87 percent federally owned land—it is critical that mining reform not spell the demise of our mining and ranching industry. As the President's economic plan now stands, a 12.5-percent royalty, or a substantial increase in grazing fees, could cause severe damage.

Often the Federal ownership of vast tracts of land does little to benefit the residents of a State like Nevada, and efforts to create more private ownership have been slow. The use of these lands for mining and ranching, however, contributes much to the host State. Where abuses have occurred, change is warranted. However it is my hope that any changes take into account the multiple-use philosophy that governs our public lands, so that mining and ranching can continue with other proper uses of these lands.

AMENDMENT NO. 188

Mr. BINGAMAN. Mr. President, we in the West have to be realistic about the prospect for changes in the grazing fee structure. I am prepared for this. I can also support the establishment of a royalty for mining on Federal lands. But I feel strongly that these changes must be structured in a way that recognizes the importance of the continued viability of those industries and supports that continue viability. We cannot impose fees that are punitive in their effect. We cannot impose fees and royalties that threaten the economic future of these industries, and the communities that depend on them. Whatever we do must make sense. We need to figure out what these industries can accommodate, and peg fees to those economic realities.

Mr. President, when I speak about the rural communities in the West, I know something about the subject. I grew up in Silver City, NM, which, by most standards, would be considered one of those communities. In Silver City, in Grant County, ranching is an important industry. Mining is an important industry.

We have before us soon a stimulus package including money for summer jobs. In Grant County, summer jobs for youth often means working on a ranch or working at the mine, mill, or smelter. I remember well a summer during college which I spent working at the smelter in Hurley.

Now, I do not have exactly the right answer ready to present to my colleagues this morning—for either the royalties or the grazing fees. I think that is going to take a lot of work on the part of Congress, the administration, and the interested public, work that we need to do together. But I think it is important to point out some facts about grazing and mining on public lands, and to talk about whether the Budget Committee's numbers and the President's proposals are realistic.

It just does not make sense to arbitrarily set a revenue figure, and then establish the fee structure from that target. That is the reverse of how we should handle these matters.

Grazing fees:

For Interior Department [BLM] grazing fees, the President's plan sets a target of $48 million of additional revenue over the 4-year period 1994–97. While the official assumptions used to arrive at that number have not been released, I understand that the Congressional Budget Office estimates that this reflects a 33-percent annual increase in the grazing fees. That means that over a 4-year period, grazing fees would be raised over 120 percent. I think it is worth noting that the Senate has defeated proposals for this level of increase, for at least the last 2 years, on the Interior appropriations bill.

The Budget Committee, in its instructions to the Senate Energy and Natural Resources Committee, indicates a revenue goal of $53 million over a 5-year period from BLM grazing fees, and another $29 million from Forest Service fees. Some estimates suggest that this would bring the grazing fee to approximately $7.50/AUM in 1998. Today, it stands at $1.86/AUM. This is not an acceptable increase, Mr. President. Such an increase would cause serious harm to many of the small ranching operations in my State.

Mr. President, I am very concerned that we not kill off small ranching enterprises. We have 3,500 Federal land permitees in New Mexico, which represents about 50 percent of New Mexico ranchers. About three-quarters run less than 100 head of cattle. That is a very small operation. In fact, many of these ranchers have jobs in town—because they cannot make a living solely by ranching. People are not getting rich from public lands ranching in New Mexico—it is a family tradition, and it is a labor of love.

Public land ranchers can pay a higher fee for access to BLM and Forest Service rangeland than is being paid today, and many are willing to do so. But it is important that we realize that the ranching industry is not monolithic—the very large enterprises are in a different financial position than small ranchers. I think that whatever changes we make to the grazing fee structure must reflect that reality.

Mining royalties:

As far as mining is concerned, I think that you will find that many Senators, myself included, think that reform of the 1872 mining law is overdue. I agree that the American people should see some financial gain from the productive use of Federal lands for mining. And I do not have a problem with a hardrock mining royalty. However, we are told that the budget resolution reflects a belief that we can impose a 12.5-percent gross royalty on mining on public lands and still maintain a viable industry. If that is the assumption, then I believe it is totally unrealistic. A 12.5-percent gross royalty could shut down a significant proportion of U.S. mining activity.

Mr. President, we have to approach these issues in good faith, and that means we all have to agree that the United States should retain an economically viable mining industry. In New Mexico, mining provides approximately 2,000 jobs, many of them in rural communities where good jobs are few and far between. Over the last decade, mining jobs in New Mexico and around the West have disappeared by the thousands. Today, about a third of mining in New Mexico takes place on public lands. We know that many of those jobs are not coming back, Mr. President. But I think it is fair to suggest that we need to try to keep the mining jobs we have and permit mining to continue as a source of employment within our borders.

If we are going to charge a royalty, we should charge it on net profits—not gross proceeds. And we have to agree on the basis from which we are working. Otherwise, all conclusions are suspect.

Last week, 11 of us here in the Senate visited with President Clinton, Vice President GORE, and OMB Director Panetta on the impacts of the President's program on Western States. I was pleased and impressed with the President's reaction—he demonstrated a keen understanding of the issues that the ranching and mining industries must face. He assured us that the creation and retention of jobs, American jobs, is his top priority, and that he wants to implement a program that is fair to everyone and that allow us to do just that.

Mr. President, I assured President Clinton at the meeting, and I will say if for the record here today, that I support him, and I support his economic program. I want to work with the administration to establish fee structures that call on extractive industries to pay their fair share, but also fee structure that let them stay in business. This amendment simply expresses that intention.

Mr. President, let me just repeat what I said yesterday and again today. This amendment recognizes the reality that we find ourselves in, which is that there is going to have to be some sacrifice by everyone involved if the President's package is going to prevail. The West should not be exempt.

But what is done in the West with regard to grazing fees and mining royal-

ties needs to be fair; it needs to be done with a view toward what the economic realities of those industries are. We are not asking in this amendment for those industries to be exempted. We are asking they be treated fairly.

I very much appreciate the statement of the chairman of the Energy Committee. I believe with his leadership we can see to it that they are treated fairly.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The senior Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, first, so there will not be any misunderstanding, I had volunteered on the floor to be a cosponsor of the amendment of my friend which is before us. I have since told him I had thought better of it. So I ask unanimous consent that I be permitted to withdraw as a cosponsor of the amendment.

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

Mr. DOMENICI. Mr. President, let me tell you why. The reason that I am not going to support the Bingaman amendment, and my colleague is as concerned about Western matters as I am, but the truth of the matter is that this amendment is a facade. It gives cover to some western Senators, presumably on the Democrat side of the aisle, so they can go home and say we did not want to do what the President wanted to do to you, and we have a sense of the Senate to prove it.

But the truth of the matter is, the rest of the talk, including the talk by my distinguished chairman, Senator BENNETT JOHNSTON, chairman of the Energy Committee and my dear friend, it is absolute doubletalk. Has anybody ever seen a budget resolution with an order to a committee: "Your raise $752 million, Energy Committee"?

That is what this reconciliation instruction says and it is not being changed one nickel, one dime, one period, or one paragraph by this resolution. It is still saying "BENNETT JOHNSTON, chairman of the Energy Committee," and that group around him, "you raise user fees on mining by putting on royalties and on grazing by raising grazing fees."

Now to stand on the floor of the Senate and to say "Republicans, where's your plan?" when here is another example that they do not want to accept the President's plan. So we have nice language saying, "Committee, you do right, you can tax these but do it so both of these industries remain viable." Is that not pretty?

You see, Senator BUMPERS thinks they are viable with 12.5 percent, 10.5, 8.5, just pick a number. How is the committee going to decide that? The only way to treat Western America fair and not take jobs right out from under every small community in my State and western rural communities is to take the $752 million out of the budget. That is not very difficult. Take it out, remove the instruction to the committee and cut $752 million out of $124 billion in increases in domestic spending. Now that is a minutia. Take $752 million out of the $124 billion increase in domestic programs and do not take the risk that a committee is going to go into session under an instruction. As miraculous as I have seen Senator BENNETT JOHNSTON be in the past, I just anxiously await him putting before the Senate a bill that says, "Senate of the United States, I met your reconciliation instruction, but I didn't raise the $752 million."

If that is the case, and I submit if he had not put his letter in the RECORD, I would have, because it is saying to the Senate, "I'm not going to do that." This letter says the Energy Committee cannot raise $752 million.

Why do we not do what is right and take it out and make sure that western America is protected, not saying we hope you are protected, we hope the tax will be neat and you will be viable and everybody is going to be kind and generous around here, but, on the other hand, if you change this package one little sentence, one little dollar, the package falls apart. Why does it fall apart? Can anybody tell me how in the world taking $752 million out of a growth budget on domestic going up $124 billion—how can you take out that little bit and say we are not going to risk the taxes on the West because we are all admitting, and the chairman of the committee is not from the West, it is unfair, it will not work, there is not that much money around?

Now, we all from the West say we do not want to be discriminated against by going up to $7.99 per animal unit month on grazing. We all say mining cannot stand 12.5 percent royalties, which is assumed in this resolution. So, if we all agree to it in the West, why not ask our brothers and sisters in the Senate to support us and take it out. That is the issue. There is no other issue.

So for those who took the floor today from the West—and I hope there were none on the Republican side—and said we are doing what is right by the West, the interests in the West, cattlemen are not going to be fooled; the sheepmen are not going to be fooled; the mining people are not going to be fooled because they know we still have this onerous tax in here, mandated to the Energy Committee from what I can tell.

With that I yield whatever time I have remaining to the distinguished Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. WALLOP. Mr. President, how much time is remaining?

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

Mr. WALLOP. I thank the Senator.

Mr. DOMENICI. The Senator had told me in advance that was all right.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 188 offered by the Senator from New Mexico [Mr. BINGAMAN]. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Hawaii [Mr. INOUYE]), is necessarily absent

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

The result was announced—yeas 54, nays 45, as follows:

[Rollcall Vote No. 45 Leg.]

YEAS—54

Akaka	Feinstein	Mitchell
Baucus	Ford	Moseley-Braun
Biden	Glenn	Moynihan
Bingaman	Graham	Murray
Boren	Harkin	Nunn
Boxer	Heflin	Pell
Bradley	Hollings	Pryor
Breaux	Jeffords	Reid
Bryan	Johnston	Riegle
Bumpers	Kennedy	Robb
Byrd	Kerrey	Rockefeller
Campbell	Kerry	Roth
Conrad	Kohl	Sarbanes
Daschle	Krueger	Sasser
DeConcini	Leahy	Shelby
Dodd	Levin	Simon
Dorgan	Mathews	Wellstone
Exon	Mikulski	Wofford

NAYS—45

Bennett	Faircloth	Mack
Bond	Feingold	McCain
Brown	Gorton	McConnell
Burns	Gramm	Metzenbaum
Chafee	Grassley	Murkowski
Coats	Gregg	Nickles
Cochran	Hatch	Packwood
Cohen	Hatfield	Pressler
Coverdell	Helms	Simpson
Craig	Kassebaum	Smith
D'Amato	Kempthorne	Specter
Danforth	Lautenberg	Stevens
Dole	Lieberman	Thurmond
Domenici	Lott	Wallop
Durenberger	Lugar	Warner

NOT VOTING—1

Inouye

So the amendment (No. 188) was agreed to.

Mr. SASSER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 189

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Georgia. There are 10 minutes of debate equally divided.

The Senator from Georgia.

Mr. NUNN. Mr. President, what is the order?

The PRESIDING OFFICER. There are to be 10 minutes of debate equally divided.

Mr. NUNN. Mr. President, I will take just a few moments. I hope I will not even use my 5 minutes here.

The total amount that President Clinton is recommending be cut out of the 5-year defense plan—here I am using the 5 years, 1993–97—is $122.6 billion. This amendment does not affect that number, but this amendment could have a very large effect if certain assumptions do not come true as forecast now in the Clinton administration budget.

The way that $122 billion is calculated is $60 billion, which is what President Clinton, then Governor Clinton, talked about in the campaign last year. In addition, the committee and the Senate and the Congress cut out $7.4 billion last year, which we at that time thought applied against the $60 billion, since it was a 1993 fiscal cut. But that is not counted in the Clinton administration numbers.

In addition, there is $18 billion taken out of the top line of defense, which is the defense portion of the Government-wide pay freeze. About 70 percent of that pay freeze, plus the deduction of 1 percent each year thereafter for 4 years, about 70 percent of that relates to the military and civilian pay in DOD.

In addition to that, there is $10 billion offset for the Bush budget assumptions on management savings, which are very dubious. And in addition to that, there is a $27 billion inflation adjustment, which is basically an assumption that inflation is going to be approximately 2.2 percent for the next 5 years instead of what some people believe to be a more likely inflation number of around 3.5 or 3.4.

The first thing I want to say is I do not think anything phony is going on with these budget assumptions. I think they are assumptions that OMB and CBO agree on. I do think they are optimistic. I think we need to make sure we understand what we are doing on defense.

In addition to the $122.6 billion that I have just enumerated over the 5 years, there is another $50 billion being taken out, because the Bush budget took that out.

So we have $122.6 billion plus $50 billion which had already been reduced in the timeframe by President Bush. In addition to the $122 billion Clinton cuts, plus the Bush $50 billion cuts, we have $70 billion in the Bush budget that was inherited by the Clinton administration which is $70 billion of assumed management savings.

The problem with that is no one knows where those savings are coming from. We have that amount of money that is very dubious. It may be it is $20 billion that may be saved. It may be $30 billion. It may be more, but that could be a very large chunk.

Rapidly people can see here we are talking about $122 billion, plus $50 billion, plus at least $30 or $40 billion in management savings that are not going to come about. All of a sudden you are well over $200 billion in budget cuts.

People come to us and say to us on the committee: Do not cut this base. Do not cut this weapon system.

I tell everyone here now the decisions we are making will have a profound effect on the defense budget.

Mr. President, what this amendment does very simply: The first amendment we will be voting on says if the inflation numbers that have been mechanically adjusted downward to 2.2 percent in the Clinton administration did not intend to cut the defense budget by that much. It was an application of inflation numbers. If that mechanical adjustment is wrong and we end up having 3.5 or 4 percent inflation, this sense of the Senate says that money should be added back not only to defense but also to other budget categories.

So that is what this amendment does. It also deals with the $18 billion assumed pay decrease for the military by saying if we do not do that Government-wide that money would be added back to the Defense budget.

Mr. President, I submit that this is an essential amendment, because these are assumptions that could come true. I also submit to my colleagues this is entirely consistent with the Clinton defense numbers. It does not change those numbers. It simply makes certain assumptions that may not be accurate become more realistic if they prove to be inaccurate.

Mr. President, I urge adoption of the amendment.

Mr. DOMENICI. Mr. President, do we have 5 minutes on our side?

The PRESIDING OFFICER. Five minutes is correct.

Mr. DOMENICI. Mr. President, let me use 1 minute of it.

I support the amendment that Senator NUNN purposes. The only thing that would be better is if we were really taking some of the cuts literally out of the defense number, but clearly what he has been discussing, as far as the Senator from New Mexico is concerned, I have no objection to it.

I yield back the remainder of my time.

Mr. NUNN. Mr. President, I am prepared to yield back the remainder of my time if I have any remaining.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to the amendment (No. 189), the Nunn amendment. On this question, the yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Hawaii [Mr. INOUYE] is necessarily absent.

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

The result was announced—yeas 69, nays 30, as follows:

[Rollcall Vote No. 46 Leg.]

YEAS—69

Akaka	Durenberger	McConnell
Baucus	Exon	Mikulski
Bennett	Feinstein	Mitchell
Bingaman	Ford	Murkowski
Bond	Glenn	Nickles
Boren	Graham	Nunn
Breaux	Hatch	Pell
Bryan	Heflin	Pressler
Bumpers	Helms	Pryor
Burns	Hollings	Reid
Byrd	Jeffords	Robb
Campbell	Johnston	Rockefeller
Coats	Kassebaum	Sarbanes
Cochran	Kempthorne	Sasser
Cohen	Kerrey	Shelby
Conrad	Kohl	Simpson
Craig	Krueger	Smith
D'Amato	Leahy	Specter
Danforth	Levin	Stevens
Daschle	Lieberman	Thurmond
Dodd	Lott	Wallop
Dole	Lugar	Warner
Domenici	McCain	Wofford

NAYS—30

Biden	Gorton	Mathews
Boxer	Gramm	Metzenbaum
Bradley	Grassley	Moseley-Braun
Brown	Gregg	Moynihan
Chafee	Harkin	Murray
Coverdell	Hatfield	Packwood
DeConcini	Kennedy	Riegle
Dorgan	Kerry	Roth
Faircloth	Lautenberg	Simon
Feingold	Mack	Wellstone

NOT VOTING—1

Inouye

So the amendment (No. 189) was agreed to.

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

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 192

The PRESIDING OFFICER. The question now is on agreeing to amendment No. 192, offered by the Senator from Georgia [Mr. NUNN].

The Chair recognizes the Senator from Georgia.

Mr NUNN. Mr. President, I will take only a brief couple of minutes here on this amendment. This amendment, No. 192, is also consistent with the Clinton defense numbers.

It does not in any way change the Clinton defense numbers. It is entirely consistent with those numbers.

The second point I would like to make is this amendment does not prevent further cuts in defense. If the authorization committee takes a look at any detail programs and decides to cut defense, that can be done. If the Appropriations Committee looks at the defense numbers, scrubs the budget, and decides they can cut $2 or $3 billion more in defense in the appropriations process, that can be done.

This is a very serious amendment, Mr. President, because it does have some real effect. If we put this into effect, if we carry out the sense of the Senate and we make this policy of the Senate, that will mean that if there are defense cuts, those defense cuts would go to reduce the deficit. They would

not be shifted to other programs. If we want to shift defense money to other programs, and that has already been done in the Clinton budget—there is no doubt about that—if we want to do that further, the time to do it is on this budget resolution when the whole Senate can speak to it.

What I do not intend to happen, at least without protest, is for that to be done by one committee without the Senate speaking to it, shifting money from one account to the other. If we want to speak to it, if we want to revisit it later in the budget process, then we can amend the budget resolution. But I say to my colleagues, this is a very important wall because it really says that defense budget cuts will go to the deficit and will not go to other domestic programs.

Last year, for instance, Mr. President, if this amendment had not been in effect, it is my view the deficit would have been $5 to $7 billion higher. We cut in 1993 $7 billion below President Bush's numbers which were consistent with the budget resolution. So we cut $7 billion out of defense last year that did not have to be cut out of defense based on the caps. All of that went to deficit reduction because we had walls. If we had not had those walls, then it is my view at least—and this is conjecture, I will concede that—that we would have spent that money on something else.

So I consider this a very important amendment. I hope that if it is adopted that we will abide by this amendment. Of course, anyone who wants to come to the floor and make cuts in defense and shift it to education or health, that is what this debate is all about. But if we are going to do it, let us do it now. Let us know what we are doing, and let us do it in the whole Senate.

Mr. President, I yield the floor.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. Senator SASSER is recognized.

Mr. SASSER. Mr. President, I will be brief. During the 1990 budget summit agreement, walls were put between defense, domestic discretionary, and international spending. Those walls came down at the expiration of fiscal year 1993. If we are going to reimpose walls between defense and discretionary, why not reimpose walls between defense, discretionary, and international? If we are going to follow this rationale, why not fence off the money in this budget assumption for the Department of Housing and Urban Development, the Department of Commerce, the Department of Justice, the Department of Health and Human Services? Why not fence all of the discretionary funding?

We have reached a point where defense has to take its chances and compete for priorities just like other discretionary funding. I well recall last year when we got into the business of trying to reduce defense spending we were told it could not be reduced that far. Yet, in the final analysis, it was reduced as far as we advocated earlier in the year.

So the point is this, Mr. President, and I do not want to take all the time because the distinguished Senator from Arkansas is here to speak, but there is no need to hold defense spending sacrosanct over other discretionary spending of the Congress.

How much time do I have remaining?

The PRESIDING OFFICER. Two minutes 20 seconds.

Mr. SASSER. I yield 2 minutes and 20 seconds to the distinguished Senator from Arkansas.

Mr. BUMPERS. Mr. President, I would like to say, first of all, I hope the intentions of the Senator from Georgia come true. Bear in mind that we do not even have a defense budget from the executive branch yet. We do not know what is going to be in it. But what the Senator from Georgia is saying is no matter what is in it, if we cut anything below what is in it, you cannot use that for anything except deficit reduction.

We do not yet know whether we are going to meet our targets for deficit reduction or not. We do not know how critical the needs for childhood immunization, maternal and child health care, student loans, and crime prevention are going to be. But what the Senator from Georgia is saying is that no matter how critical they are, we want to discourage you from cutting defense to take care of any of those needs and, if you do, you cannot use it for those purposes.

As I say, I hope we cut a lot more than that, and I hope it goes on deficit reduction. But before we even get the President's budget, I am going to vote to cut the MX, I may want to vote to cut the C-17, I certainly am going to vote against the solid rocket motor, which is NASA program. I am also going to vote to cut SDI some, and I hope we have enough money to make a dent on the deficit.

But all I am doing is pleading with my colleagues: Do not, months in advance, prejudge this matter. Wait until we get there. You may decide that a program in your home State is a lot more critical to you than transferring this money to deficit reduction. I yield to nobody in my zeal to get this deficit under control. But we simply do not have to make that judgment today. It would be, frankly, irresponsible to make that judgment today. I supported the Senator's first amendment, with some trepidation and reservation, but I cannot in good conscience support him on this one because it is premature, and I think it would be irresponsible for us to make a decision this far in advance on what we want to do with any savings in defense.

I yield the floor, Mr. President.

Mr. NUNN. Mr. President, I yield such time as I have remaining to the Senator from New Mexico.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico.

Mr. DOMENICI. How much time is that, Mr. President?

The PRESIDING OFFICER. Two minutes and five seconds are remaining.

Mr. DOMENICI. Mr. President, I thank my friend from Georgia.

Let me suggest perhaps there are two versions of responsibility. The Senator from New Mexico thinks it is irresponsible not to tell the Defense Department of the United States in this budget resolution what they have to spend. After all, they have to plan. They have procurement contracts to change and alter and amend. Do we want them to sit around and wait until the appropriators meet in the back room and allocate the funds under this budget and say, "Well, we have decided we are even going to cut below the President because Senators on this committee want to spend money on domestic programs"? Is that the way to manage the defense of the United States?

Mr. President, we are not asking much of the domestic programs of this country by doing this. Why? Because the President of the United States has already asked for and he now has in the domestic budget that is before us $124 billion in new programs, in new add-ons. Immunization is provided for; WIC is provided for—all the programs that anybody could ever want are provided for.

Why in the world would we take defense and say we are never going to tell the Chiefs of Staff where they stand until we get in the back room and decide how to divide up the total moneys for appropriations? From the Senator's standpoint, that is what costs us money. They cannot plan, they do not know where they are going until the last minute, and Senator NUNN has a very responsible amendment.

If you want to cut defense more, then do not do it under the super incentive of spending it on some domestic program that you might want. That is an incentive to cut defense beyond which the President wants. Take that incentive away. Let it be treated neutral and say to the American people: If we are going to cut defense some more, and there are some people saying they want to cut defense some more, the only way to cut defense some more and save the taxpayers money is to take it out of defense now, add some more cuts or take cuts away from the domestic program. You cannot do it by wishing on both sides of the equation.

Am I out of time?

The PRESIDING OFFICER. Time has expired.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arkansas.

Mr. BUMPERS. Mr. President, let me say that, first of all, the Defense Department is going to send a budget over here and it may be precisely the figure that is in this budget. I do not know. But if it is, there is not any certainty that we will not make further cuts. We may torpedo the C-17, V-22 Osprey, whatever, and want to put it toward deficit reduction. But this amendment presumes that no matter how critical a need may be, you may have an epidemic, you may have all kinds of things, but this amendment assumes that no matter how critical any domestic need in this country is, it is not as important as defense, and, therefore, do not try to take a nickel of defense and put it toward something else because defense money is either going to be spent for defense or it is going on deficit reduction, no matter how critical any other need may be.

I promise you that is the height of irresponsibility for us to make that decision today, months in advance, of any necessity for such a decision.

I yield the floor.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to amendment No. 192, offered by the Senator from Georgia [Mr. NUNN]. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Hawaii [Mr. INOUYE] is necessarily absent.

The result was announced—yeas 56, nays 43, as follows:

[Rollcall Vote No. 47 Leg.]

YEAS—56

Akaka	Durenberger	Mack
Bennett	Exon	McCain
Bingaman	Faircloth	McConnell
Bond	Glenn	Murkowski
Brown	Gorton	Nickles
Bryan	Graham	Nunn
Burns	Gramm	Packwood
Campbell	Grassley	Pressler
Chafee	Gregg	Robb
Coats	Hatch	Roth
Cochran	Heflin	Shelby
Cohen	Helms	Simpson
Coverdell	Jeffords	Smith
Craig	Kassebaum	Specter
D'Amato	Kempthorne	Stevens
Danforth	Krueger	Thurmond
DeConcini	Lieberman	Wallop
Dole	Lott	Warner
Domenici	Lugar	

NAYS—43

Baucus	Harkin	Moseley-Braun
Biden	Hatfield	Moynihan
Boren	Hollings	Murray
Boxer	Johnston	Pell
Bradley	Kennedy	Pryor
Breaux	Kerrey	Reid
Bumpers	Kerry	Riegle
Byrd	Kohl	Rockefeller
Conrad	Lautenberg	Sarbanes
Daschle	Leahy	Sasser
Dodd	Levin	Simon
Dorgan	Mathews	Wellstone
Feingold	Metzenbaum	Wofford
Feinstein	Mikulski	
Ford	Mitchell	

NOT VOTING—1

Inouye

So the amendment (No. 192) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

AMENDMENT NO. 194

The PRESIDING OFFICER. The question is on agreeing to the amendment, No. 194, of the Senator from Wyoming [Mr. WALLOP]. There are 10 minutes of debate.

Mr. WALLOP addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. WALLOP. Mr. President, I yield myself 2½ minutes of my time.

Mr. President, the arguments for my amendment have been made already by the chairman of the committee, by the Senator from New Mexico, by the Senator from Montana, all of whom said that the committee will not do what it is being ordered to do. If the election was about anything it appeared to be that Americans were telling us that they wanted to understand and they wanted to believe. This is a process that can be called truth in budgeting but for the process that we are undertaking here this afternoon.

Senators know the arguments. Senator JOHNSTON wrote a letter to the committee chairman, and he said he cannot and will not report back a reconciliation package that contains these requirements.

What are we doing here? Why are we trying to deceive the American people? What is this process? Where is the integrity of the budget process if we can say by a letter to the chairman of the Budget Committee that reconciliation does not mean anything?

So either the vote did not mean anything, or the process does not mean anything. The chairman said that we had to have reasonableness. I would tell the Senators in case they do not know that the process of the budget and reconciliation does not account for reasonableness.

Mr. President, the sixties are here. We are wrapped in situational ethics. The truth is whatever anybody happens to wish it to be said at the moment in time.

The Bingaman amendment was nothing but a cover for your reputation, glossy covered fabrication and everybody here knows it. Everybody here knows that that thing did not require the Senate to do anything. But it gave the people a chance at home to say I did not vote to be a part of the Clinton assault on the West.

Mr. President, an issue like America's mining policy that is the life blood of States like Nevada, Arkansas, New Mexico, Colorado, Montana, and other Western States ought not be decided in the reduced timeframe and the reduced structures of the reconciliation process where there are artificial deadlines, no hearings, and supermajority.

Mr. President, I give myself 30 more seconds.

The same goes with grazing. The same goes with park visitors who do not expect to pay park fees to raise food stamps, and the same goes to reclamation where the committee cannot do anything but break the law or usurp the territory and turf of the Finance Committee.

Mr. President, this was not an honest gesture that the Senate just went through. The Wallop amendment is. I reserve the remainder of my time.

Mr. REID. Mr. President, the Senator, the chairman of the Budget Committee, controls the time, the manager of the bill. Would the Senator yield to me time?

Mr. SASSER. Yes. I am pleased to. How much time do I have?

The PRESIDING OFFICER. Five minutes.

Mr. SASSER. I yield 3 minutes to the Senator from Nevada.

Mr. REID. Mr. President, the budget, the money spent by this Government, this year was $1.5 trillion.

We are talking about a score here of $750 million. There comes a time in a person's life where you have to rely on the good faith of those people you are dealing with. In this instance, as to the Bingaman sense-of-the-Senate resolution that has passed, I have been told and the western Democratic Senators have been told by a number of people that they will work with us on this amount that is set forth in the proposed budget, some $750 million.

We have spoken to the President. He has told us he will work with us. We have talked to his chief of staff McLarty. He recognized that this number is unrealistic as it relates to mining and grazing. We have talked to his chief legislative liaison with this body, Mr. Pasture. He recognized we have to work with this.

I do not want to start the unraveling of this budget as some do in this Chamber, even though I think that this 12½-percent royalty that is suggested is not in keeping with good sense, that it is something that is unrealistic. The administration has indicated a willingness to work with us.

For anyone to think that this would be the first time that one of the authorizing committees did not follow something in the budget resolution, they are mistaken. It happens every time we have a budget. This does not mean that we here in Congress do not follow the law and the rules the best we can. We do that all the time.

We are talking about spending each year $1½ trillion. We are talking about a very small amount. Even though the $750 million as compared to $1½ trillion does not seem like a lot, to us in the West it is a lot.

We have conveyed that to the President and those that work with him.

Also, I think importantly, the chairman of the authorizing committee, BENNETT JOHNSTON of Louisiana, has

said that he will work with us on this. He has written a letter to the chairman of the Budget Committee, JIM SASSER, saying the requirements of the budget resolution as they relate to these matters are not realistic. Those are my words, not Senator JOHNSTON's, but it is a pretty good paraphrase.

I am opposing the Wallop amendment because I believe we can give the President the flexibility he needs while protecting industries in this budget that are vital to the West. I think we need to look as we talk about with the President net proceeds. We need to look as much as possible as it is relating to the windfall profit tax.

These have been conveyed to the administration. We have been holding meetings with various groups of people, miners, environmentalists, and recognize them and educate them as to the realism of some of the things they are trying to do and the unrealistic methods that they are trying to accomplish in that area.

So, reluctantly, I am opposing this Wallop amendment recognizing that I have to rely on the good faith of the people in the White House who dealt with me in this regard, including the Budget Committee chairman.

The PRESIDING OFFICER. Who yields time?

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

The PRESIDING OFFICER. One minute and five seconds.

Mr. SASSER. I yield the remainder of my time to the distinguished Senator from Arkansas.

Mr. BUMPERS. Mr. President, everyone in this body has heard me on this issue for 4 years now.

First of all, the Wallop amendment takes $750 million out of $1.2 billion in cuts assigned to the energy and natural resources committee.

It may be that we cannot meet the $1.2 billion target, but the Wallop amendment unravels the entire budget. Make no mistake about that. If the Wallop amendment prevails, you can forget this whole effort. It is being unraveled. Forget talking about hard rock mining and grazing fees and other Government subsidies.

In 1990, I stood right here and missed imposing a moratorium on the Bureau of Land Management giving away land for $2.50 and $5 a acre by just two votes. Four days later, the Stillwater Mining Co. in Montana applied for what they call a first half final certificate toward a patent on 2,000 acres of land for which they will pay the princely sum of $10,000. Do you know what lies under that 2,000 acres of land, Mr. President, for which, Stillwater will pay $10,000? Thirty-eight billion dollars' worth of palladium and platinum. Do you know what the taxpayers are going to get in exchange for the 38 billion dollars' worth of minerals? Not one red cent.

In addition, just before George Bush was defeated in November, the Bureau of Land Management in Nevada gave a first half certificate to a Canadian company, the American Barrick Mining Co., for almost 2,000 acres for which $10,000. Do you know Barrick will pay what lies under that 2,000 acres? Ten billion dollars' worth of gold. We are scrounging trying to balance the budget and the last 2 years we may have given away $48 billion, 48 billion dollars' worth of the people's resources. I ask that the Wallop amendment be defeated.

Mr. SIMPSON. Mr. President, I rise to voice my strong support the amendment offered by my line colleague, the senior Senator from Wyoming, MALCOLM WALLOP.

I trust my colleagues in the Senate hear him clearly. If we are to enact a budget resolution, and tell the American people that we are going to try to balance the budget, we must be truthful. We must be realistic, and we must use real numbers, not imagined assumptions, as my colleague has so eloquently stated.

Also, Mr. President, it is patently unfair to try to balance the budget on the backs of the West and Western States' agriculture.

A 33-percent increase in the grazing fee on public lands will put a great many small ranchers in my State out of business. So to adopt such an increase and carry it over 5 years will be even more devastating. The Government's own figures—as explained by the senior Senator from Wyoming—prove that to be true. We risk putting as many as half of the ranchers in the West "out of business."

We should consider the people who will be affected by the administration's $1.1 billion target. Small ranchers and small farmers will be forced to get out of agriculture. Only the large—and largely foreign owned—agribusinesses will be able to survive such a drastic increase in their operating costs. The 33-percent increase in grazing fees will not raise a significant amount of revenue, it will force stockmen out of business and off the land. The original goal? The final result will be that the Federal Government will receive less income than at present.

The Federal Government currently receives $33 million; representing fees from 3,100 permittees, or $1,064 per person.

Under the Clinton plan, the administration is asking western stockmen to pay $3,516 per person—a net increase of $2,452 per person.

That, Mr. President, is a tax bite that most small western ranchers can not afford. Most, if not all, small ranchers are making less profit than that per year as it is now.

If such a drastic increase is enacted, 82,000 jobs will be lost directly, and there will be even greater negative consequences for local economies which depend on ranching and agriculture.

Then there are the other proposed revenue raising provisions. A 12½-percent royalty on hard rock mining could devastate the mining industry—which is already in dire straights.

An irrigation surcharge—a tax—will have the most devastating impact on those small farmers who are even now just barely getting by financially.

This surcharge is unspecified: We are not told how much it will be, only that it will be deposited into a fund to mitigate for wildlife habitat damage. We are told only that there will be $60 million raised and it will most certainly be felt in a most negative way by those who can least afford it.

The Senate must proceed cautiously—and realistically. We should pay great heed to what the distinguished ranking member of the Energy Committee is telling us today.

The Western States are willing to do what is fair to share in the burden of balancing the Federal debt. The amendment offered by my colleague from Wyoming will ensure that the West shoulders its fair share of the burden, but is not burdened by what amounts to a most unfair tax on the West.

Mr. JEFFORDS. Mr. President, supporters of this amendment characterize the Energy Committee's instructions as an assault on the West. I am not sure I agree. It is more a waning windfall than an assault.

The author of the amendment said, "I cannot stand by and watch my western constituency taxed through user fees to support new urban spending programs which will not help them in the least." He has it exactly backward.

Between fiscal years 1982 and 1991, Western State's share of allocable Federal spending exceeded their share of tax burden by $246 billion. That is a quarter trillion dollar stimulus.

Who paid the tab? Well, it came at the expense of States in the Northeast and Midwest. During those same 10 years, our share of tax burden exceeded our share of spending by $531 billion. We exported over half a trillion dollars. About half of that amount went to the West, and half of it went to the South. Frankly, we are getting a little tired of the arrangement.

There was a good bit of debate yesterday about mining, so I will speak on grazing. Legislative authority for the grazing fee formula expired in 1985. The authorizing committee has had 7 years to change the formula. It did not hold a hearing until last year. Now, we hear complaints about being forced to do something.

The fee was $2.31 per animal unit month in 1981. This year, it is $1.87 per AUM—a decline of 19 percent just in nominal terms. According to the Bureau of Land Management and the Forest Service, grazing fees, on average, amount to just 3 percent of the cash costs of raising cattle. An increase will

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not bankrupt ranchers, but it will pay the cost of the program.

The fee can be increased in a way that does not harm the small rancher. This is so because just a few ranchers control most of the grass. BLM, for instance, has 18,000 permittees. The top 20 individuals control 9.3 percent of the forage; the top 500 control over 37 percent of the forage.

Who are these large permittees? Some are publicly traded corporations such as Sierra Pacific Resources and Metropolitan Life Insurance. Both list over $1 billion in assets.

Dan Russell is another. He has 21 ranches that include over 5 million acres of Federal land. He has the 16th largest cow-calf operation in the country, according to the National Cattlemen's Association. Perhaps you have heard of J.R. Simplot? He sells potatoes to McDonald's and has family holdings in excess of $500 million, according to Forbes. These fellows can pay more.

I offered an amendment last year to establish two fees: a lower fee for ranchers with fewer than 500 head of cattle or 2,500 head of sheep, and a higher fee for ranchers with herds or flocks above those thresholds. That reasonable amendment was tabled by a 50–44 vote. The bottom line is that the authorizing committee—if it has the will—can restructure grazing fees to generate revenue for deficit reduction without harming small ranches and the rural communities dependent upon them. I urge my colleagues to reject this amendment. Send a message: It is time for a change.

Mr. HATCH. Mr. President, I rise today in support of the Wallop amendment to reduce the amounts assumed to be generated in the fiscal year 1994 budget resolution through increases in grazing fees, changes to the Mining Law of 1872, increases in recreation fees, and the imposition of an irrigation surcharge. Some of my colleagues may believe that these changes will be an easy way to generate money for the Federal Government. Well, Mr. President, I can assure them that it is not. Unless these proposed fee increases—actually a targeted tax on western miners and ranchers—are eliminated from the budget, there will be serious repercussions throughout the whole country. It won't take long for shoppers everywhere to know the West has been hit again by another hike in Federal fees.

Let me speak specifically to the issue of increasing grazing fees. Over 100 years ago, this body adopted policies encouraging our pioneer forefathers to go out West and settle the land. The incentives were in place to entice people to leave established cities in the East and head into the unexplored West. There were no assurances as to what these people would find. But, they were promised by their Government that if they ventured out and endured the countless risks and hardships that awaited them, then they could use the land they settled for their welfare and benefit. This is what has been occurring on western lands for the past 100 years. Now, all of a sudden, the Federal Government and this body are changing their minds. We no longer are going to allow the children and grandchildren of these first pioneers access to the public land.

There is no doubt in my mind that the President's budget, as now crafted, will increase grazing fees to a level that will force many Utah ranchers out of the grazing business. I would predict that within 5 years, these ranchers would either go bankrupt or voluntarily relinquish their permits. Once that happens, there will be no additional revenue achieved from this proposal, and everyone will lose—there will be no ranchers raising livestock and there will be no revenues coming into the Treasury to help pay for excessive spending by Congress. That is why the idea of increasing grazing fees to the level proposed by the administration is disturbing to me. It is fair to say that no one will be using the land in the future, at least not for grazing purposes, which is the intent behind increasing grazing fees.

The grazing formula functioning under the Public Rangelands Improvement Act [PRIA] is working, despite the arguments made by the opponents of this amendment. This is true because ranchers grazing on public lands are not allowed to own their grazing lands. Yet, it is their responsibility to manage and maintain such lands. That means, they must finance the costs of installing and maintaining stock water ponds, fences, roads, and other improvements. These costs, referred to as nonfee costs, are not included in the calculation of the grazing fee formula, but they are essential to proper management of livestock grazing and preservation of the natural resources of this country. If they were included in the grazing fee formula, the cost to graze on public land with the cost to graze on private land would be comparable. When a rancher uses private land, he pays a higher fee to gain access to the land. But he is not required to pay the additional nonfee costs because they are covered by the private landowner; that is, the individual who is in the business of leasing his own land for grazing purposes. For this important reason, the fee to graze on public land is low relative to the fee to graze on private land.

PRIA is working because PRIA determines a grazing fee that takes into account these nonfee costs. They are not actually submitted into the fee's determination, but those structuring the formula knew that nonfee costs existed and, therefore, designed a fee formula that compensates for these expenses. I urge my colleagues to review a summary of these nonfee costs by Dr. Darwin Nielsen, a professor in the economics department at Utah State University. He has done considerable research on the subject matter of fee and nonfee costs associated with grazing on public lands. I intend to include a comparison of these costs put forward by Dr. Nielsen at the end of my remarks. It is worth a careful examination by my colleagues prior to their voting on this amendment.

A large portion of Utah is currently owned by the Federal Government. To be specific, 69.2 percent of Utah's total acreage is owned and managed by various Federal agencies and departments. In order to sustain a viable ranching operation in Utah, access to these public lands is necessary. In fact, it is critical to the economic maintenance of this industry. Agriculture is an important industry to Utah's total economy, and livestock production forms an integral part of that industry. The Utah State Department of Agriculture estimates that livestock production results in over $1 billion of economic activity every year in Utah, most of it occurring in the rural or remote areas of the State. I hope that my colleagues can see that a capricious increase in grazing fees will have a dramatic ripple impact on Utah's economy if access to over two-thirds of Utah's land mass becomes off limits.

And this ripple goes far beyond the specific numbers, which are important, but are not representative of all the casualties from this proposal. I am talking about the lifestyle in our ranching areas, primarily in the rural areas, which will see the basis of their culture destroyed. These are real people that make their living off the land. They take care of the land because they know it is in their direct interests to be good stewards of the land. Someone mentioned to me several weeks ago that they considered many of the budget's proposals affecting natural resource management as cultural genocide for the West. I hope this individual is wrong. I do not totally subscribe to this description but I believe there is a message in that assessment. I do hope that the proposed increase of grazing fees is not merely a veiled attempt to eliminate grazing. If we do that, then we will eliminate the culture that typifies the West. Are we going to ask America's small rural communities to give up the intrinsic beauty of this livelihood and lifestyle just because Congress refuses to make the hard choice on spending cuts? I'm just glad the pioneers I mentioned did not wimp out like this. I believe defeat of this amendment is shortsighted, and I implore my colleagues to be sensitive to the cultural traditions that the proposed increase in grazing fees will certainly threaten, if not totally destroy.

In closing, livestock grazing is an essential economic activity in Utah and

in many other States. Utah's ranchers pay taxes, they support their local governments, and they are solid citizens. They can take better care of the land than any Government agency.

I ask unanimous consent to include at the end of my remarks a recent resolution passed by the Utah State Legislature in support of the continuance of the PRIA grazing fee formula. This resolution expresses the importance of livestock grazing in Utah's economy, as well as Utah's culture.

I ask my colleagues to support the Wallop amendment and end the current assault being thrown at the West.

FEE AND NONFEE COSTS OF GRAZING PRIVATE LANDS

[Updated with January 1990 index numbers]

Item	1966	1977 (index)	1990 (index)	Nonfee cost	Amount
Lost animals	$0.37	$0.62 (1.68)	[1](1.80)	Meat animals/prices received	$1.12
Association fees	0	(2.00)	(1.69)	Production items	0
Veterinarian	.13	.29 (2.26)	(1.79)	Wage rates	.53
Moving livestock	.25	.58 (2.30)	(2.02)	Autos and trucks plus wage rates	1.16
Herding	.19	.43 (2.26)	(1.79)	Wage rates	.77
Salting and feeding	.83	1.74 (2.10)	(1.97)	Auto and truck plus feed	3.09
Travel	.25	.55 (2.18)	(2.13)	Auto and truck plus fuel and energy	1.19
Water	.06	.12 (2.00)	(1.69)	Production items	.20
Fence maintenance	.25	.57 (2.28)	(1.61)	Wages plus building and fencing	.92
Horse cost	.10	.19 (1.86)	(1.68)	Feed	.31
Water maintenance	.15	.34 (2.28)	(1.61)	Wages plus building and fencing	.55
Devel. depreciation	.03	.06 (2.00)	(1.69)	Production items	.10
Other costs	.14	.28 (2.00)	(1.69)	Production items	.47
Total	2.75				10.41

[1] Indices taken from USDA, "Agricultural Prices," Washington, DC, Economic and Statistics, and Cooperatives Service, Jan. 31, 1990.

Note.—1990 fee costs: Private fee equals $4.35/AUM (excluding nonfee cost). Total 1990 costs: Private lease $10.41 plus $4.35 equals $14.76.

A CONCURRENT RESOLUTION OF THE LEGISLATURE AND THE GOVERNOR ENCOURAGING CONTINUATION OF A FAIR GRAZING FEE FORMULA FOR CONTINUED LIVESTOCK GRAZING ON FEDERAL LANDS

Be it resolved by the Legislature of the State of Utah, the Governor concurring therein:

Whereas agriculture is one of Utah's most important industries;

Whereas livestock production is the catalyst for over $1 billion of economic activity annually which is critical to the health of our economically stressed rural communities;

Whereas the federal land resource which represents nearly two-thirds of the land area of Utah plays an important part in combining enough private and public land to create economically viable ranching operations;

Whereas the fee collected from grazing the federal lands pays an inordinately high portion of the multiple use costs of administering the public lands;

Whereas there is consistency between the economic activity on the public land as well as its multiple use and the material well being of the range and the animal and plant species on it;

Whereas contrary to popular theory if public land is left to run wild it would deteriorate over time, create fire hazards, and bring an end to species diversity;

Whereas over several generations public lands ranchers have developed the confidence to invest in fencing, water development, roads, and forage quality which provides an outdoor experience for public use and increased wildlife populations;

Whereas the cost of purchasing the permit and its associated non-fee costs such as lower productivity, larger land area needs, predatory animal losses, and more herders need to be taken into account when comparing public land grazing fees and private land leases; and

Whereas there is a movement among radical environmental groups and some members of the United States Congress to increase the grazing fee to levels that would seriously threaten the stability of Utah's livestock industry:

Now, therefore, be it resolved that the Legislature of the State of Utah, the Governor concurring therein, support the continuation of an equitable fee structure as is embodied in the Public Rangeland Improvement Act fee formula that preserves confidence and integrity over time and provides benefits to all Americans through multiple use of the federal lands including livestock grazing.

Be it further resolved that copies of this resolution be sent to the President of the United States, the United States Secretary of Agriculture, the United States Secretary of the Interior, the President of the United States Senate, the Speaker of the United States House of Representatives and the members of Utah's congressional delegation.

Mr. WALLOP. Regular order, Mr. President.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. WALLOP. Mr. President, I take exception with the Senator. There is a reconciliation initiative. The earlier vote was a gimmick and fabrication. And the Senate should know it and does know it no matter what they say. They are saying no matter how much is required, they will take care of our concerns and we should vote "no."

Whatever they told you, the instructions are required as you voted for them. You are required to match them, and there are only so many critters out of whose hide this can be taken and these hides have been spoken for.

This is an assault by the President on the West. When he completes the mugging of it and the ranchers are off the land and miners are collecting food stamps, you can look at this as the beginning.

No matter what promises are given, we either abandon the whole process of reconciliation and the budget, or we have to report back exactly what the people here will have voted us to report back.

That is the truth of it, Mr. President. It is truth in budgeting. The 60's situational ethics may or may not be valid. But the American public should know what took place in this Chamber this afternoon was a charade, that it was not honest, and it did not fit the pattern of what people have said it would fit.

Mr. President, I yield back the remainder of the time and urge my amendment be adopted.

Mr. SASSER. Mr. President, I move to table the amendment and ask for the yeas and nays on the motion to table.

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 the motion of the Senator from Wyoming. On this question, the yeas and nays were ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Hawaii [Mr. INOUYE], is necessarily absent.

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

The result was announced—yeas 59, nays 40, as follows:

[Rollcall Vote No. 48 Leg.]

YEAS—59

Akaka	Feingold	Metzenbaum
Baucus	Feinstein	Mikulski
Biden	Ford	Mitchell
Bingaman	Glenn	Moseley-Braun
Boren	Graham	Moynihan
Boxer	Harkin	Murray
Bradley	Heflin	Nunn
Breaux	Hollings	Pell
Bryan	Jeffords	Pryor
Bumpers	Johnston	Reid
Byrd	Kennedy	Riegle
Campbell	Kerrey	Robb
Chafee	Kerry	Rockefeller
Cohen	Kohl	Roth
Conrad	Krueger	Sarbanes
Daschle	Lautenberg	Sasser
Dodd	Leahy	Simon
Dorgan	Levin	Wellstone
Durenberger	Lieberman	Wofford
Exon	Mathews	

NAYS—40

Bennett	Gorton	Murkowski
Bond	Gramm	Nickles
Brown	Grassley	Packwood
Burns	Gregg	Pressler
Coats	Hatch	Shelby
Cochran	Hatfield	Simpson
Coverdell	Helms	Smith
Craig	Kassebaum	Specter
D'Amato	Kempthorne	Stevens
Danforth	Lott	Thurmond
DeConcini	Lugar	Wallop
Dole	Mack	Warner
Domenici	McCain	
Faircloth	McConnell	

NOT VOTING—1

Inouye

So the motion to lay on the table the amendment (No. 194) was agreed to.

Mr. SASSER. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 196

The PRESIDING OFFICER. Under the previous order, the question is now on amendment No. 196, offered by the Senator from Colorado [Mr. BROWN], with 10 minutes equally divided.

Who yields time?

Mr. BROWN. Madam President, I yield myself such time as I may consume.

The PRESIDING OFFICER. The Senator from Colorado may proceed.

Mr. BROWN. Madam President, I ask unanimous consent that Senators FAIRCLOTH and NICKLES be added as cosponsors to the amendment.

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

Mr. BROWN. Madam President, the President challenged this Chamber and Members of the other Chamber to come forth with ideas on how we could save money in the Federal budget. Unspoken yet I think felt by the President and by every Member of this Chamber was to look for ways we can save money in the Federal budget, reduce the deficit but not cut out the muscle, the sinew, and the bone that makes this budget and this Nation of ours function from a Federal level.

The challenge literally is to find the fat, to cut out areas where we can trim and reduce the deficit without endangering the solid, good programs that help people of the country.

This amendment, I believe, meets that standard. It is an amendment that is offered in a bipartisan spirit. It is an amendment that I believe deserves the bipartisan support of this Chamber.

What does the amendment do? It attempts to look at the area of administrative overhead. There was a recommendation by the Heritage group that suggested you could save $350 billion in this area, or in that neighborhood.

In reviewing it, we found, one, the recommendations, while they spotted an important area, were not specific. We spent sometime in this area. Working with the Office of Management and Budget, we identified the specific budget categories and classes that overhead comes under; that is object class 20 and those in the 20's, and object class 30 and those in the 30's. What we are talking about are the expenditures of the Federal Government for travel, supplies, rent, utilities, phone, printing, production, materials, and so on.

In short, what we are talking about is overhead, simple overhead in the Federal budget. It is related to the specific category within the budget. Madam President, last year in the previous administration, overhead went up over 11 percent in 1 year.

Our new President has challenged the country to reduce the deficit, and he has committed himself to reducing Federal employment by 100,000 employees. Let me make it clear, this amendment does not relate to salaries. The savings of salaries are to be achieved in the President's plan that is already before us, and those salary savings flow through to the taxpayer. This relates to the offices in which those 100,000 serve, the supplies that they use, the travel vouchers that they use; in short, the overhead that supports them.

This amendment simply suggests that you are going to go 2 years without increasing overhead expenditures and forego cost-of-living for the balance of 3 years. When the Office of Management and Budget estimated, we specifically excluded defense expenditures because defense expenditures are handled elsewhere within the President's budget. We also excluded the Department of Agriculture loans because they are handled in a different area.

The estimate was roughly $46 billion of savings can be achieved in 2 years without an increase. We are not talking about cuts. We are simply talking about not increasing for 2 years; $46 billion. But when we asked the Congressional Budget Office to evaluate this same amendment, they said, no, we think there are some other factors here and said this amendment would save $26.6 billion over 5 years. Again, not cutting, simply holding the spending for overhead steady for 2 years.

The committee used that smaller figure, $26.6 billion, for savings, but some of the staff on the committee said, "Wait a minute, we think there could be a conflict between this and other savings that are contemplated in the budget. We think there is maybe $10 billion in that area that may duplicate other savings."

So the amendment that is before the body is simply to save $16.6 billion; that is roughly a third of what the Office of Management and Budget says is available simply by holding spending steady.

So this is not draconian. It does not cut. It simply says you are going to go 2 years without an increase for administrative overhead, and it takes a third of the amount that the Office of Management and Budget claims is in that category.

Madam President, if we cannot save on overhead, we cannot save anywhere. These are the easy ones. This is an amendment I hope will have strong bipartisan support because by saving here, we eliminate the need to cut elsewhere.

The simple fact is, every business in this Nation, when they come upon difficult times, the first place they look to is overhead. They ask themselves: Is there not some way we can save in that area?

I might suggest, this very clearly does not conflict with any other single area. It is only a third of what is available. My hope is that my colleagues will join in this effort. We face tough times. That does not come as a surprise to anyone in this Chamber. Our deliberations have been far too partisan, but the problems the American people face are bipartisan and the solution they want is bipartisan. This is an idea solicited by the President that I hope will be well received because without taking a look at overhead, we will be diverting the effort to cut spending in other areas with far less priority.

Madam President, I ask for the support of this effort to reduce the deficit by $16.6 billion, and I reserve the remainder of my time.

The PRESIDING OFFICER. The Chair advises the Senator from Colorado that he has consumed all of his time.

Mr. BAUCUS. Mr. President, I speak in opposition to the amendment offered by Senator BROWN. While we may all agree about the goal of reducing unnecessary and excessive administrative costs in the Federal Government, I believe the approach offered here is flawed.

Freezing the allowable administrative costs of all Federal departments and agencies across the board fails to penalize those bureaucratic agencies most prone to administrative excesses or reward those that are most efficient. It fails to set priorities.

The economic plan presented by President Clinton embodies the administration's priorities regarding the various Federal Government agencies. It deserves fair consideration before across-the-board measures are adopted. The reconciliation process, not the budget resolution, is where Congress should set its priorities.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. SASSER. Madam President, the amendment is being portrayed as a 2-year freeze on overhead expenses. In my judgment, this clearly falls under false advertising. The Brown amendment relies on grossly exaggerated and a flawed definition of overhead. Let me give my colleagues a couple of examples.

First, let us take the NASA budget. If you add up what NASA spends on the categories that the Senator from Colorado spoke about yesterday as overhead, it comes out to about 4 percent of NASA's obligations; 4 percent. That is a proportion that NASA spends on travel, transportation, rent, supplies, and printing. These are the expenses the Senator talked about, but if you look at how much of the NASA budget is included as overhead under the Brown amendment, it is not 4 percent, he includes 89 percent of the NASA budget.

Some may think you should cancel the space station, but I do not think it could be classified as an overhead expense. There are many such examples. For instance, take the Department of Energy. The Energy Department also spends about 4 percent of its budget for rent, travel, transportation, supplies, printing costs. But under the Brown amendment, it is not 4 percent; the Brown amendment counts 91 percent of the Energy Department's budget as overhead; 91 percent of the Energy Department's budget as overhead when actually only 4 percent is.

Madam President, these examples show that the amendment is flawed, and I think inadvertently misleading. The amendment is also unnecessary. It is unnecessary because President Clinton's plan before us includes an ambitious attack on overhead expenses. The President's proposal requires that all agencies cut administrative costs by 14 percent by 1997. Indeed, he has placed the Vice President in charge of a very ambitious program to streamline Government across the board, to cut overhead across the board, to reduce duplication and waste and inefficiency across the board. And the President has set an example by his cuts in the White House staff.

He has stated by action and implication that we should emulate his cut in the Senate and Congress. We are doing that by reducing staff here, reducing overhead in the Congress.

So I submit, Madam President, that this amendment is not a freeze of overhead. It is a freeze of discretionary accounts to the tune of about $16 billion. That is gong to do really, I think, irreparable damage to a number of the programs that are funded under the discretionary accounts. NASA is one example. The Department of Energy is another example. These are the most glaring examples, but it permeates the domestic discretionary accounts.

Madam President, I yield back all my time. I move to table the amendment and ask for the yeas and nays on the motion to table.

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 table the Brown amendment (No. 196). The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Hawaii [Mr. INOUYE] is necessarily absent.

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

The result was announced—yeas 51, nays 48, as follows:

[Rollcall Vote No. 49 Leg.]

YEAS—51

Akaka	Ford	Mikulski
Baucus	Glenn	Mitchell
Biden	Graham	Moseley-Braun
Bingaman	Harkin	Moynihan
Boren	Heflin	Murray
Boxer	Hollings	Nunn
Bradley	Johnston	Pell
Breaux	Kennedy	Pryor
Bryan	Kerrey	Reid
Bumpers	Kerry	Riegle
Byrd	Krueger	Rockefeller
Daschle	Lautenberg	Sarbanes
DeConcini	Leahy	Sasser
Dodd	Levin	Shelby
Exon	Lieberman	Simon
Feingold	Mathews	Wellstone
Feinstein	Metzenbaum	Wofford

NAYS—48

Bennett	Dorgan	Mack
Bond	Durenberger	McCain
Brown	Faircloth	McConnell
Burns	Gorton	Murkowski
Campbell	Gramm	Nickles
Chafee	Grassley	Packwood
Coats	Gregg	Pressler
Cochran	Hatch	Robb
Cohen	Hatfield	Roth
Conrad	Helms	Simpson
Coverdell	Jeffords	Smith
Craig	Kassebaum	Specter
D'Amato	Kempthorne	Stevens
Danforth	Kohl	Thurmond
Dole	Lott	Wallop
Domenici	Lugar	Warner

NOT VOTING—1

Inouye

So the motion to table the amendment (No. 196) was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. SASSER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 198

The PRESIDING OFFICER. The pending question is the Domenici amendment No. 198.

Who yields time?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico.

Mr. DOMENICI. Mr. President, is the Domenici amendment the pending business?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. Five minutes on each side?

The PRESIDING OFFICER. That is correct.

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

Mr. President, essentially this amendment is very simple and forthright. President Clinton, when he was a candidate, said the following: "Our defense plan cuts $60 billion more over 5 years than the cold war budget that the Bush administration advocates."

This amendment, as closely as I could draft it, says let us cut defense exactly the amount that President Clinton advocated when he was running.

I want to emphasize this is a path, because we do not have a budget, we do not know precisely what is being cut and what is not.

I choose in these difficult times to take the President at his words in his plan that he held up to the American people, and I say let us cut defense as much as the President told us he was going to cut it when he was running.

That means that instead of $127 billion in cuts on budget authority and $112 billion on outlays, essentially we are going to get to $60 billion in outlays in 5 years and $67 billion in budget authority. We are going to put that back in and we are going to reduce the new spending on new programs by an equivalent amount. The theory and the thesis is very simple. With $124 billion in new programs and defense coming down twice as much as was contended when he was running for President, let us just reduce the amount of the cuts in defense and increase and not have so much growth on the domestic side.

I do this for two reasons. I am fearful we are cutting too fast and, second, I believe it is now almost without question that this defense cut in this bill is going to cost between 1.2 and 1.8 million jobs. That is the Congressional Budget Office evaluation.

So I think we run at cross currents. While we are trying to create jobs, we are going to be running a hundred yard dash to get rid of jobs and perhaps we are going to be running a mile race to try to get new jobs.

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

Mr. DOMENICI. I yield myself 1 additional minute.

The PRESIDING OFFICER. The Senator is recognized for 1 additional minute.

Mr. DOMENICI. Mr. President, I am going to make the Congressional Budget Office letter part of the RECORD. I am not dreaming this up. They say between 1.2 and 1.8 million. I ask unanimous consent that that letter be printed in the RECORD.

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

CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 5, 1993.

Hon. PETE V. DOMENICI,
Ranking Minority Member, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR SENATOR: This letter responds to your staff's request for preliminary results on the effects of defense budget cuts on the national economy and defense employment. The Congressional Budget Office [CBO] will

soon issue a paper, which is being prepared at your request, dealing more broadly with the economic effects of reduced defense spending.

In the long run, if cuts in defense spending are used to either reduce the federal deficit or fund carefully chosen federal investments, those cuts could lead to permanently higher levels of income than would otherwise occur. The short-run effects of these two choices differ, however. In the short run, cuts in defense spending—indeed, cuts in any type of federal spending—reduce the demand for goods and services if they are used to reduce the deficit. Coupling defense cuts with equal increases in public-sector investments or in other nondefense spending could reduce those adverse short-run effects.

The purpose of CBO's analysis is not to forecast the path of the U.S. economy but rather to isolate the short-run effects of cutting defense spending. The analysis therefore assumes that reductions in defense spending are not offset by increases in nondefense spending. Without such increases, the defense cuts would reduce the federal deficit.

THE ALTERNATIVES CBO EXAMINED

CBO examined the effects of the defense budget plan submitted by the Bush Administration in January 1992 (hereafter called "the Bush plan") and of three alternative plans that make larger cuts. As you requested, those alternatives assume that by 1998 annual defense budget authority is reduced below the Bush plan by $25 billion, $50 billion, and $100 billion, respectively. Under each of the alternatives, dollar reductions would be phased in gradually between 1994 and 1998, and investment and operating accounts would be reduced by identical proportions. Numbers of military personnel are assumed to be reduced by the same proportions as are operating accounts, with equal annual reductions in 1994 through 1998 (see Table 1 for the effects of the alternatives on budget authority and outlays).

Under those assumptions, the real decline in defense outlays from 1992 to 1998 would amount to 17 percent under the Bush plan. Reductions under the alternatives would range from 24 percent under Alternative A to as much as 42 percent under Alternative C (see Table 2).

The three alternatives are not designed to match any particular budget plan. Moreover, because the alternatives were derived by adjusting the Bush plan, they reflect last year's assumptions for inflation, which were considerably higher than current projections. If adjusted for the difference in inflation, the defense outlays recently proposed by the Clinton Administration would generally fall between those in Alternatives A and B.

EFFECTS ON THE NATIONAL ECONOMY

How would these three alternative budget plans affect the U.S. economy? The effects of the Bush 1992 plan are already reflected in CBO's current forecast for the U.S. economy, which was issued in January 1993. That forecast envisions some growth in real gross domestic product (GDP) in 1993 and 1994, though at rates that are lower than normal for a period of cyclical recovery. The forecast also anticipates declines in the civilian unemployment rate. Beyond 1994, CBO projects that the rate of growth of real GDP will average 2.5 percent a year.

To assess how the alternatives might affect these base-case estimates, CBO used the INFORUM model developed at the University of Maryland. This model was selected because of its ability to assess the effects of defense cuts at the level of individual industries and states. Other econometric models would generate different numbers. The results presented here should therefore illustrate the pattern and size of the economic effects associated with alternative defense budgets, but should not be treated as precise forecasts.

The defense budget cuts contemplated in Alternative A, if used to reduce the deficit, would alter the base-case economic forecast only slightly. The level of GDP in 1998 would be about 0.2 percent (two-tenths of a percent) lower than under CBO's forecast (see Table 3). Because the reduction in the level of GDP is so small, the growth rate of GDP over the 1993–1998 period would be nearly the same.

The larger spending cuts under Alternative B—in which real outlays fall by 30 percent from 1992 to 1998 compared with 24 percent under Alternative A—would imply correspondingly larger temporary reductions in GDP. According to the INFORUM model, Alternative B might reduce GDP by 0.6 percent in 1998. Alternative C—which envisions a real reduction in outlays of 42 percent between 1992 and 1998—would reduce GDP by 1 percent, according to the INFORUM model. The comparison, in each case, is with a policy that keeps defense spending at the levels of the Bush plan and does not vary any other spending or tax policy.

EFFECTS ON DEFENSE EMPLOYMENT

As of 1992, almost 5.5 million people were employed in defense-related jobs (see Table 4). Of those, about 2.7 million were private-sector workers, which include both direct workers (employees of defense contractors) and indirect workers (employees of their suppliers and subcontractors). The total of 5.5 million also includes 1.9 million military personal on active duty and 1.9 million civilian employees of the Department of Defense [DoD].

Under the Bush plan, about 870,000 of those defense-related jobs (or 16 percent) would be eliminated between 1992 and 1998 (see Table 4). Some 610,000 jobs in private industry would be lost, according to estimate from the INFORUM model. In addition, the jobs of some 190,000 active-duty military personnel and 70,000 DoD civilians would be eliminated by 1998.

Job losses would be larger under the alternatives. Between 1992 and 1998, Alternative A would lead to a decline of 1.3 million jobs. (see Table 4). This figure represents an additional loss of more than 400,000 jobs beyond the number predicted for the Bush 1992 plan. Alternative B results in a reduction of about 1.75 million positions by 1998, an increase of about 890,000 over that of the Bush 1992 plan. Under the budget cuts assumed in Alternative C, nearly 2.5 million defense-related jobs would be eliminated over the 1992–1998 period, or 1.6 million more than under the Bush plan.

Not all who lose their jobs under these scenarios will experience extended unemployment. Some former defense workers will switch to nondefense jobs within firms that produce both defense and commercial products. Others may be retained by firms that convert from defense to commercial business. Many will move to nondefense firms whose business is growing. Indeed, the employment prospects for displaced defense workers will depend more on the overall growth in the U.S. economy than on what happens within the defense sector. So far, the pace of job creation during the current recovery has been anemic. It appears, however, that the economy has now entered a period of growth that could lead to great job creation in 1993 and 1994.

I hope this information is useful. Please let me know if you have any questions.

Sincerely,

ROBERT D. REISCHAUER,
Director.

TABLE 1.—ALTERNATIVE NATIONAL DEFENSE BUDGETS

[By fiscal year, in billions of dollars]

	1993	1994	1995	1996	1997	1998	Total 1994–98
Bush Administration's 1992 Plan[1]							
Budget authority	[1]273	282	284	286	291	[2]296	1,438
Outlays	293	282	283	286	290	293	1,431
Alternative A: Cut $25,000,000,000 From 1998 Budget							
Budget authority	273	277	277	274	273	271	1,371
Outlays[3]	293	279	277	277	275	271	1,378
Alternative B: Cut $50,000,000,000 From 1998 Budget							
Budget authority	273	274	269	261	255	245	1,304
Outlays[3]	293	277	272	267	260	249	1,324
Alternative C: Cut $100,000,000,000 From 1998 Budget							
Budget authority	273	267	253	235	219	195	1,169
Outlays[3]	293	274	261	247	230	205	1,216

[1] Adjusted for Congressional action in 1993.

[2] Projected by the Congressional Budget Office assuming the same real decline in budget authority as in 1997.

[3] Outlays estimated after enactment to the fiscal year 1993 budget using economic and spendout assumptions consistent with the Bush administration's plan.

Note.—Numbers may not add to totals because of rounding.

Source: Congressional Budget Office.

TABLE 2.—CHARACTERISTICS OF ALTERNATIVES FOR THE DEFENSE BUDGET

	1998 outlays		Real reduction in outlays (percent)		Defense outlays as a percentage of GDP, 1998
	Billions of dollars[1]	Billions of 1993 dollars	1992–98	1987–98	
Bush 1992 plan	293	253	17	26	3.7
Alternative A ($25,000,000,000 cut)	271	234	24	31	3.4
Alternative B ($50,000,000,000 cut)	249	215	30	37	3.2
Alternative C ($100,000,000,000 cut)	205	177	42	48	2.6

[1] Nominal outlay estimates reflect last year's economic assumptions.

Note.—GDP=gross domestic product.

Source: Congressional Budget Office.

TABLE 3.—ESTIMATED IMPACT ON GROSS DOMESTIC PRODUCT OF ALTERNATIVE DEFENSE BUDGETS

[By calendar year]

	1994	1995	1996	1997	1998
Percentage change from base case:					
Alternative A	−0.1	−0.1	−0.1	−0.1	−0.2
Alternative B	−.1	−.1	−.1	−.2	−.4
Alternative C	−.1	−.2	−.4	−.6	−1.0

Note:—These effects assume no changes in elements of the federal budget other than defense. Thus, the alternatives imply very different paths to reducing the deficit.

Source: Congressional Budget Office using the INFORUM model.

TABLE 4.—DEFENSE-RELATED JOB LOSSES BETWEEN 1992 AND 1998

[In thousands of dollars]

	1992 level of defense employment	Losses under Bush 1992 plan	Losses under alternative		
			A	B	C
Private sector:					
Direct	1,650	415	510	620	805
Indirect	1,020	195	270	335	455
Subtotal	2,670	610	780	955	1,260

TABLE 4.—DEFENSE-RELATED JOB LOSSES BETWEEN 1992 AND 1998—Continued

[In thousands of dollars]

	1992 level of defense employment	Losses under Bush 1992 plan	Losses under alternative		
			A	B	C
Percentage change from 1992	NA	23	29	36	47
Public sector:					
Active-duty military	1,880	190	360	590	910
DOD civilians	905	65	135	205	315
Subtotal	2,785	255	495	795	1,225
Total	5,455	865	1,275	1,750	2,485

Note.—NA=not applicable; DOD=Department of Defense.

Source: Congressional Budget Office using the Inforum model.

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

The PRESIDING OFFICER. Who yields time?

If no time is yielded, the time will be charged equally.

The Chair recognizes the Senator from Tennessee.

Mr. SASSER. Mr. President, before yielding to the Senator from Pennsylvania, I want to say that this amendment offered by my friend and colleague from New Mexico is a complete anachronism. It does the opposite of everything we have heard from the American people over the last 3 years.

The cry from the heart of the American people in recent years has been what about us? What about us here at home? What about the needs of the American people in education, in health, in criminal justice to do something about this criminality that makes us afraid to walk the streets at night? That is in all these areas that have been neglected over the past 12 years.

And here we are, Mr. President, with an amendment that incredibly adds $60 billion to military spending at the expense of all of these long-neglected domestic needs. Only here in Washington is there any sentiment for taking funds out of Head Start for education, out of childhood immunization, out of neighborhood policing, and out of job training. Only in Washington would we be talking about taking $60 billion away from what the American people want and putting it in what they do not want—more military hardware.

Are we talking about buying more aircraft carriers, more MIRV missiles with hydrogen warheads on them? Are we talking about buying more B-2 bombers?

Mr. President, this amendment is a relic of the past, and I urge my colleagues to vote against it.

I yield the remainder of my time to the distinguished Senator from Pennsylvania [Mr. WOFFORD].

The PRESIDING OFFICER. The Chair recognizes the Senator from Pennsylvania.

Mr. WOFFORD. Mr. President, I am convinced that if the American people want this President to succeed, they want to see him and see us apply our Nation's energy and resources to meeting the human challenges here at home with the same commitment we have shown in meeting challenges abroad.

Americans want to give change a chance. They want a government that invests wisely instead of spending wastefully.

The American people know the national security begins at home, in our schools, on our streets, in our communities. That is why I am voting against this amendment offered by my colleague from New Mexico.

This amendment would transfer almost $60 billion from the President's domestic investment program to military spending.

Under the Clinton plan, we will meet our security needs. We will still be spending $277 billion on defense in fiscal year 1994. Throwing unneeded funds into the defense budget would cripple our ability to invest in our economic security here at home for their domestic needs that have been sorely neglected.

We are already paying the price in lost productivity and economic competitiveness. Federal investments in needed job training and in infrastructure development have declined almost a third in fiscal years from 1981 and 1992, from 13.8 to 9.4 percent. This declining investment has had a real impact on our education, health, transportation systems, and living standards.

We will never tame this deficit without rebuilding our economic productivity and investing in a better future and growth. That is the promise of the American life, a better life for our children, and that is the project we must keep by enacting the President's economic plan.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Mr. President, how much do the opponents have remaining?

The PRESIDING OFFICER. Fifty-five seconds.

Mr. SASSER. I thank the Chair.

Mr. DOMENICI. Did I use 4 minutes? I thought I used 3.

The PRESIDING OFFICER. The Senator from New Mexico has 2 minutes remaining.

Mr. DOMENICI. Mr. President, I yield myself 1½ minutes.

Mr. President, so nobody will misunderstand the proposal that I make to the Senate will reduce defense spending for the 5 years ahead of us the sum total of $75 billion which was planned by President Bush and $60 billion planned by the President when he was campaigning, so we are talking about $135 billion.

I believe the American people accepted the President when he was running at his word, that it was going to be a balanced deficit-reduction package.

It is not balanced. All of the cuts are out of defense, and domestic spending is increasing, and we are led to believe that is a job-producing economic revival budget.

The other part of it is $295 billion in taxes as simple as that.

I believe we ought to go slow on defense, use the President's promise and his plan, cut that much, and then slow up on the new domestic spending. I do not think that an anachronism. I think the American people, if they knew what we were doing to defense, would be saying, "Why aren't you cutting anything else?"

That is the issue. We are cutting nothing else except defense and raising taxes. I believe we are going to put people out on the street faster than we are going to produce jobs for them under this economic plan by a long shot.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator has one-half minute remaining.

The Chair recognizes the Senator from Tennessee.

Mr. SASSER. Mr. President, in constant dollars, in 1994 the Clinton budget spends $277 billion. That is $38 billion more than we were spending in constant dollars in 1979 in the Carter administration at $249 billion, and that is $45 billion more in constant dollars, dollars corrected for inflation, than the Nixon-Ford administration spent in 1975. And bear in mind the evil empire was alive and well then. Mr. Brezhnev was sitting in the Kremlin.

There is no more Soviet Union, and even under this Clinton plan we will be spending more than we spent in 1979 and 1975.

Mr. President, there is no need to take this money away from long-neglected domestic programs to plow more of it back into military spending.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico.

Mr. DOMENICI. Mr. President, you can go back to any time in history and make a case for almost anything. The truth of the matter is the year he is using the number for is the exact year we lost the Vietnam war.

About 2 years later we had a hollow Navy. We could not fly the airplanes. We did not have enough fuel, and everybody was concerned.

Now we have come ahead with an All-Voluntary Army that is highly paid, and we expect to get our money's worth compared to those days.

I just do not believe that is what the American people expect us to do for the men and women in the military and for our defense.

Mr. BYRD. Mr. President, a vote for this amendment is the equivalent to saying that the President has underestimated our defense needs by some $60 billion over the next 5 years. This is the view that the national security state, as bloated as it is, without any

major visible adversary threatening our survival, must be kept big, bloated, and beefed up—we took decades building this apparatus, and now we cannot face reality in the face and start the necessary downsizing in order to reinvigorate our economy and its skills, infrastructure, productivity and competition. We are too timid to make the necessary changes to accommodate the changes that have occurred in the world.

This is a vote for the past, not the future. The $60 billion that the Senator wants to plow back into our giant national security state is $60 billion we will shortchange the economic future of our Nation, $60 billion which might well be multiplied several times over when it is plowed into the right channels of investment in our economy. We are not going to be a superpower long by puffing up unnecessarily our military system, and shortchanging and neglecting the real basis of our superpower status. What a waste of resources.

What this amendment says is: Do not give the new President a chance to reinvigorate the Nation, to take us into new channels of productivity. It says stand pat, and slowly drift downward, with the dragging weight of an increasingly irrelevant military structure slung around our national neck.

I encourage my colleagues to ratify the opportunity the American people voted for last November. That is what this amendment is all about.

Mr. SASSER. Mr. President, I move to table the amendment.

Mr. President, I ask for the yeas and nays on the motion to table.

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 amendment of the Senator from New Mexico. The yeas and nays have been ordered.

The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Hawaii [Mr. INOUYE] is necessarily absent.

The VICE PRESIDENT. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 58, nays 41, as follows:

[Rollcall Vote No. 50 Leg.]

YEAS—58

Akaka	Daschle	Hatfield
Baucus	DeConcini	Hollings
Biden	Dodd	Jeffords
Bingaman	Dorgan	Johnston
Boren	Durenberger	Kennedy
Boxer	Exon	Kerrey
Bradley	Feingold	Kerry
Breaux	Feinstein	Kohl
Bryan	Ford	Krueger
Bumpers	Glenn	Lautenberg
Byrd	Graham	Leahy
Campbell	Grassley	Levin
Conrad	Harkin	Mathews
Metzenbaum	Pell	Sarbanes
Mikulski	Pryor	Sasser
Mitchell	Reid	Simon
Moseley-Braun	Riegle	Wellstone
Moynihan	Robb	Wofford
Murray	Rockefeller	
Packwood	Roth	

NAYS—41

Bennett	Faircloth	McConnell
Bond	Gorton	Murkowski
Brown	Gramm	Nickles
Burns	Gregg	Nunn
Chafee	Hatch	Pressler
Coats	Heflin	Shelby
Cochran	Helms	Simpson
Cohen	Kassebaum	Smith
Coverdell	Kempthorne	Specter
Craig	Lieberman	Stevens
D'Amato	Lott	Thurmond
Danforth	Lugar	Wallop
Dole	Mack	Warner
Domenici	McCain	

NOT VOTING—1

Inouye

So the motion to lay on the table the amendment (No. 198) was agreed to.

Mr. SASSER. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 202

The VICE PRESIDENT. The pending question is the Leahy amendment No. 202. There will be 10 minutes of debate equally divided. The Senator from Vermont.

Mr. LEAHY. Mr. President, the amendment is a very simple sense of the Senate. What it says is the Congress assumes the Women, Infants, and Children Program will be funded at the level requested by the President for fiscal year 1998.

Over 3.5 million pregnant women, infants, and children are eligible for benefits under WIC today, but they are not served due to the funding limitations in the program.

WIC has gotten as far as it has through broad bipartisan support. I see the distinguished Republican leader, Senator DOLE, on the floor. I think of the years I have been on the Senate Agriculture Committee and there has not been a single WIC bill that I have not been able to join in with the distinguished Senator from Kansas. In fact, in the last 10 years, there have been a number of Dole-Leahy or Leahy-Dole WIC bills.

I say this because the question of feeding poor pregnant women or feeding their children once born is not a political question. In a greater sense of words, it is not even an economic question, even though it makes great economic sense because a healthy child is a child that learns, a healthy child, from the time of their infancy on, is one who has far less illnesses, and far less cost for that. but in this country, it is truly a moral issue.

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

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

The minority has 5 minutes in opposition.

If no Senator yields time, the time will be deducted equally from both sides.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Vermont.

Mr. LEAHY. Mr. President, as to the numbers I used earlier, I should note that for every WIC dollar spent on pregnant women we save on Medicaid costs for illnesses beginning the first 60 days after birth anywhere from nearly $2 to $4.21 for newborns and mothers. As to the cost of low birthweight babies, for $30 a month we save almost $40,000 in just the cost of that child alone.

The whole point is, Mr. President, as the wealthiest, most powerful nation on Earth, the only nation on Earth that cannot only feed all its people but have food remaining to feed millions of others, we should not have hungry, malnourished, pregnant women or hungry, malnourished, newborn infants. This is one way to make sure that does not happen.

Mr. President, if the other side is willing to yield back its time, I would be willing to yield back the time on this side.

Mr. DECONCINI. Mr. President, will the Senator yield.

Mr. LEAHY. I yield to the Senator from Arizona.

Mr. DECONCINI. I compliment the Senator from Vermont for this amendment. He has certainly led this body for years. I am glad to have joined him in moving to add funds continuously and fully fund eventually the WIC Program. It is a program that pays off. For every dollar we put in, it saves us more than $3. It is an investment in people, exactly what the President has called for.

I am pleased that the Senator from Vermont as chairman of the Agriculture Committee and the appropriations subcommittee is doing what he is, and I am glad to join him. I hope everybody will look at this as a nonpartisan issue. It has no partisanship whatsoever. It is merely investing in people, in Americans, who need some assistance to eat and to be healthy. You cannot miss on this vote.

I thank the Senator from Vermont.

Mr. LEAHY. I thank the distinguished Senator, my good friend from Arizona.

Mr. President, I would like to clarify one aspect of my amendment—No. 202 to the concurrent resolution. The amendment assumes full funding for WIC by fiscal year 1996 because it incorporates the President's budget proposals.

The only reason that the amendment language focuses on fiscal year 1998 is that 1998 is the fifth year of the current budget cycle.

But the President's budget and the resolution will achieve full funding for WIC sooner than 1998.

I want to again urge support for this important amendment.

As I said yesterday, WIC serves children at some of the most critical times of their lives. It feeds their mothers when they are pregnant or breastfeeding.

And it feeds children during their important, early development years.

Yet, over 3.5 million pregnant women, infants and children that are eligible for benefits are not served due to funding limitations.

This is a disgrace—investing in WIC is one of America's best investments. President Clinton's proposal to fully fund WIC in 1996 should be supported by every Member of this Chamber.

It is time for America to get its priorities straight. President Clinton, and the American people, have made the right choices.

The President promised to fully fund WIC in "Putting People First," and in the campaign. The American public expects him to carry out his promise.

His proposed budget, "A Vision for Change for America," does just that.

This amendment makes clear that full funding for WIC will become a reality. This should not be a partisan issue, WIC has enjoyed bipartisan support over the years in the Senate.

I ask all my colleagues to join with me in supporting this amendment.

Mr. DECONCINI. Mr. President, I rise today to cosponsor the amendment of my dear friend and colleague, Senator LEAHY, which provide full funding budget authority for the Special Supplemental Food Program for Women, Infants, and Children [WIC].

Mr. President, for the last several Congresses my friend from Rhode Island, Senator CHAFEE, and I, together with the distinguished chairman and ranking member of the Agriculture Committee, Senator LEAHY and Senator LUGAR, and Senators BUMPERS, JOHNSTON, and SASSER, have led the efforts in the Senate to increase appropriations for the Special Supplemental Food Program for Women, Infants, and Children [WIC]. As my colleagues will recall, our effort last year sought to increase WIC funding by $400 million over the prior year's current services level in order to maintain the schedule for full funding of WIC by 1996.

Despite the fact that 82 of the 96 possible Senators cosigned the DeConcini-Chafee annual WIC appropriations request, WIC's enacted level was $2.86 billion, a full $140 million short of the fiscal year 1992 target of $3 billion. While it is very hard to imagine that 82 Senators can agree on anything these days, it is even harder to imagine that such a consensus could be formed and fail to achieve its goal. But that is exactly what occurred last year and has occurred for many years now.

Mr. President, I do not find fault in any way with any of the Senate or House conferees on last year's Agriculture appropriations bill. Their task was nearly impossible given an insufficient subcommittee allocation to meet all the demands placed upon them. Continuing crop disaster insurance problems and other problems made their decisions all the more difficult.

I sincerely applaud the efforts of Senate Agriculture Subcommittee chairman and ranking member. The late Senator Burdick and Senator COCHRAN always did as much as they could for WIC and their efforts last year were no less exceptional.

However, the fact remains we were unable to enact an appropriations level of $3 billion for fiscal 1993, has made this year's and the next 2 year's effort all the more difficult if the members of both the House and Senate sincerely intend to keep our repeated pledges for full funding of WIC by the end of fiscal year 1996. For myself, I remain committed despite recent setbacks. WIC is too important and whatever the cost, we are going to have to find the money. President Clinton agrees and that is why he has called for the same funding levels for WIC requested by this amendment. Under this amendment, WIC would be funded at $4.1 billion by fiscal year 1997.

Mr. President, WIC is a Federal domestic program that simply works. That is why I have been advocate for WIC since its inception because it is the right thing to do. WIC not only prevents infant mortality and low birthweight, study after study has also shown that WIC is the most cost-effective method to do so. WIC reduces Medicaid costs: at a minimum, each dollar invested in WIC's prenatal component saved between $1.92 and $4.21 for newborns and mothers beginning the first 60 days after birth, and from $2.98 to $4.75 for newborns only. In addition, other studies show that future special education costs are greatly reduced through WIC's early nutrition intervention.

Despite this remarkable record, WIC has yet to achieve its full potential. Current funding levels only support 60 percent of the eligible women, infants, and children nationwide, and just 50 percent of all eligible pregnant women. My home State of Arizona currently receives funding that enables the WIC Program to assist about 60 percent of eligible women, infants, and children statewide, but barely serves 40 percent of those eligible in the urban areas.

Yes, Mr. President, the Federal taxpayer does indeed pay quite a bit already for WIC. WIC currently provides critical nutrition and health benefits to an estimated 5.3 million low-income pregnant women and young children at risk of diet-related health problems, but almost as many other needy women and children are unserved.

Tragically, America ranks 20th in infant mortality among the 25 most industrialized nations in the world. Every year 40,000 infants die in the United States and another 11,000 babies are born with long-term disabilities that result from their weakened condition. In testimony before the Senate Budget Committee, Dr. Buford Nichols, of the department of pediatrics, Baylor College of Medicine, stated that "20,000 infant deaths can be prevented each year by improving prenatal nutrition and care."

Mr. President, the sad truth is, unless we act—and act soon—to provide full funding for WIC, we will lose more American infants in the next 13 years than we have lost soldiers in all the wars fought by this country in this century. Let me say that again, without full funding for WIC, America will lose more infants in the next 13 years than we have lost soldiers in all the wars fought by this country since the turn of the century.

The magnitude of this loss of life is certainly compelling. It should be reason enough to act. However, the failure to promptly fully fund WIC is also irrational from a purely fiscal perspective. WIC has been shown over and over to be among the best, if not the best, means to prevent infant mortality and low birthweight. Today, the lifetime costs of caring for just one low-birthweight infant can total as much as $400,000. The Surgeon General estimates that the average cost of a low-birthweight baby can exceed $39,000. The cost of prenatal care—care that might prevent the low birthweight condition in the first place—averages less than $32 per month. As a Nation we have a clear choice. We can pay more now, or we will pay far more later.

Mr. President, I know that sounds like full funding will be an impossible task and it may well prove impossible should the economy get worse than it is today. However, Senator LEAHY and I have gone to far to turn back now. The House and the Senate are now on record in support of full funding of WIC by fiscal year 1996. But, we have a long way to go. For myself, I am committed to press the issue as hard as I can and as often as it is required to achieve that goal. That is why I am supporting this amendment today.

The bottom line is: WIC is a Federal initiative that works and we should work to make it a reality for the millions of women and children whose health will continue to suffer without it. I haven't given up all hope that we can achieve full funding by fiscal year 1996. However, we can't get there without making a few tough choices. I urge my colleagues to make the right choice at this time and support the President's budget proposal for WIC and vote in support of the Leahy amendment.

Mr. DOLE. Mr. President, the Senate is about to vote on a sense-of-the-Sen-

ate resolution relating to funding for the Special Supplement Food Program for Women, Infants, and Children [WIC]. I want to make clear that my vote on this nonbinding amendment should not be interpreted as a vote against WIC. As the senior Senator from Vermont so graciously indicated, I am a longtime supporter of WIC, which is one of our most effective and well-targeted social programs. I believe that we should continue to move toward full funding of WIC, although given our budget crisis we might need to go at a somewhat slower pace than has been recommended.

Before we complete action on this resolution, I will be offering a leadership amendment which will contain additional funding for WIC—not a sense of the Senate, but real money for this most worthwhile program.

Again, I thank the senior Senator from Vermont for his kind words. I highly value the partnership that we have developed on nutrition issues, which has led to some of the most personally rewarding work I have done in the Senate.

Mr. LEAHY. Mr. President, again, I do not see the Republican manager of the bill, but we are ready to yield back our time.

Mr. DOLE. We yield back our time.

Mr. LEAHY. We yield back our time.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to amendment No. 202 offered by the Senator from Vermont [Mr. LEAHY]. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Hawaii [Mr. INOUYE] and the Senator from Illinois [Mr. SIMON] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from New Hampshire [Mr. SMITH] is necessarily absent.

The PRESIDING OFFICER (Ms. MOSELEY-BRAUN). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 82, nays 15, as follows:

[Rollcall Vote No. 51 Leg.]

YEAS—82

Akaka	Conrad	Hollings
Baucus	Coverdell	Jeffords
Bennett	Craig	Johnston
Biden	D'Amato	Kempthorne
Bingaman	Daschle	Kennedy
Bond	DeConcini	Kerrey
Boren	Dodd	Kerry
Boxer	Dorgan	Kohl
Bradley	Durenberger	Krueger
Breaux	Exon	Lautenberg
Brown	Feingold	Leahy
Bryan	Feinstein	Levin
Bumpers	Ford	Lieberman
Burns	Glenn	Lugar
Byrd	Gorton	Mathews
Campbell	Graham	McCain
Chafee	Grassley	McConnell
Coats	Harkin	Metzenbaum
Cochran	Hatfield	Mikulski
Cohen	Heflin	Mitchell
Moseley-Braun	Reid	Simpson
Moynihan	Riegle	Specter
Murkowski	Robb	Stevens
Murray	Rockefeller	Warner
Nunn	Roth	Wellstone
Pell	Sarbanes	Wofford
Pressler	Sasser	
Pryor	Shelby	

NAYS—15

Danforth	Gregg	Mack
Dole	Hatch	Nickles
Domenici	Helms	Packwood
Faircloth	Kassebaum	Thurmond
Gramm	Lott	Wallop

NOT VOTING—3

Inouye	Simon	Smith

So the amendment (No. 202) was agreed to.

Mr. SASSER. Madam President, I move to reconsider the vote by which the amendment was agreed to.

The PRESIDING OFFICER. Without objection, the motion to lay on the table is agreed to.

AMENDMENT NO. 209

The PRESIDING OFFICER. The pending question is the Gorton amendment No. 209 with up to 20 minutes for debate equally divided and controlled in the usual form.

Who yields time?

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Madam President, I ask unanimous consent that Senator PACKWOOD and Senator COATS be added as original cosponsors.

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

Mr. GORTON. Madam President, the waterway user fee was far the largest tax increase included in the President's budget. It is clearly the most destructive, the most iniquitous, and the least justifiable of all of the tax increases proposed by the President.

This proposition is self evidently the case as the proposal has been abandoned by the majority party and by the President himself.

It has been abandoned, however, only through the vehicle of a sense-of-the-Senate resolution which simply proposes to impose on some other unnamed group of Americans the numbers of dollars represented by the waterway user fee.

In short, close to $1 billion must be added to taxes on some other group of people who do not know that they are at risk because they have not been identified in the sense-of-the-Senate resolution which was passed by this body last Thursday.

But because this tax has such a negative impact on such an important sector of our economy, those who use our waterways, this Senator believes it imperative that we put the nail in the coffin of this proposal.

Should it pass, and it is in the budget as passed by the House of Representatives, it will destroy the use of our waterways. It will multiply by 525 percent or from 19 cents to $1.19 a gallon taxes now imposed on fuels used by those craft navigating our inland waterways. It will penalize our agricultural sector and will not produce the revenues designed for it.

This amendment by taking revenues expressly out from the budget resolution to this tax and by reducing proposed taxes by precisely the amount of the waterway user fee will guarantee that it does not become a part of the law and will guarantee that some unintended and unknown victims will not be subjected to any new tax.

Seriously to state that a budget including $295 billion in new taxes over the course of the next 5 years cannot possibly be reduced by $1 billion, that $124 billion in new domestic spending cannot possibly be reduced by less than $1 billion is to treat the budget resolution as less than a serious proposition.

In short, Madam President, this amendment will guarantee this iniquitous tax is not imposed and guarantee that we get exactly the deficit reduction we would get if it were included.

Mr. COCHRAN. Madam President, I am pleased to cosponsor this amendment to delete the proposed increase in the inland waterway users tax from the budget resolution. This 525-percent increase in the tax on diesel fuel used on the inland waterway system will have a very serious effect on agriculture and the towing industry.

An article which appeared in the March 8 edition of the Memphis Commercial Appeal describes the detrimental effects of this tax increase, and I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. COCHRAN. In addition to its direct impact on the towing industry, a $1 per gallon tax increase will hurt farmers and others who ship their products to market on the inland waterway system.

It is estimated that this tax increase alone will cause a $431 million per year decline in farm income.

When combined with the Btu and other taxes proposed in the budget resolution, this economic plan will be devastating to American agriculture. Not only must farmers rely on oil-based fuels to power their equipment, they use other products, such as some pesticides and fertilizers, which are petroleum based.

It is estimated that direct and indirect agriculture production costs will increase by as much as $1 billion per year under the administration's proposed energy taxes. Unless the inland waterway tax is deleted from this resolution, there will be a much higher rate of unemployment rather than a lower rate which I had understood was the goal of the President's economic plan which he called, A Vision of Change for

America. This is one change we will be better off without.

EXHIBIT 1

BARGE OWNERS SAY FUEL TAX STINKS

(By Kevin McKenzie)

William Sory, owner of Memphis Barge Line Inc., used short, pointed sentences to describe his opinions of a Clinton administration proposal that eventually would raise the fuel tax he pays by 600 percent.

"It stinks," was Sory's initial reaction. "It could put me out, that kind of increase."

His final word: "That's a pretty tough pill to swallow."

Raising the diesel fuel tax paid by inland waterway users from 17 cents a gallon now to $1.19 in four years is part of the economic plan announced by President Clinton Feb. 17.

However, during a television interview in New Orleans last week President Clinton gave towboat operators hope that the huge increase is being reconsidered.

"I think that should be re-examined," Clinton said. "I'm not sure that the way the plan was originally designed, that it was supposed to go up that much. . . . I don't think there was a deliberate attempt to quintuple it."

The proposed fee increase shocked the industry. Those who run companies that tow barges on the Mississippi and other inland rivers say it was the worst news they've heard from the White House since the last time a Democrat was president.

President Jimmy Carter's 15-month embargo on grain sales to the Soviet Union after that nation's invasion of Afghanistan translated into lost business that the barge and towing industry hasn't forgotten. President Ronald Reagan lifted the embargo in April 1981.

"This is kind of like deja vu with the last Democratic president," said Bill Stegbauer, vice president of operations for Memphis-based Southern Towing Co.

The fee increases would be in addition to the Clinton plan to levy a broad-based energy tax, based on the energy content of fuel measured by British Thermal Units (Btus). That energy tax alone would add an additional 8–10 cents a gallon for diesel fuel used by towboats, said Jeffrey Smith, vice president of The American Waterways Operators, an Arlington, Va-based trade group representing the industry.

The current 17-cent-a-gallon tax collects only enough to cover half the $430 million spent in 1993 by the Army Corps of Engineers for construction and major rehabilitation of waterways, the Clinton plan said. The fee will rise to 19 cents when the new federal fiscal year begins in October under a previously scheduled increase.

Under the Clinton proposal, the tax hike would collect $820 million in four years. The fee increases would be phased in, beginning with an additional 10 cents this year. Next year, 15 cents would be added, followed by another 20 cents in fiscal 1996. An additional 55 cents, for a total of $1.19, would be added in fiscal 1997, the industry trade group said.

The administration views the increased fees as a replacement for other tax dollars supporting the Corps of Engineers. And, to justify the increase in user fees, the Clinton plan calls the towing and barge industry the nation's most heavily subsidized form of commercial freight transportation.

However, those in the industry contend that others who benefit from waterways don't pay the tax, including farmers who profit from flood control projects and those who use rivers for sport and recreation.

"I wouldn't mind paying my fair share, but the Corps of Engineers maintains the waterways and the locks and dams for three interests—people who use it for commercial interests, flood control and recreation," Stegbauer said.

"Now if we want to put a tax on everybody that goes water skiing in Pickwick Lake, and everybody that goes fishing in the Mississippi River and all the farmers that get flood control protection, then OK," he said.

"If they want us to pay for all of it, then let me have the waterway system. Let my industry take it private and run it and charge all those people," Stegbauer said.

A diesel fuel tax of $1.19 a gallon will put some companies in the industry out of business, owners and industry representatives said. That will accelerate a trend that has seen a loss of small firms and a growing dominance of larger corporations.

The increased cost of shipping by river also would shift traffic to other modes of transportation, particularly railroads. Currently, 15 percent of the nation's freight—including more than half of grain exports, a quarter of the coal and nearly a third of the petroleum products—is transported on inland waterways, the industry's trade group said.

"This is an astronomical tax. Right now the leaders of this industry are getting together to try to see how we can fight for our survival," Smith said. "This makes us an endangered species, no doubt about it."

Sory said his towboat, the Sebring, uses 30,000 to 40,000 gallons of fuel a month pushing barges loaded with petroleum products on the lower Mississippi, Ohio and Cumberland rivers.

He said that with a $1 increase in the user fee, he would be forced to raise his prices to keep his 10-employee company afloat. However, he said he couldn't be sure how much of the cost he could pass along.

"I may try it all, but I don't know how far I'd get," Sory said.

For Southern Towing's fleet of 22 boats, Stegbauer said the company paid $160,000 to $190,000 a quarter for the user fee when it was 15 cents a gallon. The company, which has 280 employees aboard board and another 20 in Memphis, can't afford to pay several times that amount, he said.

"We don't have that kind of money," Stegbauer said.

"If we can bump half of it to our customers, that will be a major battle," he said.

"The other half will mean that we don't look forward to profits anymore. It's going to wipe us out because, without profits, no one is going to lend you any money. Without money to replace and upgrade equipment, you're not going to continue in business."

TOWBOATS, BARGES WAIT FOR CUTS

President Clinton's economic plan, A Vision of Change for America, views the nation's towboat and barge companies as recipients of government giveaways.

Increasing fees for companies that use inland waterways is one of 41 actions called for in Clinton's plan to eliminate subsidies and charge fees for government services.

"The nation can no longer afford subsidies and giveaways to those who don't need them, and we must assure that the taxpayer is fairly compensated for services or resources provided by the government," the report said.

Here is the text of the paragraph, on page 76, affecting use of the nation's rivers:

"Phase-in increased Inland Waterway user fees. The nation's inland waterways are the most heavily subsidized form of commercial freight transportation. Since the system was constructed for commercial navigation beneficiaries, they should pay for all operation and maintenance costs.

"Existing inland waterway fuel taxes collected on application segments of the system only offset half of the Corp of Engineers's cost of construction and major rehabilitation (estimated at $430 million in 1993).

"This proposal would increase the 1994 Federal inland waterway fuel tax from 19 cents to $1.19 per gallon in a series of increasing steps . . . Estimated savings are . . . $820 million over four years."

Mr. GORTON. Madam President, I yield 3 minutes to the distinguished Senator from Missouri [Mr. BOND].

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. BOND. Madam President, I thank my colleague from Washington, and I rise in strong support of this measure which I cosponsor.

As Senator GORTON has pointed out, I think it was vitally important that we not just talk about doing something about this burdensome and ill-conceived tax. We need to take it out of the budget resolution. If there is any sense to this budget resolution, and too many people have worked too long and too hard to deny that it does have some force and effect, then I think we have to take real action and not just say, "By the way, we do not mean it."

As we look at the impact on agriculture of this proposed tax, it is draconian. The immediate implication of such a tax is not speculation. The cost of a typical 14-day trip carrying grain, corn, or soybeans from Minneapolis to New Orleans by inland waterways would increase by $70,000. Under the administration's plan, the fuel cost per ton for grain shipped from Saint Paul, from Quincy, and Pekin, IL, and Dubuque, IA, to the gulf would increase by 130 percent, 126 percent, and 125 percent, respectively.

Over half of all grain destined for overseas markets is shipped by barge. There is no way that our farmers could get back the extra charges by going to other countries and saying, "Please pay us more to handle our fuel tax costs." They are in a competitive market and they cannot set the price. They cannot raise the price.

Agricultural products comprise nearly 35 percent of all products moved on inland waterways. Agriculture has been hit hard in this tax package. It is being hit hard by the barge tax, the grazing fees, as well as in the other huge tax increase, the Btu tax.

A 525 percent increase in an inland waterways fuel tax on top of the other sacrifices U.S. agriculture has been asked to make goes well beyond a fair contribution. It goes to the point where the total of the new taxes to be imposed exceed the profits of the inland waterways industry. If this actually happens, the barge industry, well, it is not going to be around. All the people who work for the barge industry, all the people who service the inland waterway system would be thrown out of jobs.

So I say to my colleagues if you want to be serious, if you want to do something significant and not just go home and say, well, we passed a sense-of-the-Senate resolution, then let us get real and do something that will take out this tax, save the jobs of barge workers, save agriculture, and save our farmers.

I urge support of the amendment.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Madam President, I ask unanimous consent that the distinguished senior Senator from Minnesota be added as cosponsor of the amendment.

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

Mr. GORTON. I yield that Senator 2 minutes.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. DURENBERGER. Madam President, I rise to endorse and urge my colleagues to support the amendment by my colleague from the State of Washington. I congratulate him on his amendment.

As has been pointed out, the Btu tax proposed by the President, and implied in this resolution, is an especially heavy tax on rural America. States like Illinois, Minnesota, Iowa, Wisconsin, and across the western part of this country will suffer tremendously as a result of the President's Btu tax. The Btu tax hits Minnesota just as hard as the carbon tax would hit Kentucky or Wyoming or a gasoline tax solely would hit fuel transportation.

It is a tax that people in rural America pay three times. They pay it on the growing of crops through increased costs of fertilizer inputs as well as increased costs of electricity and fuel to run their machinery. They pay it on the production of the corps through increased costs of propane to dry their grain and increased costs of processing raw foods into prepared foods. And they pay it on the transportation—through the $1 increase in the barge fee. Farmers are paying the Btu tax three times. It is a very unfair tax.

The notion that we were going to begin exempting people from this tax seemed to be a fairly popular one which, of course, is traditional when you propose one of these across-the-board Btu taxes.

So I want to be clear with my colleagues. I do not favor the Btu tax to begin with, because of its unfair and regressive impact on rural America.

But the exemption being carved out, as my colleague from Washington has already pointed out, merely raises taxes. If you exempt the increase in the barge user fees without also cutting spending, then the expected billion dollars of revenue will pop up as a new tax somewhere else in the system.

I ask unanimous consent that I might continue for 1 more minute.

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

Mr. DURENBERGER. Earlier today this body defeated an amendment by my colleague from Minnesota that would have exempted ethanol fuels. I voted for that amendment, but a majority of people in this body said we are not going to exempt one tax and increase another tax.

Tomorrow I am going to introduce an amendment that eliminates the threat of an ethanol tax and make sure that we do not even think about it again. My amendment, cosponsored by Senator DOLE and Senator GRASLEY, cut spending by $82 million—the projected revenues by the Joint Tax Committee for the Btu tax on ethanol. This is a very similar approach to the one that my colleague from Washington takes with regard to the barge user fee. If you want to be sure there is an exemption from a tax, then make sure that there is a real spending cut rather than merely an exemption from taxation.

I urge my colleagues on both sides of the aisle to support Senator GORTON's amendment because it will guarantee America's farmers that they will not be taxed on the cost of using our inland waterways.

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

The Senator from Tennessee.

Mr. SASSER. Madam President, I will vote against the amendment offered by our distinguished Republican colleague from Washington. I will do so because we debated at length on this floor last week the reservations that I think the majority of the Senate has about the steep increase in the barge tax. In fact, the sense-of-the-Senate amendment expressing these concerns, which I supported and which was offered by our distinguished colleague from Iowa, Senator HARKIN, passed by an overwhelming margin.

During the debate, I stated that I shared the concerns regarding the undesirable impact the barge tax would have on the inland waterway industry. I feel that we have done all we can do now in the context of a budget resolution to make clear the majority Senate position on this particular matter.

Frankly, I wish our friend from Washington would withdraw this amendment, because I think it muddies the water with regard to the clear sense of the Senate with regard to what is to be done about a waterways tax. The Harkin amendment passed overwhelmingly.

Should the Gorton amendment not pass, then I think that muddies the water, and I am going to be compelled to oppose it.

I feel that we have already crossed this bridge. We have done all we can do to make the position of the Senate clear in a budget resolution. I must remind my colleagues once more that the budget resolution simply cannot dictate to the Finance Committee what revenues to raise to meet a particular revenue target.

This amendment offered by the distinguished Senator from Washington would reduce the Finance Committee's revenue target without being able to guarantee that the Finance Committee might not go ahead and implement the tax anyway because, just as I stated, we do not have the authority to specify to the Finance Committee what revenues to raise and what revenues not to raise, and indeed the Budget Committee should not have that authority.

But the Senate has already spoken overwhelmingly in a sense-of-the-Senate resolution as to its views on the imposition of a waterways tax to the extent that was supported by the administration.

The administration has indicated that it now has reservations about this waterways tax. This amendment follows what has become a trend with our colleagues on the other side of the aisle, and that is to offset this reduction in revenues from wherever they might come by reducing the revenue allocation as an unspecified reduction in the allowances function of the budget. This means one of two things. Either there is going to have to be a reduction of domestic discretionary spending to pay for this or we are simply going to have to raise the deficit.

What sort of consequences the reduction in discretionary spending would have it is hard to say, since we do not know where the reductions would come from. But I would conclude by advising my colleagues to reject this amendment since it will not achieve the goals sought by the Senator from Washington, while it could reduce funding in many vital areas, which our colleagues support.

I could enumerate those areas. We have gone over them before. They are important areas that the Senate has gone on record supporting such as increases in the Women, Infants, and Children Feeding Program, increases in Head Start, increases in community police efforts. All of these could be reduced if this amendment were to be adopted here by the Senate this evening. It is surplusage, because we have already stated emphatically in a sense-of-the-Senate resolution that the Senate as a whole will look very unfavorably on a waterways tax, should it be imposed to the extent that it was advocated in the original Clinton budget.

So, Madam President, may I ask how much time I have remaining?

The PRESIDING OFFICER. The Senator has 4 minutes 46 seconds.

Mr. SASSER. Madam President, we wanted to yield back some of the time but I am advised—may I ask how much time the Senator from Washington has remaining?

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

Mr. SASSER. Madam President, I am advised that the distinguished Senator from Iowa is rushing to the floor to speak on this amendment. Here he is now. I advise him we probably have 3 minutes left on this amendment if he wishes to speak in opposition.

The PRESIDING OFFICER. The Senator from Iowa has 3 minutes 50 seconds.

Mr. HARKIN. I thank the Senator for yielding. I wanted to be here to speak on this amendment.

First of all, I do thank my friend and colleague from Washington for his interest in this area and for his strong support of the barge industry in America. I know of his interest in this, and I know this amendment is well intentioned, and I know the Senator from Washington means to do well by this amendment.

But, frankly, as I am sure the chairman of the committee has pointed out, we have already spoken on this issue. The Senate is on record, 88 to 12, saying this tax should not be imposed on the barge industry. That vote just happened last week. So this amendment really does not add to that in any way. In fact, if anything, all this amendment really does say, as I read the amendment, is that we are going to have to make some cuts, some discretionary cuts that are not lined out. We do not know what they are. They are just some unknown cuts someplace.

Where will we take those cuts? Will we take them in education? Health care? Immunizations? All the programs we support around here? Will we take them out of the transportation budget? Where are we going to get to that because the Senate last week, in a 88 to 12 vote, said to the Finance Committee that when you report out for reconciliation, do not put this in there. Because if you put it in we are going to take it out. So we have already spoken on that and now we do not need to say let us take some cuts out of something else. We do not have to do that.

So I hope we will resist this attempt, again, to make further cuts in the discretionary budget that we have. We do not have to do that.

As I said, I know my colleague, my friend from Washington, means well. I know of his interest in supporting the barge industry. I do not question that one bit. I know he is foursquare on that issue.

But I really do not see why we have to at this time now say we are going to take some money out of the programs that are already hurting, for which we are going to need every ounce of support we can get—for education, health care, the Head Start programs, and everything else. We do not need that to pay for. All we need to do is tell the Finance Committee when they report it out for reconciliation they better not have it in there. Frankly, a 88 to 12 vote, I think, indicates they will not.

The Senate has already spoken on it. There is no need for this amendment. and I hope it will be defeated, not in the sense of taking out the taxes on the fuel for barges—we have already spoken on that—but defeated in the context of not being forced to take more cuts in discretionary programs.

Madam President, I yield the remainder of my time.

Mr. SASSER. Do we have time remaining, Madam President?

The PRESIDING OFFICER. The senator has 20 seconds.

Mr. SASSER. Madam President, I yield the remainder of our time.

The PRESIDING OFFICER. The Senator yields the remainder of his time.

Mr. SASSER. Madam President, I move to lay on the table the amendment of the Senator from Washington. 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 amendment (No. 209) offered by the Senator from Washington [Mr. GORTON].

The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Hawaii [Mr. INOUYE] is necessarily absent.

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

The result was announced—yeas 55, nays 44, as follows:

[Rollcall Vote No. 52 Leg.]

YEAS—55

Akaka	Feinstein	Mitchell
Baucus	Ford	Moseley-Braun
Biden	Glenn	Moynihan
Bingaman	Graham	Murray
Boren	Harkin	Nunn
Boxer	Hollings	Pell
Bradley	Jeffords	Pryor
Breaux	Johnston	Reid
Bryan	Kennedy	Riegle
Bumpers	Kerrey	Robb
Byrd	Kerry	Rockefeller
Campbell	Kohl	Roth
Conrad	Lautenberg	Sarbanes
Daschle	Leahy	Sasser
DeConcini	Levin	Simon
Dodd	Lieberman	Wellstone
Dorgan	Mathews	Wofford
Exon	Metzenbaum	
Feingold	Mikulski	

NAYS—44

Bennett	Domenici	Krueger
Bond	Durenberger	Lott
Brown	Faircloth	Lugar
Burns	Gorton	Mack
Chafee	Gramm	McCain
Coats	Grassley	McConnell
Cochran	Gregg	Murkowski
Cohen	Hatch	Nickles
Coverdell	Hatfield	Packwood
Craig	Heflin	Pressler
D'Amato	Helms	Shelby
Danforth	Kassebaum	Simpson
Dole	Kempthorne	
Smith	Stevens	Wallop
Specter	Thurmond	Warner

NOT VOTING—1

Inouye

So the motion to lay on the table the amendment (No. 209) was agreed to.

Mr. SASSER. Madam President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(Later the following occurred.)

Mr. FORD. Mr. President, due to a clerical omission, the vote of Senator BOXER was not recorded on the motion to table amendment No. 209. I ask consent that her "aye" vote be properly recorded.

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

(The RECORD has been changed to reflect the above order.)

AMENDMENT NO. 203

The PRESIDING OFFICER. The pending question is the Murkowski amendment, No. 203, with up to 10 minutes for debate equally divided and controlled in the usual form.

The Senator from Alaska.

Mr. MURKOWSKI. I thank the Chair.

Madam President, my amendment would exempt the airlines from the Btu tax. The Senator from Alaska had also intended to bring up an amendment to exempt heating oil. It is amendment No. 204. Unfortunately, because of the time limitations, the Senator from Alaska will be bringing that up after time expires tomorrow. That would waive the mandatory surtax which adds 34 cents per million Btu to oil alone, and is clearly an inequitable tax proposal and focuses in on those who have no other alternative but oil.

Madam President, last year the airline industry lost $4.7 billion. In the last 3 years, the industry has lost $8 billion. The chart on my right indicates the reality as a consequence of 1988 and 1989, then in 1990, 1991, and 1992, and the forecast for 1993 is equally as disastrous. The bottom line is it is bad now, and it is going to get worse. It is going to get worse because we are proposing a tax on an already sick industry of $4.5 billion over the next 5 years. My amendment would relieve the industry of that tax as proposed by the administration.

It is a myth to think that the industry can absorb these costs. Many of them are in bankruptcy or chapter 11 now. Every major airline in this country is losing money. Last year, Alaska Airlines lost $19 million. American Airlines lost $1.5 billion in the last 2 years. USAir has lost over $1 billion.

We are looking at jobs, Madam President: 117,000 jobs were lost in the aerospace industry last year; 38,000 jobs were lost in civilian aircraft production, and 47,000 more are in danger this year. United will furlough 2,800 workers. An additional 1,900 will not be

hired. Northwest has laid off 1,000 workers in January, 1,600 since last June. Boeing announced 23,000 and another 500 by mid-1994.

From the standpoint of competitiveness, Airbus will be cheaper in its production because it will not have to pay a tax on new energy to build airplanes.

Madam President, this affects every area of this country: Alaska Air, Seattle; America West, Phoenix; American Airlines, Dallas; Continental Airlines, Houston; Delta, Atlanta; Federal Express, Memphis; Northwest, St. Paul; Trans World Airlines, St. Louis; United Chicago, Denver, San Francisco; and USAir, Arlington and Pittsburgh.

Madam President, fuel counts for 15 percent of the carriers' operating costs, and we are proposing to put a tax on this industry of $4.5 billion over the next 5 years. My amendment cuts new spending in order to throw our vital airlines—a part of our economy, a part of our economic recovery—a lifeline, if you will, a lifeline instead of proposed additional congressional study to find out what is wrong with our domestic airlines.

What is wrong with them Madam President, is we are taxing them to death, and there is absolutely no jurisdiction for it. My proposal cuts $4.5 billion in new taxes that the airlines simply cannot afford by eliminating new spending that the country cannot afford.

Madam President, I reserve the remainder of my time and ask the Chair how much time is remaining.

The PRESIDING OFFICER. There is 1 minute and 20 seconds remaining.

Mr. MURKOWSKI. I thank the Chair.

Mr. SASSER. Madam President, I will vote against the amendment offered by our Republican colleague from Alaska. This amendment attempts to tinker with a proposed tax in a manner that clearly should be subject to the confines of the Finance Committee markup.

Let me remind my colleagues once again that the budget resolution cannot dictate to the Finance Committee what revenues to raise or not raise in order to meet their revenue target. In fact, while this amendment would reduce the Finance Committee's revenue target by some $4.6 billion, it offers no guarantees that the Finance Committee would not go ahead anyway and exempt aviation fuel from the Btu tax. It offers no guarantees that the Finance Committee would go ahead and make aviation fuel subject to the Btu tax. That is because, as I stated earlier, we do not have the authority in a budget resolution to specify to the Finance Committee what revenues it should raise and what revenues it should not raise, and we should not have that authority. That falls under the jurisdiction of the Finance Committee. It is within their purview, and they have the expertise to develop these initiatives as to where revenues should be raised and where they should not.

Now, I ask my colleagues, where do you guess the offset comes to make up the almost $5 billion of revenues that will be lost under this amendment? Well, would you guess it comes from the same place it has come in every other amendment that has been offered almost over the past 3 days? Out of the good old allowances account, function 920.

The truth is there is not any money to amount to anything in function 920, so it is going to come directly out of domestic discretionary spending, unspecified cuts in domestic discretionary spending.

I say we ought to let the Finance Committee work its will on this matter. Give them the revenue number, as we should do under the law, and let them do their work and leave them alone.

Madam President, I presume my time has just about expired, so I will yield back whatever time I have.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. SASSER. Madam President, do I have any additional time?

The PRESIDING OFFICER. The Senator from Tennessee has 2 minutes 17 seconds.

Mr. SASSER. I yield 1 minute to the Senator from New York, the distinguished chairman of the Finance Committee.

Mr. MOYNIHAN. Madam President, I rise to endorse emphatically the statement of the distinguished chairman of the Budget Committee. These are not going to be easy decisions in the Finance Committee, but surely they are the decisions that only the Finance Committee—in the first instance—can make, and we will do. We ought not to be directed in this manner.

It serves no purpose. It skews the whole process and sets it back in the direction we ought not to go.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Alaska has 1 minute, 30 seconds.

Mr. MURKOWSKI. Madam President, I appreciate the assurance of the chairman of the Finance Committee. However, I think it is fair that we recognize that this is a representative body and we have every right, to decide this matter. It is quite appropriate to express our views prior to consideration by the Finance Committee. I think, if we use the prevailing argument which has been used by the floor manager, my good friend from Tennessee, this whole process becomes academic. It is a bit of a charade, if you will, and we are really going through an extended timeframe for the purpose of seeing the majority dictate its will through tabling motions.

Madam President, it seems to me that, if we are looking for places to cut in order to keep our airline industry strong and keep people's jobs, we could consider a number of low-priority items in the President's proposal. One example is computer crosscutting technology. I am sure it may seem important to some, but it is not as important as keeping our airline industry strong. I urge my colleagues to give consideration to this amendment.

Mr. FORD addressed the Chair.

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

The PRESIDING OFFICER. One minute, forty-two seconds.

Mr. SASSER. I yield 1 minute to the distinguished chairman of the Rules Committee.

Mr. FORD. I thank the distinguished chairman and the Chair.

One thing we are trying to do here is help the airline industry. We passed a commission that is going to look at the industry and try to make it whole again. Leave it alone and let the Finance Committee work its will. We are already on that right track.

One thing we need to know. The distinguished Senator from Alaska brought this up. We leave them in chapter 11 too long. They do not have to pay their debts. They lower their rates and hurt those that are in good financial shape.

So I say to my colleagues, please table this one so we can help the airline industry and not do it piecemeal.

Mr. GORTON. I am pleased to cosponsor the Murkowski amendment which exempts the commercial aviation industry from the Btu tax which may well be entitled to the big-time unemployment tax.

The imposition of the Btu tax on energy will have a detrimental effect on many American industries in general, and a very specific negative impact on the aviation industry. This comes at a time when the aviation industry has experienced record losses totaling approximately $10 billion over the last 3 years—more than the total profit generated in its first 50 years. The industry can ill-afford to have further burdens by Government imposed upon it.

Aviation fuel costs are the second highest expenses of our airlines, after labor costs. The American Petroleum Institute estimates that the proposed Btu tax would increase jet fuel costs by 10–15 cents per gallon and would raise airline fuel costs between $1.2 and $1.8 billion.

It seems foolhardy to me to place such a tremendous burden on an already ailing industry. The result can only be increased layoffs and further cost-cutting measures that will be harmful to the entire aerospace industry. I urge the Senate to adopt the Murkowski amendment and exclude jet fuel from the Btu tax.

Mr. SASSER. Madam President, I yield the remainder of my time. I move

to table the amendment. I ask for the yeas and nays on the motion to table.

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 Tennessee to lay on the table the amendment of the Senator from Alaska. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Hawaii [Mr. INOUYE] is necessarily absent.

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

The result was announced—yeas 55, nays 44, as follows:

[Rollcall Vote No. 53 Leg.]

YEAS—55

Akaka	Feinstein	Mikulski
Baucus	Ford	Mitchell
Biden	Glenn	Moseley-Braun
Bingaman	Graham	Moynihan
Boren	Harkin	Murray
Boxer	Heflin	Nunn
Bradley	Hollings	Pell
Breaux	Johnston	Pryor
Bryan	Kennedy	Reid
Bumpers	Kerrey	Riegle
Byrd	Kerry	Robb
Campbell	Kohl	Rockefeller
Conrad	Krueger	Sarbanes
Daschle	Lautenberg	Sasser
DeConcini	Leahy	Simon
Dodd	Levin	Wellstone
Dorgan	Lieberman	Wofford
Exon	Mathews	
Feingold	Metzenbaum	

NAYS—44

Bennett	Faircloth	McConnell
Bond	Gorton	Murkowski
Brown	Gramm	Nickles
Burns	Grassley	Packwood
Chafee	Gregg	Pressler
Coats	Hatch	Roth
Cochran	Hatfield	Shelby
Cohen	Helms	Simpson
Coverdell	Jeffords	Smith
Craig	Kassebaum	Specter
D'Amato	Kempthorne	Stevens
Danforth	Lott	Thurmond
Dole	Lugar	Wallop
Domenici	Mack	Warner
Durenberger	McCain	

NOT VOTING—1

Inouye

So the motion to lay on the table the amendment (No. 203) was agreed to.

Mr. SASSER. Madam President, I move to reconsider the vote by which the motion was agreed to and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 215

The PRESIDING OFFICER. The pending question is the Bingaman amendment numbered 215, with up to 10 minutes for debate, equally divided and controlled in the usual form.

Mr. GORTON. Madam President, I rise today in opposition to the amendment of Senator BINGAMAN regarding full funding for defense conversion. I believe that virtually every past experience has shown that the Government cannot effectively or efficiently assist defense contractors in converting their plants toward nondefense production. It did not work after World War II. It did not work after the Korean or Vietnam wars. And I do not believe it will work now that the cold war is effectively over.

The cold war, and the reasons for spending huge sums of money on our national defense, has subsided. The private sector could not be relied to have the Government pay for our national security through tax dollars. Now that the threat of communism has receded, the Government should not continue to drain these resources away from the private sector in the name of defense conversion.

Madam President, if this were a time of plenty, if the Government was awash with extra money, funds to assist defense contractors in shifting towards nondefense production would make sense. The reality of this situation however, is far different. This country is running multibillion-dollar budget deficits as far as anyone dares to predict. The money will have to come through higher taxes or Government borrowing. In either case, the money will be taken from the private sector and given to Government bureaucrats to decide which industries should be favored with money. Invariably, these choices are political, not economic.

I believe that the most important thing the Government can do with respect to assisting defense industry workers is to get the Federal budget deficit in order. Lower Government borrowing will free capital for private investment. The Federal Government balancing its budget would be the equivalent of a $300 billion infusion of capital into the private sector of the economy every year. This huge infusion is nothing that the Federal Government can ever hope to match with Federal programs. It is that kind of infusion which will allow the private sector to create the high paying jobs America's workers need and deserve.

The entire economy will benefit from a reduced budget deficit. Unless and until the Federal Government gets its own fiscal house in order, the Federal Government should not be creating new obligations for the taxpayer's money.

Mr. BINGAMAN. Madam President, in order to set a good example for my colleagues, this amendment is well understood by all of us. It merely puts the Senate on record as endorsing the President's proposed expenditures for defense conversion and related programs over the next 5 years.

Unless there are questions someone has about it, I would be prepared to yield back my time, as long as the opponents would plan to do the same.

The PRESIDING OFFICER (Mr. ROCKEFELLER). Is the time in opposition yielded back?

Mr. DOMENICI. Could we have order, Mr. President?

The PRESIDING OFFICER. The Senator is correct. The Senate will be in order. Conversations will cease.

Mr. DOMENICI. I ask my colleague, Senator BINGAMAN, does he want to yield back all of his time if we yield ours back?

Mr. BINGAMAN. That is exactly my position.

Mr. DOMENICI. We yield back our time, also.

Mr. BINGAMAN. I yield back the time of the proponents.

The PRESIDING OFFICER. All time has been yielded back.

The question then occurs on agreeing to the amendment of the Senator from New Mexico [Mr. BINGAMAN].

The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Hawaii [Mr. INOUYE] is necessarily absent.

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

The result was announced—yeas 70, nays 29, as follows:

[Rollcall Vote No. 54 Leg.]

YEAS—70

Akaka	Durenberger	Mikulski
Baucus	Exon	Mitchell
Biden	Feingold	Moseley-Braun
Bingaman	Feinstein	Moynihan
Bond	Ford	Murray
Boren	Glenn	Nunn
Boxer	Graham	Pell
Bradley	Harkin	Pressler
Breaux	Hatfield	Pryor
Bryan	Hollings	Reid
Bumpers	Jeffords	Riegle
Burns	Johnston	Robb
Byrd	Kassebaum	Rockefeller
Campbell	Kennedy	Sarbanes
Chafee	Kerrey	Sasser
Cochran	Kerry	Shelby
Cohen	Kohl	Simon
Conrad	Krueger	Specter
D'Amato	Lautenberg	Thurmond
Daschle	Leahy	Warner
DeConcini	Levin	Wellstone
Dodd	Lieberman	Wofford
Domenici	Mathews	
Dorgan	Metzenbaum	

NAYS—29

Bennett	Grassley	McConnell
Brown	Gregg	Murkowski
Coats	Hatch	Nickles
Coverdell	Heflin	Packwood
Craig	Helms	Roth
Danforth	Kempthorne	Simpson
Dole	Lott	Smith
Faircloth	Lugar	Stevens
Gorton	Mack	Wallop
Gramm	McCain	

NOT VOTING—1

Inouye

So the amendment (No. 215) was agreed to.

Mr. SASSER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WELLSTONE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PRESSLER addressed the Chair.

AMENDMENT NO. 210

The PRESIDING OFFICER. The pending amendment is amendment No. 210, offered by the Senator from South Dakota.

Mr. PRESSLER. Mr. President, I shall be brief in restating my amendment. My amendment points out that small business in this country will be taxed at a higher rate than corporations. My amendment would place small businesses on an equal basis with corporations.

Under the Clinton economic plan, small businesses will be asked to pay a marginal tax rate reaching 42.5 percent, plus they will also have to pay the energy tax. Small businesses cannot raise prices to pass on the energy tax to their customers. Therefore, the energy tax represents an effective rate of about 6 to 8 percent in additional taxes which will fall directly on the backs of America's entrepreneurs.

This means that small businesses could be taxed at the incredible rate of 50 percent, simply unbelievable. The largest corporations in this country will pay a rate of 36 percent. So my amendment merely states that small businesses should not be taxed at a higher rate than corporations.

For some reason, small businesses are being beaten up in the administration's tax plan. Small businesses are creating all the new jobs. Large corporations have actually lost jobs. Small businesses have continued to create jobs through the recession and through the recovery.

Now in this package that is before us, we are creating public service jobs that will cost, some estimate, between $50,000 and $80,000 per job, but we are beating up on the creator of jobs: small business.

Mr. President, I have many statistics here, but the hour is late and I want to be brief. The truth of the matter is that the Clinton economic proposal reaches a top marginal rate of 42.5 percent for small businesses. However, it reaches only the top rate of 36 percent for corporations. Thus, America's small business women and men will be paying higher rates than corporations.

In addition, the energy tax will fall the hardest on small business and family farms, I might add, because most farms are taxed the same way.

Mr. President, 80 percent of America's small businesses pay taxes at the individual rate rather than the corporate rate. There are proprietorships, S corporations and partnerships. Without repeating everything I said this morning, this group is creating the jobs, and the wealth will be taxed at the highest rate, 42.5 percent marginal.

Mr. President, I am joined in this amendment by Senators BURNS, BENNETT, COATS, KEMPTHORNE, D'AMATO, LUGAR, SPECTER, and others.

After the debate this morning, I received a call from a constituent in South Dakota who had seen it on C-SPAN, urging me to respond to the argument that all business costs are deductible. Mr. President, this was not a wealthy individual. He was probably one of the privileged few the other side is so fond of saying we are trying to protect. He was a farmer who is already finding it difficult to keep his small business going faced with the top income tax bracket of 31 percent.

Let me make clear, I do not even approve raising the tax rate on small businesses 36 percent. I think 31 percent has been a rate at which small business has produced a lot of new jobs. But the Clinton administration and the other side of the aisle insist on raising taxes and punishing small business men and women and their employees. This gentleman from my home State wanted me to note the administration's plan would have a devastating impact on farming and small business operations such as his. Mr. President, that is why I have offered this amendment.

Let me say a final word about small business cash flow. Increasing the marginal tax rate from 31 percent to more than 40 percent will reduce the after-tax dollars available to many small businesses as much as 17 percent. The after-tax profits of a business are critical in supporting its ability to borrow and expand. The administration's plan could have a disastrous impact on economic growth and put the brakes on job creation.

Finally, I want to reiterate my reason for offering this amendment. It is a simple point: It would be unfair to tax small businesses at a rate proportionally higher than America's major corporations, period. My amendment seeks to prevent that from happening.

I hope my colleagues understand the real argument behind this amendment. If they do, I am sure it will be adopted overwhelmingly. It should and I hope it does.

I yield the floor. I know my colleague from New York would like time, if I may yield to him.

The PRESIDING OFFICER. The Senator from South Dakota has 30 seconds remaining.

Mr. D'AMATO. Mr. President, it only takes 30 seconds to say if you want to create jobs, you are going to about it the wrong way when you raise the taxes and make it higher for corporations and small business than you do for General Electric. You have to be a damn fool. That is a 25-percent increase at the marginal rate. Those are the people who create jobs. So now you are going to have a poor guy who creates jobs, the engine of economic growth, and you tax them higher than General Electric. It does not make sense. It is a good amendment. We should adopt it.

The PRESIDING OFFICER. The Senator from Tennessee controls 5 minutes.

Mr. SASSER. Mr. President, this amendment is not about small business at all. It is not about protecting small business. The proponents of this amendment are trying to equate tax increases for persons at the very top of the income scale in the top one-half of 1 percent of the population as an attack on small business. That just simply is not accurate.

If the limits in this sense-of-the-Senate amendment are adopted, we would be creating a special class of taxpayers whose income would be taxed different from everyone else, a return to privilege for some.

I think it is important that everyone know just how you get in to this privileged class of people. The criteria is very simple. You have to own a small business and have an income, a net income, after all taxes, after all deductions, net income to put in your pocket of $250,000, a quarter of a million dollars.

If after all deductions, after all business expenses are paid, if you have $250,000 under this amendment, you are going to get special tax treatment.

Just in case $250,000 seems too low, let me point out that this figure is taxable income, income after all the deductions and all exemptions have been removed. Gross income, according to the proponents of this amendment, would be considerably higher, at least $315,000 in gross income before you would reach the $250,000 net income level.

So what this is about, Mr. President, is not protecting small business or the family farmer or the family rancher. This is about extending privilege to those who are already privileged. It is extending a special tax break to those who have a net income—not a gross income—that you put in your back pocket at the end of the year of $250,000. We are going to say they ought to have some kind of special tax treatment.

Now, if they object to being taxed at the same rate as everybody else, let us take an insurance salesman who goes out and works hard and this insurance salesman nets out of his work $250,000 a year. Then he is going to be treated differently under the Tax Code, if this amendment passes, then somebody who owns a metal fabrication shop, which is a small business, simply because one is a small business and one works for somebody else.

Now, if the small business people want to be taxed like corporations, let them incorporate. There is nothing to keep them from incorporating. Let them go ahead and incorporate. All we are saying is with this amendment we are going to create another privileged group of taxpayers who will be taxed less on net income simply because they happen to be engaged in a small business or own a farm or own a ranch.

I do not think that is fair and equitable, and that is what this Clinton

program is partially about, trying to restore some of the equity and fairness to the Tax Code that has been lost over the past 12 years. So I urge my colleagues to defeat this Pressler amendment.

How much time is remaining, Mr. President?

The PRESIDING OFFICER. Fifty more seconds.

Mr. SASSER. I reserve the remainder of my time.

Has all time expired on the other side?

The PRESIDING OFFICER. All time has expired.

Mr. SASSER. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded.

Mr. SASSER. Mr. Presisent, I move to table the amendment and ask for the yeas and nays on the motion to table.

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 table the amendment (No. 210) offered by the Senator from South Dakota [Mr. PRESSLER]. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Hawaii [Mr. INOUYE] is necessarily absent.

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

The result was announced—yeas 52, nays 47, as follows:

[Rollcall Vote No. 55 Leg.]

YEAS—52

Akaka	Feinstein	Mitchell
Baucus	Ford	Moseley-Braun
Biden	Glenn	Moynihan
Bingaman	Graham	Murray
Boren	Harkin	Nunn
Boxer	Hollings	Pell
Bradley	Johnston	Pryor
Breaux	Kennedy	Reid
Bryan	Kerrey	Riegle
Bumpers	Kerry	Robb
Byrd	Kohl	Rockefeller
Campbell	Lautenberg	Sarbanes
Conrad	Leahy	Sasser
Daschle	Levin	Simon
Dodd	Lieberman	Wellstone
Dorgan	Mathews	Wofford
Exon	Metzenbaum	
Feingold	Mikulski	

NAYS—47

Bennett	Faircloth	McCain
Bond	Gorton	McConnell
Brown	Gramm	Murkowski
Burns	Grassley	Nickles
Chafee	Gregg	Packwood
Coats	Hatch	Pressler
Cochran	Hatfield	Roth
Cohen	Heflin	Shelby
Coverdell	Helms	Simpson
Craig	Jeffords	Smith
D'Amato	Kassebaum	Specter
Danforth	Kempthorne	Stevens
DeConcini	Krueger	Thurmond
Dole	Lott	Wallop
Domenici	Lugar	Warner
Durenberger	Mack	

NOT VOTING—1

Inouye

So the motion to table the amendment (No. 210) was agreed to.

AMENDMENT NO. 217

The PRESIDING OFFICER. The question occurs on the Simon amendment No. 217 with 10 minutes equally divided and controlled in the usual form.

The Senator from Illinois is recognized.

Mr. SIMON. Mr. President, I will try to get by with just 2 of my 5 minutes. What this amendment calls for is support of the education funding at the level requested by the President.

What we have been doing is slipping in education, whether measured at the local level or by federal effort. At the local level it has slipped from 11 percent of funding down to 6 percent of the total funding. At the Federal level, fiscal year 1949 we spent 9 percent of our Federal budget on education. Today we spend 3 percent of our Federal budget on education.

Look at the nations that are moving ahead competitively against us, and you will see they are investing in their human resources.

That is what we have to do. That is what this amendment says we have to do. No one spoke against it on the floor earlier today. I hope it can pass with a resounding vote, Mr. President.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, just to comment briefly, one of the reasons I cannot support the Simon amendment is that the President's education proposals have not yet been sent forth. We have not seen them. They have not yet been sent to Congress.

I may end up supporting those proposals, but I feel that it is like buying a pig in the poke for us to say we would support full funding for them tonight.

For that reason, I object and will be voting against the Simon amendment.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, how much time do we have?

The PRESIDING OFFICER. The Senator has 4 minutes and 20 seconds.

Mr. DOMENICI. I yield 2 minutes to the Senator.

Mr. JEFFORDS. Mr. President, I unfortunately must agree with my colleague from Kansas. Although I believe that we must do more for education, at this point in time, when we do not know what is being requested, to agree to whatever spending levels would be requested by the President I do not believe would be responsible at this particular moment.

I look forward to working with my good friend from Illinois to improve our educational systems and to do what we can to try to make our Nation more competitive.

At this particular time, without any idea of what the total amount of money is being requested, I do not feel would be responsible to support the amendment.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, let me respond just briefly to my friends from Kansas and Vermont.

This is a budget. That is the nature of a budget. It does not spell out the details.

But if you look at the 18 Western industrialized countries in terms of what they are spending per capita in elementary and secondary education, we are 14th among the 18 nations.

We have to do better. We have to devote resources. We may differ on the plans, but there is no question we have to do more in the way of resources.

So I hope we will support the amendment.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, some time back when these kind of amendments started coming, I said to the Senate we are going to be in a real bind permitting these amendments to be in order.

Before this year they would not be in order. We are going to call this the equivalent of a sense of the Senate.

What we are doing now is after we finish four or five, I assume it would be fair for us to say on this side those who support the President's budget, on that side of the aisle only support the four or five programs that they brought to our attention, and they do not support the other ones. They do not support them fully. They support them partially. But these three or four that we are going to redundantly say fund them as prescribed in the budget are presumably going to get some super fair treatment.

The truth of the matter is they are not. The Appropriations Committee is going to decide which ones they fund and which they do not. There is no doubt about it. The fact is we are going to come down and take a Presidential budget that on that side of the aisle they support but try to put this side of the aisle behind the eight ball by saying you are not agreeing with us, to repeat once again. They are extra. We want to really put emphasis on them.

What about the 25 other programs the President asked to be increased? Are we to believe and are the people to believe they are not to get high priority and just these that we are being asked to vote on?

I think the Senate is doing itself an injustice with budget resolutions by imposing this kind of let us look again at it and reemphasize it and make everybody vote on the single items.

I hope we never do it again. We start new precedents all the time. We may be at it. Every year we try another way to make votes that do not make sense that people try to make sense.

The PRESIDING OFFICER. Who yields time?

Mr. WALLOP. Mr. President, will my friend yield 30 seconds for a question?

Mr. DOMENICI. The last time I was out of time, as I recall, but I yield.

Mr. WALLOP. Mr. President, I am trying to finish before we are out of time this time.

I would ask if the Senator from Illinois would tell us of the out-migration figures from the United States to those 14 other countries that are so blessed by the way they handle themselves and not ourselves.

Mr. DOMENICI. Mr. President, how much time do we have remaining?

The PRESIDING OFFICER. One minute and twenty seconds.

Mr. DOMENICI. I reserve the remainder of my time.

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

The PRESIDING OFFICER. The Senator has 2 minutes and 50 seconds.

Mr. SIMON. Mr. President, responding briefly to my friend from Wyoming, obviously there is no massive exodus, but there are also some obvious results, and those are the test scores in math and science. We are way down.

The only country on the face of the Earth where you can go to elementary school and never receive a year of foreign language education is the United States of America. That was fine 50 years ago. That is no longer passable today. We have to do better. This is a budget that says we have to do better, and the President has called on us to do better. I commend him for it, and I hope the Senate will.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. Mr. President, it has been a long day, with a lot of votes. But I must say the most pleasant words I have heard today, and for a long time, were the words of the Senator from New Mexico that suggested that we not have votes in the Senate that were intended, as he put it, to put other people behind the eight ball.

Mr. DOMENICI. I said a new kind of vote.

Mr. MITCHELL. The old kind is OK?

Mr. DOMENICI. We already had those.

Mr. MITCHELL. I thank my colleague.

I wanted to be sure I heard him correctly.

Mr. DOMENICI. We had plenty of those before. We entered a new series here.

I want to close up my time very quickly by making one last suggestion.

Anybody in this body that believes the appropriators of the United States, the Appropriations Committee, which is going to have all of these given to them, $286 billion in domestic programs to fund, anybody that believes they are really going to fully fund a program that we have not yet adopted, that nobody knows anything about, just, frankly, can adopt all of these kinds of resolutions they would like, but they are not going to be funded that way.

I submit, if you really think this is an important amendment because you do not want to be put behind the poke or the pig or whichever, then vote for it.

If you really like to make the point that we are taxing Americans $295 billion in President's new budget and we do not even know what we are adding, what we are using it for, but just a new program in education, it seems to me we ought to vote "no."

I yield back the remainder of my time.

Mr. DURENBERGER. Mr. President, I rise today to briefly comment on the Simon amendment, expressing a sense of the Senate in support of the Clinton administration's education reform initiatives.

I will vote to oppose this amendment, Mr. President, not because I oppose education or education reform, but because I do not know what I am being asked to support. I want to be honest with my constituents, and I want to be honest with the President. Members of the majority may be willing to write a blank check on yet unknown proposals. I am not.

As a member of the Labor and Human Resources Committee—and its Education Subcommittee—I do expect to be deeply involved in the debate this year on Federal support for State and local education reform initiatives, on reauthorization of the Elementary and Secondary Education Act, on fundamental reform in our Federal student loan programs, on service learning and the President's national service initiative, on apprenticeships and other school-to-work transition proposals, on co-location of health and other services in and around schools, on Head Start and other early childhood programs, and on many other initiatives we will be asked to consider.

Indeed, Mr. President, I will have a number of initiatives of my own to add to this debate—several of which are highly consistent with proposals President Clinton is expected to offer.

For example, I have introduced with Senator LIEBERMAN and others my Public School Redefinition Act that authorizes federal startup funding for new charter public schools. I intend to work closely with the administration to ensure that funding authority for charter schools and State public school choice initiatives is included in the President's K-12 education reform bill that will be introduced in the next several weeks.

I also introduced today a bill to expand funding authority for the Maternal and Child Health Block Grant Program, and to offer more explicit authority to use those funds for health and related services in school-based settings. I intend to work on that issue in the context of health system reform and in the Labor Committee's work this year on education reform and reauthorization of Federal K-12 education programs.

Within the next week, I intend to introduce legislation with Senator WOFFORD increasing Federal support for service learning and creating a new program designed to train teachers on how to better integrate community service into the elementary and secondary school curriculum.

This legislation is consistent with the broad goals of the President's national service initiative. And, although I have some reservations about the scale and objectives of the stipended service component of that proposal, I intend to work closely with the administration and with colleagues like Senators SIMON, KENNEDY, and BRADLEY on legislation implementing the President's plan to allow college students to repay loans based on post-college income through the IRS. That proposal appears to be highly consistent with the IDEA proposal that Senator SIMON and I authored in the last Congress.

I have taken the time to list all these initiatives, Mr. President, to make it clear that—like Senator SIMON—I strongly support an active and constructive Federal role in support of education reform.

In some cases, that will mean increased Federal spending or new Federal programs.

But, I also want to make it clear that I do not equate new Federal programs or simply spending more money on existing Federal programs with real education reform.

In some cases, I believe the best thing the Federal Government could do to promote reform would be to step aside and let States and local communities design better and more efficient ways of meeting distinctly local needs. We can do that by removing—or allowing waivers from—unnecessary Federal regulations; by allowing funding from different sources to be combined or by more rationally distributing functions of government among our different levels of government.

I believe the new President and his Secretary of Education, Bill Riley, share many of these goals. And, I believe their perspectives as former Governors will make them very constructive partners in designing and implementing the kind of real reform in education that will produce results.

My vote today to oppose the Simon amendment is not an indication of my opposition to education or even my intention to oppose education reform initiatives the President may offer. It is an honest statement of my unwillingness to support proposals I haven't yet seen. And, I hope it's interpreted as an indication of my readiness to join in a

bipartisan education reform effort, with the expectation that I—and the State that I represent—will have much to offer, as well.

Thank you, Mr. President, I yield the floor.

Mr. SIMON. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to amendment No. 217, offered by the Senator from Illinois [Mr. SIMON].

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Hawaii [Mr. INOUYE], is necessarily absent.

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

The result was announced—yeas 56, nays 43, as follows:

[Rollcall Vote No. 56 Leg.]

YEAS—56

Akaka	Ford	Mitchell
Baucus	Glenn	Moseley-Braun
Biden	Graham	Moynihan
Bingaman	Harkin	Murray
Boren	Heflin	Nunn
Boxer	Hollings	Pell
Bradley	Johnston	Pryor
Breaux	Kennedy	Reid
Bryan	Kerrey	Riegle
Bumpers	Kerry	Robb
Byrd	Kohl	Rockefeller
Campbell	Krueger	Sarbanes
Conrad	Lautenberg	Sasser
Daschle	Leahy	Shelby
DeConcini	Levin	Simon
Dodd	Lieberman	Specter
Dorgan	Mathews	Wellstone
Feingold	Metzenbaum	Wofford
Feinstein	Mikulski	

NAYS—43

Bennett	Exon	McCain
Bond	Faircloth	McConnell
Brown	Gorton	Murkowski
Burns	Gramm	Nickles
Chafee	Grassley	Packwood
Coats	Gregg	Pressler
Cochran	Hatch	Roth
Cohen	Hatfield	Simpson
Coverdell	Helms	Smith
Craig	Jeffords	Stevens
D'Amato	Kassebaum	Thurmond
Danforth	Kempthorne	Wallop
Dole	Lott	Warner
Domenici	Lugar	
Durenberger	Mack	

NOT VOTING—1

Inouye

So the amendment (No. 217) was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from Mississippi [Mr. LOTT] is to be recognized.

Mr. STEVENS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 240

(Purpose: To strike the proposed tax increase on social security income. The revenue reduction is offset by a reduction in proposed new spending)

Mr. LOTT. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT], for himself, Mr. MACK, Mr. MCCAIN, Mr. PRESSLER, Mr. HATCH, Mr. BROWN, Mr. COVERDELL, Mr. SMITH, Mr. WALLOP, Mr. NICKLES, Mr. D'AMATO, Mr. THURMOND, and Mr. FAIRCLOTH, proposes an amendment numbered 240.

Mr. LOTT. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 2, line 18, decrease the amount by $2,859,000,000.

On page 2, line 19, decrease the amount by $6,104,000,000.

On page 3, line 2, decrease the amount by $6,891,000,000.

On page 3, line 4, decrease the amount by $7,683,000,000.

On page 3, line 6, decrease the amount by $8,462,000,000.

On page 3, line 10, decrease the amount by $2,859,000,000.

On page 3, line 11, decrease the amount by $6,104,000,000.

On page 3, line 12, decrease the amount by $6,891,000,000.

On page 3, line 13, decrease the amount by $7,683,000,000.

On page 3, line 14, decrease the amount by $8,462,000,000.

On page 3, line 19, decrease the amount by $2,859,000,000.

On page 3, line 20, decrease the amount by $6,104,000,000.

On page 3, line 21, decrease the amount by $6,891,000,000.

On page 3, line 22, decrease the amount by $7,683,000,000.

On page 3, line 23, decrease the amount by $8,462,000,000.

On page 5, line 1, decrease the amount by $2,859,000,000.

On page 5, line 2, decrease the amount by $6,104,000,000.

On page 5, line 3, decrease the amount by $6,891,000,000.

On page 5, line 4, decrease the amount by $7,683,000,000.

On page 5, line 5, decrease the amount by $8,462,000,000.

On page 5, line 11, decrease the amount by $2,859,000,000.

On page 5, line 12, decrease the amount by $6,104,000,000.

On page 5, line 13, decrease the amount by $6,891,000,000.

On page 5, line 14, decrease the amount by $7,683,000,000.

On page 5, line 15, decrease the amount by $8,462,000,000.

On page 5, line 22, decrease the amount by $2,859,000,000.

On page 5, line 23, decrease the amount by $6,104,000,000.

On page 5, line 24, decrease the amount by $6,891,000,000.

On page 5, line 25, decrease the amount by $7,683,000,000.

On page 6, line 1, decrease the amount by $8,462,000,000.

On page 6, line 7, decrease the amount by $2,859,000,000.

On page 6, line 8, decrease the amount by $6,104,000,000.

On page 6, line 9, decrease the amount by $6,891,000,000.

On page 6, line 10, decrease the amount by $7,683,000,000.

On page 6, line 11, decrease the amount by $8,462,000,000.

On page 7, line 1, decrease the amount by $2,859,000,000.

On page 7, line 2, decrease the amount by $6,104,000,000.

On page 7, line 3, decrease the amount by $6,891,000,000.

On page 7, line 4, decrease the amount by $7,683,000,000.

On page 7, line 5, decrease the amount by $8,462,000,000.

On page 7, line 8, decrease the amount by $2,859,000,000.

On page 7, line 9, decrease the amount by $8,963,000,000.

On page 7, line 10, decrease the amount by $15,854,000,000.

On page 7, line 11, decrease the amount by $23,537,000,000.

On page 7, line 12, decrease the amount by $31,999,000,000.

On page 8, line 7, decrease the amount by $2,859,000,000.

On page 8, line 8, decrease the amount by $6,104,000,000.

On page 8, line 9, decrease the amount by $6,891,000,000.

On page 8, line 10, decrease the amount by $7,683,000,000.

On page 8, line 11, decrease the amount by $8,462,000,000.

On page 8, line 16, decrease the amount by $2,859,000,000.

On page 8, line 17, decrease the amount by $6,104,000,000.

On page 8, line 18, decrease the amount by $6,891,000,000.

On page 8, line 19, decrease the amount by $7,683,000,000.

On page 8, line 20, decrease the amount by $8,462,000,000.

On page 41, line 17, decrease the amount by $2,859,000,000.

On page 41, line 18, decrease the amount by $2,859,000,000.

On page 41, line 24, decrease the amount by $6,104,000,000.

On page 41, line 25, decrease the amount by $6,104,000,000.

On page 42, line 6, decrease the amount by $6,891,000,000.

On page 42, line 7, decrease the amount by $6,891,000,000.

On page 42, line 13, decrease the amount by $7,683,000,000.

On page 42, line 14, decrease the amount by $7,683,000,000.

On page 42, line 20, decrease the amount by $8,462,000,000.

On page 42, line 21, decrease the amount by $8,462,000,000.

On page 50, line 9, decrease the amount by $2,859,000,000.

On page 50, line 10, decrease the amount by $31,999,000,000.

On page 57, line 18, decrease the amount by $2,859,000,000.

On page 57, line 19, decrease the amount by $31,999,000,000.

On page 71, line 13, decrease the amount by $6,891,000,000.

On page 71, line 14, decrease the amount by $6,891,000,000.

On page 71, line 16, decrease the amount by $7,683,000,000.

On page 71, line 17, decrease the amount by $7,683,000,000.

On page 71, line 20, decrease the amount by $8,462,000,000.

On page 71, line 21, decrease the amount by $8,462,000,000.

Mr. LOTT. Mr. President, at the beginning, I think I should state that I assume there is work going on to determine exactly what the procedure is going to be for the rest of the night. I know there are some discussions and negotiations going on. I presume, when they reach some conclusion, they will let us know. In the meantime, we will go ahead and get started with the amendment we have to offer.

Mr. President, President Clinton's budget calls for a tax increase on Social Security recipients. I think we need to make that point clear right at the beginning. The Budget Committee's instructions, as I understand them, include a tax increase on Social Security recipients.

What is this tax increase used for? Does it go into the Social Security trust fund, as you would think would be the case and has been the case in the past with the bipartisan agreement that was reached in the eighties? No, that is not the case here. This increased tax on Social Security retirees will go for increased new spending. We are setting a very bad principle here. Once you start raiding this trust fund, moving these funds in any way, whether it is changing the payments that are received or increasing the tax on them, when you start taking that money and moving it into other programs, new spending, you are starting a new principle that is going to be very bad for the integrity of the Social Security trust fund.

I find it very hard to believe that this is part of President Clinton's budget proposal: I have to think maybe they did not really mean to do this, but it is in there, and I think we need to take it out now.

Some people will say, "Oh, we will take care of that later; this is just broad numbers; we will do it in the Finance Committee." In the Budget Committee when we had a vote, they said we will do it on the floor. We are on the floor. This is the kind of issue we need to deal with at the earliest possible opportunity to make it clear that we are opposed to raising taxes on Social Security beneficiaries.

Although I do not like a lot of the budget proposal, in my opinion, nothing in it is more unfair than this part of the budget proposal: To tax the Social Security benefits of these elderly retirees.

It has been said, even in some news media, something to the effect that this would be a tax increase on the most affluent Social Security recipients. As a matter of fact, I do not know what they mean by affluent. I do not know how they define wealthy. We are not talking about people with Social Security benefits and outside income of $200,000. No, not $200,000, not $100,000, not $50,000. You are talking about taxing the Social Security benefits of an individual down to $25,000, a couple with $32,000.

Mr. President, that is not even middle income; that is low income. When I hear this, I envision a retired schoolteacher who worked all of her life, is widowed, managed to save a little money, and has a little income. In total, it maybe goes up to $27,000 a year. She is gong to have a significant tax increase. So let us make this clear: This is a raid, taking taxes, taking money from Social Security retirees down to $25,000 a year. Surely that is not what was intended.

Mr. President, I ask unanimous consent to print a very fine article that was done by the distinguished Senator from Delaware [Mr. ROTH] in the RECORD.

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

[From Tax Notes, Mar. 22, 1993]

DOUBLE TAXING SENIORS OF TODAY AND TOMORROW

(By Senator William V. Roth, Jr.)

At basic tenet of the U.S. system of taxation has held that taxpayers should be taxed only once on their income, but a new proposal from President Clinton wavers from this policy and double taxes senior citizens. This new proposal will result in millions of people being taxed twice on the same income and strays from the bipartisan agreement reached in 1983 to save the Social Security trust fund from bankruptcy.

I am speaking of the Clinton proposal to increase the portion of Social Security earnings subject to income taxes to 85 percent from 50 percent, which would apply to jointly filing senior taxpayers earning over $32,000, and single taxpayers earning over $25,000.

The rule taxing up to 50 percent of Social Security benefits was part of the "Social Security Amendments of 1983." This compromise included several key elements, including a six-month delay in cost-of-living increases and a one-year acceleration of the 1977 tax increase on contributions. Since 1983, that compromise has kept the Social Security trust fund solvent, and no one has convinced me that cuts in Social Security are necessary in order to solve our budget deficit. Yet, raising the portion of benefits subject to taxation is considered desirable by some because it is one way to allocate any reduction in benefits to higher-income households.

This idea is anything but fair and will result in the double taxation of seniors today and especially the seniors of tomorrow. This is because more and more seniors will become subject to the tax on 85 percent of benefits, since the income thresholds ($25,000 and $32,000) on this tax are not indexed for inflation. For example, from 1989 to 1997, the percentage of families that will pay taxes on their Social Security benefits is expected to grow from 16 to 26 percent, according to the Congressional Budget Office (CBO). In future years, more and more seniors will be subject to this unfair tax.

Under current law, employers pay one-half of workers' combined payroll taxes from before-tax income, while employees pay the remainder out of income that is taxes. The tax rate for OASDI contributions is currently 6.20 percent of wages for both employers and employees, while the self-employed pay 12.40 percent of their earnings half of which is deductible. In 1983, the rationale for taxing 50 percent of the benefits was the need to salvage the bankrupt Social Security trust fund, and the theory that half of taxpayers' contributions are pretax, and half are after-tax.

Some hold that these benefits should be taxed more like public and private employee pensions. In general, that means taxing any previously untaxed benefits paid to retirees. President Clinton's proposal purports to do that. Essentially, this idea calls for an "exclusion ratio" based on the amount of after-tax contributions that current retirees made during their working years, compared to the total amount of benefits they can expect to receive. Because the ratio of after-tax contributions (the employee's share) to Social Security benefits varies with each worker's earnings history and marital status, no single exclusion ratio is correct for all beneficiaries. The administration's plan thus creates a "fiction," by using a uniform exclusion rate of 15 percent, so that up to 85 percent of benefits over the threshold amounts ($32,000 joint; $25,000 single) is taxable. This "fiction" assumes that today's retirees receive no more than 15 cents of their own after-tax contributions of each dollar they receive in benefits, while at least 85 cents is a return of previously untaxed income. The proposal will raise about $31.5 billion over five years according to the CBO and affect 23 percent of today's Social Security beneficiaries.

But there is absolutely nothing in this plan to prevent double taxation. So far in the history of Social Security, beneficiaries have generally been able to count on receiving more in benefits than they contributed in payroll taxes and interest earnings; so theoretically, beneficiaries are not subject to double tax under the 50-percent rule. However, this will not hold true forever, as younger workers who have paid higher taxes on more income begin to retire. In addition, the Social Security system is highly progressive, so that higher-income workers are less likely to recoup their contributions and earnings than lower-income workers, and so be subject to double taxation.

Let me offer a likely but simplified example of how this proposal stacks up against the theory of taxing these benefits like private and public pensions. Assume a single worker, age 65, retires in 1993, having earned the maximum taxable wage since 1949, and thus has lifetime contributions to Social Security totaling $36,670.17, all of which he has paid income tax on (known as the "investment in the contract" under section 72 of the Internal Revenue Code). The employer's contribution for the retiree is equal to the same $36,670.17, but this is a pretax contribution. If you assume that this retiree will collect the maximum monthly benefit of $1,128 and will have an essential lifespan equal to the IRS single life annuity of 15 years for a 65-year-old male, then the expected return is

$203,040. Under Treasury Regulations in section 1.72-4, the "exclusion ratio," or the amount of each payment that should be excluded from tax because tax was previously paid on this money, for this taxpayer is 18.1 percent (36,670.17÷$203,040). Thus, out of each payment, 18.1 percent should not be taxed, or $204.17 of each Social Security check.

But under the Clinton proposal, 85 percent of the retiree's benefits will be taxed, while 15 percent will be excluded from tax. The difference, equal to 3.1 percent of each payment, represents excess taxes over and above the amount that would be payable under a private or public pension. You can easily imagine worse scenarios, and as the baby-boomers grow up, the differences between the taxing of private/public pensions and the new "Clinton rule" will grow more disparate. I have requested a study to estimate the likelihood of double taxation of these future retirees.

Some argue that this formula fails to recognize the benefits of a retiree's cost-of-living increases that are built into the Social Security system. But the tax rules do not consider COLAs. For example, federal employees also receive COLAs, and the formula under section 72 that sets rules for taxing distributions does not consider these COLAs, nor other retirees' COLAs. In addition, under public and private pension plans, beneficiaries are entitled to receive any undistributed benefits when a retiree dies. In the retiree's last return, any excess taxes are taken into account and the beneficiaries receive a tax benefit, designed specifically so that there is no double taxation. By contrast, the Clinton proposal neither taxes Social Security beneficiaries fairly, nor in a method similar to the public and private pensions rules.

Finally, "smoke and mirrors" are being used to sell this idea, since the administration has classified this new tax increase as a "spending cut" so it can make a few invalid claims. One is that middle-class income taxes are not going to go up. Another is that spending cuts are equal to tax increases. Clearly this is not a spending cut. These income tax hikes hit middle-income seniors, and the smoke is getting thicker at the White House.

Mr. LOTT. Mr. President, one critical point that is made in this article is that "This new proposal will result in millions of people being taxed twice on the same income and that it strays from the bipartisan agreement reached in the 1983 to save the Social Security Trust Fund from bankruptcy." This is a very important point. We have reached that time now in our Social Security system where many, many people would be taxed for a second time on their Social Security benefits.

My amendment is very simple. It deletes the new tax increase on Social Security recipients proposed in the budget resolution, and in order to meet the same deficit targets, it eliminates $32 billion of new spending programs that are proposed. There are no tricks here. The amendment cuts new spending, rather than raising new taxes on Social Security retirees.

This proposed tax increase on Social Security benefits would have a major impact on the elderly of this country. It would raise $31.999 billion over 5 years from the elderly. It has been said in various places, "Well, it will just affect a small percentage." Years ago maybe it was only 10 percent, but the Congressional Research Service estimates that approximately 8.1 million beneficiaries, or 22 percent of the total recipients, will pay more taxes next year if this is adopted. For many senior citizens, this will add 10 percent or more to their annual tax bill. For some, this change will mean an increase of more than a thousand dollars a year in their tax liability.

It has been said that, "Well, the elderly ought to pay more." Under this proposal, the elderly certainly will pay more. But, so will many elderly people who are not wealthy. This proposed increase in the tax on Social Security benefits, combined with the proposed energy tax, will significantly reduce elderly Americans' after-tax income.

I am still a bit confused by the meaning of the term "wealthy," though, as the definition seems to be quite fluid. During the campaign, wealthy meant taxpayers earning over $200,000 a year. Then, in the State of the Union Address, wealthy came to mean those earning over $100,000. Now, with this proposal, it has changed again. A wealthy person is one making over $25,000 a year.

Well, in my opinion, people who earn $25,000 a year are not wealthy. And, this tax applies to a lot of those people. Again, we are not talking about people earning $100,000—or even $50,000. We are talking about people earning $25,000 a year. Yesterday's Washington Post editorial said that under this proposal "only the better-off would pay." I wish someone would explain to me when and how someone earning $25,000 a year became rich.

In his State of the Union Address, President Clinton said, "This plan will not affect the 80 percent of Social Security recipients who do not pay taxes on Social Security now. Those who do not pay tax on Social Security now will not be affected by this plan." However, the base levels used to determine the applicability of the tax of $25,000 and $32,000 are not indexed. So, each year more and more recipients pay taxes.

These threshold amounts have not changed since the law was enacted in 1983. At that time, 10 percent of Social Security recipients paid taxes on their benefits. Now, the percentage has risen to 22 percent. The Joint Tax Committee estimates that by 1998 that percentage will have risen to 30 percent. This is not because Social Security recipients are getting richer, it is because of inflation—as low as it has been these past 10 years—still moves the playing field. Under this proposal, as the number of people paying taxes rises due to inflation, the percentage on which they pay will also increase by 70 percent.

I think we need to realize what we are doing here. It has been suggested that all of the taxes in this proposal would really go against people making over $100,000 a year. As a matter of fact, when you look at the $295 billion tax bill, according to President Clinton, 70 percent of the new taxes supposedly will be paid by Americans earning over $100,000; 70 percent with 30 percent being between $25,000 and $100,000 a year.

But let me show you the difference when you look at Social Security beneficiaries. Who will pay the $32 billion in the Social Security tax bill? Thirty percent, only 30 percent of the new taxes will be paid by Americans earning over $100,000 a year. Over 70 percent, in fact the latest percentage we have been told is 74 percent, of these new taxes on the elderly will come from Americans earning between $25,000 and $100,000.

Mr. President, this is clearly just not fair and it is not going only against the better-off Americans.

Why are we thinking about this tax in the first place? Why are we trying to raise taxes from people on Social Security? It is a trust fund. It has $52 billion surplus. It is not causing the problem. Why are we trying to use these people and these taxes to deal with the problem that we have with the deficit? But, even worse, there is a fraud on our senior citizens, a monstrous charade because we are not even taking these taxes and applying it to the deficit. Many of them would probably say, "I'd be willing to make the effort, I'd be willing to make the sacrifice" if they thought it would really go to the deficit. In this case, it clearly will not go to the deficit. It is a grab of money out of our senior citizens' pockets which will be spent.

Now, Mr. President, in view of the hour, I have other remarks I would like to make, but we have a limited amount of time. I will save that time for later on tonight or in the morning, if that be the case.

At this point, I would like to yield 5 minutes to the distinguished Senator from Florida, who has some very important points he would like to make.

Mr. MACK. I thank Senator LOTT for yielding me that time.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. MACK. Let me explain what the President's Social Security tax increase is all about. Right now, if the sum of a beneficiary's adjusted gross income plus otherwise tax-exempt income plus one-half of Social Security income exceeds $25,000, or $32,000 for a couple, then the beneficiary must pay tax on 50 percent of those Social Security benefits.

The President's proposal would increase the amount of Social Security benefits subject to a tax from 50 percent to 85 percent. This is a whopping increase of 70 percent in the amount of income subject to tax.

Because the income thresholds are not indexed for inflation, the number of beneficiaries paying the tax rises each year. The Congressional Research Service estimates that the tax hike would affect approximately 8.1 million beneficiaries or approximately 22 percent. The Congressional Budget Office estimates that this number will increase to 10 percent by 1998.

I cite both the significant size of this tax increase and the large number of people affected because this proposal really represents a major sacrifice for many older Americans. The American people are willing to make a sacrifice to reduce the deficit, but they want to see spending cuts first. In fact, my constituents are calling my office with a very consistent message: Cut spending first. They want to see a meaningful, significant plan for the Government to tighten its belt.

The President has said he agrees, and during his State of the Union Message, he said that he "seeks to earn the trust of the American people by paying for these plans first with cuts in Government waste and inefficiency, not gimmicks."

He reinforced his commitments in an address to the U.S. Chamber of Commerce: "If we don't cut spending, the tax reduction package has no credibility, and besides that a lot of this spending needs to be cut."

He went on further to say, "We have to tighten our belts before we ask Americans to tighten theirs." And further, "But there still will be net budget cuts that are very deep, and I'm looking for more." And then he went on: "Before we get to any tax increase, I want to know the spending cuts are going to be there. I will not sign a tax increase without the spending cuts."

One additional quote from the President: "I want to say again I don't want to raise one penny of this money unless we have the spending cuts, not a penny."

After all this tough rhetoric in asking people to sacrifice with higher taxes, let us examine the President's plan in the Senate budget resolution. Are they meaningful and significant plans for cutting spending? Let us take a look at the chart.

The first bar graph shows what spending would be if we did nothing different, that is, we followed present law. Between now, 1993 and 1998, there would be 9.373 billion dollars' worth of spending. You would think after all of that tough rhetoric we would see some massive reduction in overall spending throughout this plan. Some people would suggest that maybe it would be as low as $4 trillion. That is not the case.

Under President Clinton's plan, after all that tough rhetoric, maybe we would see some real reductions in Federal spending. Maybe we would get it down to maybe $8 trillion over the next 5 years. But that is not the case either. What we actually get is a plan—after all the tough talk about how much we are going to cut Federal spending, here is what it amounts to. It is 9.651 trillion dollars' worth of spending over the next 5 years. I mean talk about major sacrifice.

The interesting thing is I have not had anybody come up to my office over the last several weeks complaining about these massive cuts. Do you know why? Because they are not there.

Well, the Senate Budget Committee said they were going to go a little bit further. They were really going to find some cuts. They were going to reduce the amount of Federal spending that was going to take place. They came up with their own plan. Yes, that plan really cut Federal spending. They cut it down to $9.580 trillion in 1993 and over the next 5 years.

Now, from where you are sitting, you might have a tough time telling where the difference is. But let me suggest to you the reason that you are having difficulty is because under the President's plan there is six-tenths of 1 percent that has been cut over 5 years. And under the Senate Budget Committee's plan it looks to me that there is about 1.5 percent that has been cut out of Federal spending over 5 years. And because of having made this commitment to make this drastic cut in Federal spending, now the President wants the people who are receiving Social Security to pay their fair share.

I do not think the President and the Senate Budget Committee have made the case that they have really done something to cut Federal spending. And as a result of that, I think it is unfair to ask the seniors to at this time pay additional taxes.

I also reserve my further remarks until we find out exactly how the remainder of the evening is going to go.

I thank Senator LOTT for yielding me that time.

The PRESIDING OFFICER. Who yields time?

Mr. LOTT. I believe we have an equal amount of time.

Is the leader prepared to yield some time on his side?

Mr. MITCHELL. We are prepared to listen to the arguments of the Senator such as he may wish to make, and we are waiting to see whether or not we can reach agreement on this.

Mr. LOTT. I see the Senator from New York. Is he not prepared to make any remarks at this time? I do not want to dominate all the discussion.

Mr. MOYNIHAN. I find myself speechless. It is those visuals.

Mr. LOTT. Would the Senator like to use this chart?

Mr. MOYNIHAN. They confuse me. I only understand numbers.

Mr. LOTT. At this time then, Mr. President, I will yield 5 minutes to the Senator from Arizona. I do think we need to go along and get some balance in the debate. We will be prepared to work toward that end. I yield 5 minutes to the Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona is recognized for 5 minutes.

Mr. MCCAIN. I thank the Chair.

Frankly, I am a little disappointed not to be able to hear the Senator from New York because I would like to have responded to some of his statements. Usually we engage in back and forth, and keep the time equal so we can respond to each other. I am sorry we are deviating from that at this time.

Mr. President, I have not been a Member of Congress for a long time, not as many years as many Members who are here, going into my 11th year, and there are many things about my experience in the Congress that I will not remember—in fact, many of them I choose to forget.

The one fact I will always remember is in 1983 when the Social Security trust fund, the entire system was bordering on bankruptcy. The Social Security trust fund was losing over $1 million an hour. It needed to be fixed, and thanks to the efforts of a bipartisan National Commission on Social Security Reform there was a compromise, a very delicate and difficult one, crafted that the American people, including our seniors, could embrace for the purpose of salvaging the Social Security system and, indeed, fulfilling the obligation and the contract we entered into with our citizens when the Social Security system was founded.

Part of that compromise was an increase in taxes on certain Social Security recipients.

Mr. President, senior citizens somewhat reluctantly agreed to that compromise for the purpose of salvaging the system, but also because those taxes went into the Social Security trust fund in order to make the trust fund whole.

Now we are telling the senior citizens we are going to basically renege on that agreement we made with them about 10 years ago.

And we are going to increase taxes on their Social Security. And that money is not going into the Social Security trust fund, which now has some significant surpluses in it for good reason, as we all know, because the present baby boomers will need a great deal of that. But we are now telling them that we need to use their hard-earned income, and tax it in order to spend more money. What? Spend more money.

I do not think many of the seniors of this country want to wake up one morning, who have an income of $25,000 a year—or $32,000 a year, in the case of a couple—and find out that they "are rich"—they are rich, and they need to have their income taxed.

Mr. President, the seniors in my State are now experiencing a triple

whammy. That triple whammy is one increase in taxes which is something they overwhelmingly—the majority of them—reject, and I think for good reason.

They are also facing the so-called Btu tax. Seniors have to have heat in some parts of the country. In my part of the country, they have a lot of it, and they need air conditioning. They need it in the summertime very badly. In my State, it is not a nice thing to have; it is an absolute requirement. Their expenditures are going to go up dramatically. So they are being hit by that.

And the third one is for those who, unfortunately, work. Because of a need to have to go out and earn a wage, work, they are now still subjected to the unfair and incredible earnings test tax, which comes to about $1 out of $3 in taxes that they earn.

So by failure to repeal the Social Security earnings test, which was part of President Clinton's campaign pledges, and laying on a Btu tax, it will increase their costs and expenses enormously; and then, of course, this one, this means that our seniors are being singled out, in some respects, in a very unfair and unjust fashion, in my view.

Mr. President, the Social Security trust fund today is used to obscure the true size of the deficit. The Federal Government's accounting procedure, which includes all revenues and expenses in calculating the size of the deficit, uses the trust fund reserves, as we know, to make the deficit appear smaller. My hope had been that the President would have joined those of us who tried to eliminate this practice, rather than perpetuate the charade.

Mr. President, I do not think this amendment proposal is going to pass. I think there is going to be a second-degree amendment that will put it at $50,000 instead of $32,000 and $25,000 respectively.

I will probably vote against that second-degree amendment because I do not think the seniors need to be taxed at any level for their Social Security benefits.

Mr. President, I look forward to more debate on this. I am frankly surprised that we would want to do this to America's seniors.

The PRESIDING OFFICER. Who yields time?

Mr. LOTT. Mr. President, how much time have we used on this side?

The PRESIDING OFFICER. The Senator has 39 minutes 30 seconds remaining.

Mr. LOTT. Thank you, Mr. President.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Will the Senator yield 1 minute to the Senator from New Mexico?

Mr. LOTT. I am happy to yield 1 minute.

Mr. DOMENICI. I yield myself 1 minute off the resolution.

The PRESIDING OFFICER. The Senator is recognized.

Mr. DOMENICI. Mr. President, I think my friend from Mississippi is a little bit concerned because if he only has 1 hour on this amendment, he is using all of his time and there is no response on the other side. What we are really trying to do is get an agreement and not, in the process, cut Senator LOTT out of time.

So let me suggest if we cannot get an agreement shortly, then I would suggest to the Senator that he need not worry, because I will yield him additional time off the budget resolution.

Mr. LOTT. I thank the Senator from New Mexico.

The PRESIDING OFFICER. Who yields time?

If no one yields time, the time is charged equally to both sides.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. I yield 5 minutes to Senator NICKLES off the resolution.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 5 minutes.

Mr. NICKLES. Mr. President, I rise as a cosponsor of the Lott amendment. I wish to congratulate the Senator from Mississippi for an outstanding amendment. I encourage my colleagues to take a look at this amendment. I think it is one of the most important amendments that we will be voting on in this entire debate on the budget resolution.

The amendment of the Senator from Mississippi is to save senior citizens from a very unfair and a very punitive tax. I might just mention at the outset, Mr. President, I think it is awfully important that we remember what candidate Clinton said during the campaign.

Mr. President, could we have order in the Senate?

The PRESIDING OFFICER. The point is well taken. The Senate will be in order.

Mr. NICKLES. Mr. President, I thank the Presiding Officer.

Mr. President, if I remember when candidate Clinton was making speeches during the campaign and soliciting support from people all across the country, he made a couple of promises. One, he said: I will not raise taxes on middle-income Americans to pay for my program.

He was asked that again. The reporter said: "Wait a minute. What if there is not enough money to pay for all the new spending you envisioned, all the so-called investments?"

He said: "I repeat. I will not raise taxes on middle-income-tax Americans to pay for new spending."

He has broken that promise, because now he is trying to increase taxes on retirees, people who have Social Security income. He wants to raise that tax from 50 percent to 85 percent. That is a very heavy tax.

I have talked to some senior citizens who have recently retired, and they told me that is going to cost them over $100 a month, and that was money that they were expecting. That was money that President Clinton told them or candidate Clinton said he was not going to touch.

As a matter of fact, if you look at it, as a candidate Mr. Clinton said he was going to try to eliminate the so-called earnings test, and many of us in the Senate, and I know the Senator from Mississippi, the Senator from Florida, myself, and others, have tried to eliminate the earnings test so we do not have a 33-percent surtax on senior citizens between the ages of 65 and 70. Candidate Clinton said, yes, he wanted to eliminate that so-called earnings penalty on senior citizens. He said that, as a candidate, it is not in his program.

As a matter of fact, this is just the opposite. This is telling people, who have Social Security income, we want more taxes from you so we have more money to spend. It is just that plain and simple, because in the amendment we have before us, we want to cut taxes $32 billion, and we want to cut spending $32 billion; in other words, let us not raise taxes on senior citizens so Congress can have more money to spend.

There is still going to be lots of money for Congress to spend. We now spend over $6,000 for every man, woman, and child in the United States every year. So Congress is still going to have a multitude and abundance of money to spend, but maybe we will not have that $32 billion. We will not be increasing taxes unfairly on senior citizens and in violation of the commitment that we made to them way back in 1983. we said, no, that was enough. That was all we were going to increase the tax, which was the 5 percent.

But now here is Congress coming again saying, seniors, we want you to ante up, we want you to pony up, we want more of your money so Congress can have more money to spend for the so-called stimulus investment.

I think that is not a fair deal. That is not what Candidate Clinton campaigned on. He said, "I will not raise taxes on middle-income-tax Americans to pay for new programs."

Let us hold him to that promise. I think we need to make a statement. I think when candidates say something they should mean it, and we in the Senate really should hold the President accountable to the statements he made during the campaign.

Mr. President, I am not sure this is inserted in the RECORD. I will insert in the RECORD, a study from the Congressional Research Service that says, if a couple has $40,000 of income their taxes

will go up, because of President Clinton's proposal, $1,944. Most of us would describe a couple that has $40,000 of retirement income as middle income, and yet taxes go up by almost $2,000 a year. I do not think we should do it.

We need to pass the amendment of the Senator from Mississippi to make sure we do not unfairly penalize senior citizens. I hope my colleagues will adopt this amendment.

Mr. President, I ask unanimous consent to print in the RECORD the table to which I have referred.

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

PAYING MORE TAXES ON SOCIAL SECURITY

Estimated additional Federal income taxes in 1994 under President Clinton's proposal to make 85 percent of Social Security benefits of the most affluent retirees subject to tax. Currently, 50 percent of benefits are taxed for the most affluent retirees.

ANNUAL SOCIAL SECURITY BENEFITS

Annual income (excluding Social Security)	$5,000	$10,000	$15,000	$20,000	$25,000
Filing jointly—additional income taxes					
$20,000	0	0	0	0	26
25,000	0	0	26	158	289
30,000	26	158	289	420	551
35,000	263	420	551	683	814
40,000	263	525	1,048	1,537	1,944
50,000	490	980	1,470	1,960	2,450
75,000	490	980	1,470	1,960	2,450
100,000	490	1,085	1,628	2,170	2,713
Filing individually—additional income taxes					
20,000	0	0	131		
25,000	131	263	579		
30,000	490	980	1,225		
35,000	490	980	1,470		
40,000	490	980	1,470		
50,000	490	980	1,484		
75,000	543	1,085	1,628		
100,000	543	1,085	1,628		

Note.—Few people who file individual returns receive $15,000 in annual Social Security benefits and almost no one receives more than that amount.

Source: Congressional Research Service.

Mr. MCCAIN. Mr. President, as part of his economic plan, President Clinton proposed an increase in the tax on Social Security benefits for those with incomes over $25,000, or $32,000 for couples. I rise to join my distinguished colleagues and good friends from Mississippi and Florida, Senators LOTT and MACK, in proposing an amendment to eliminate this proposed tax increase.

Mr. President, the administration's proposal is unfair, it is cynical, and it is yet another broken campaign promise.

Let's get one thing straight from the outset, Mr. President, our Nation's seniors did not create this budget deficit—Congress did. Now we are trying to label tax increases on our Nation's seniors as spending reductions. I will not be party to balancing the budget on the backs of our Nation's seniors.

This plan, which the administration claims was designed to promote fairness and economic growth—hits a group that is hardly rich with a triple-whammy and undermines the purpose and, perhaps future, of Social Security. What's more, it is a disincentive to those seniors who could further contribute to our economic growth by continuing to work.

Many have questioned whether the President's plan is fair?

The answer is "No."

While the President has called for sacrifice—which is really code for more taxes—on the part of all Americans, he is, in fact, proposing that certain segments of our society make a disproportionately larger sacrifice.

During his campaign, President Clinton assured the American people that he would only tax those who made more than $200,000 per year. When President Bush pointed out that his proposals could raise the tax burden on families making as little as $36,000 per year, candidate Clinton called President Bush shameless.

Now we know who was speaking the truth.

Many senior citizens were understandably astounded to wake up the morning after the President announced his plan to find out that those elderly in our society that make as little as $25,000 and elderly couples making as little as $32,000 are now classified as rich and will have their taxes increased. I do not think that is fair. I think it is very important for us to recognize that the seniors in this country are getting a triple whammy. With the Btu tax, seniors and elderly citizens in my State are very much dependent in the summer time on air-conditioning and other essential utility bills. The fact is that they are going to face a tax increase, and, Mr. President, I do not believe that we are treating them fairly.

Mr. President, when I was first elected to Congress, in 1983, the Social Security trust funds were in terrible shape—losing over a million dollars an hour. That year we adopted the recommendations of the bipartisan National Commission on Social Security Reform.

We made a deal with our Nations seniors in enacting the recommendations of the Commission, and we did it for the purpose of saving the Social Security system from financial disaster. We made a deal, and we increased their taxes, in return for which the senior citizens of this country were assured that they would receive the benefits from the Social Security system, a contract that they entered into with the Federal Government. This administration is proposing that we break that deal. If we accept President Clinton's proposal we are going to tax our Nations seniors more and the taxes are not going to go into the Social Security trust funds. No, they are going to go into general revenues so that Congress and the administration can find another way to spend them.

Mr. President, when the senior citizens of this country find out what is being done to them, I think they are going to be understandably disturbed—to say the least.

I find this plan to tax 85 percent of Social Security benefits as a way to collect $32 billion in new taxes to help fund the new spending programs President Clinton would like to bring on line troubling for a number of reasons.

First, plans to balance the budget on the backs of our Nation's seniors assume that Social Security is mortgaging our children's future. But Social Security is not the problem. The problem is Congress' insatiable appetite for new spending. Were it not for the spending increases contained in the so-called investment and stimulus package, these revenues would not be needed in the first place.

Second, Social Security is being used to obscure the true size of the deficit. The Federal Government's accounting procedure, which includes all revenues and expenses in calculating the size of the deficit, uses the Social Security trust funds reserves to make the deficit appear smaller than it really is. My hope had been that the President would have joined those of us who have tried to eliminate this practice, rather than perpetuate the charade.

Third, the administration has found a way to raid the trust funds to finance new Federal spending, without technically touching the funds. They will just confiscate benefits.

Fourth, the administration's proposal will, in effect, turn Social Security into a means-tested program—a severe breach of faith with the American people.

What most don't realize is that not only Social Security, but interest, pension, dividend, tax-exempt bond, and wage income as well, are included in the calculation of this tax. Thus, many seniors with incomes over $25,000, a figure that will have fallen to $15,000 in today's dollars by 2010, when baby boomers begin to retire, will find that they effectively get no Social Security benefits at all. In short, Government will penalize instead of reward those who have sacrificed during their working years to save money for their retirement.

The most disturbing consequence of the President's proposal is that it continues to punish those seniors who still need to work in order to make ends meet. They would be hit with both the tax on their benefits and the Social Security earnings test penalty, which forces them to forfeit $1 in benefits for every $3 in income they earn over $10,560—a combined marginal tax rate that approaches 100 percent for some. During the campaign, he indicated he intended to address this confiscatory policy. I am sure few thought what he really intended to do was increase the taxes on elderly workers, as this proposal would do.

It is certainly true that our Nation's seniors—as a group—are better off

today than they were when Social Security was created in 1935. It is also true that many other groups in our society are suffering from declining standards of living. Deficit reduction and economic growth are proper imperatives for the new administration. But, despite their sales job to the contrary, the administration's proposal to increase the taxation of Social Security benefits is neither an appropriate nor effective way to achieve them.

At this point, I would like to ask unanimous consent that two tables, developed by the Congressional Research Service, detailing the effect of the administration's proposal, be inserted in the RECORD.

In my opinion, we cannot and should not go along with this charade. It is, therefore, my hope that our colleagues will support our amendment to eliminate this provision of the administration's budget proposal.

A number of our Nation's prominent seniors' organizations are lining up in favor of our amendment, and against this provision in the Clinton administration's budget proposal. Among the groups opposed to this provision are the Retired Officers Association and the National Committee to Preserve Social Security and Medicare.

I was recently speaking with my good friend Martha McSteen, the president of the National Committee to Preserve Social Security and Medicare, about the impact of the budget proposal on our Nation's seniors. I would like to recount what she said, because I couldn't agree more.

Ms. McSteen, who headed the Social Security Administration from 1983 to 1986, agreed that deficit reduction is not painless and is going to require shared sacrifice. But, it was her opinion that the budget proposal asks seniors to share a disproportionate share of the deficit reduction through proposals to increase taxes on Social Security benefits, cuts in Medicare funding, and the proposed energy tax.

I hope that my colleagues will consider the words of my good and able friend, who heads the second largest seniors' organization in America, because she is right. And, if we do, I am confident that all of us will vote to repeal the provision that would increase taxation on Social Security benefits.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I yield 7 minutes to the Senator from Texas off the bill.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, there seems to be some dispute as to whether or not Senator LOTT will get a vote on his amendment. I would like to remind my colleagues of the fact that under the rules of the Senate governing a budget resolution we do have a limit on the time that we have to debate, but we have no limit on the ability to offer amendments at the end of that debate time. I feel so strongly about this Lott amendment that I want my colleagues to know tonight that I am going to offer this amendment in conjunction with several of my colleagues as many times as we have to offer it in order to get an up-or-down vote.

Obviously, any Member of the Senate can second degree that amendment, but then we can come right back and offer it again. I believe if we do that, if we are resolute and determined in doing it, at some point our colleagues on the left are going to decide that we are serious, that we want to have this vote, and we will get an opportunity to see who wants to raise Social Security taxes in order to fund more spending.

Let me say, Mr. President, I do not want to tax Social Security to fund new spending. I intend to vote for this amendment. I ask my colleagues here tonight when President Clinton said repeatedly in the campaign that he was only going to tax rich people who earned $200,000 a year, how many people thought he was talking about Social Security recipients with W-2 form income of $18,000 a year? I know we talk about $25,000 a year. But we have subsequently discovered in the fine print that President Clinton's proposal counts imputed income for those who own their own home as if they were getting income from not having to pay rent on their home.

I ask my colleagues when Bill Clinton said in the debate only people making $200,000 a year or more need to fear tax increases, how many people thought he was talking about Social Security recipients earning $18,000 a year?

I tell you something, Mr. President. Every Social Security recipient that voted for Bill Clinton thought he was not talking about them. I can guarantee you that.

This amendment is very simple. It says: Do not raise Social Security taxes to increase spending. What the amendment says is simply this: Take out the Social Security tax increase and then take out a corresponding amount of new spending add-ons in the Clinton budget so that there is no increase in the deficit.

So, in essence, what Senator LOTT's amendment does is simply this: It does not raise Social Security taxes. It does not spend the money. And it leaves the deficit the same.

I want to share something with my colleagues that I do not think many people understand. If you are a senior citizen and you earn $10,560 a year in wages, if you have a private pension of $6,332 a year, and if you get Social Security benefits of $9,500, you are under the Clinton proposal in the 76.25 percent tax bracket. You are in the 76.25 percent tax bracket, because you pay FICA 15 percent, income tax 15 percent, the Social Security earnings test of 33 percent, and then you pay 85 percent of the tax that you would pay on the Social Security payment as if it were income. When you add all that up, you find that under this proposal senior citizens earning $18,000 a year are in the 76-percent tax bracket. Where is the fairness in that, Mr. President? I do not think there is any fairness in it.

So I want to urge my colleagues if you think Social Security recipients earning $18,000 a year are rich people and they ought to be taxed to increase spending, then you want to vote against the Lott amendment. On the other hand, if you think playing "tax and spend" with Social Security benefits is an absolutely outrageous proposal and it ought to be defeated, if you believe that we ought not to raise the Social Security tax and we ought not to spend the money, then you want to vote for this amendment.

I believe this is probably the most important amendment we are going to vote on. I think it is a defining amendment.

It really comes down to: How much do you want to grow the Government?

I hear all this talk about growing the economy. I do not see any growth in the economy in the President's plan. What I see is raising taxes on income, on energy, and on Social Security taxes to fund more Government.

What this amendment says is this: Do not raise Social Security taxes to fund more Government spending.

I do not want to see Government grow, in the first place. But, second, I do not believe that any Member of the Senate can justify taxing Social Security recipients, making $18,000 a year on their W-2 form income, to fund more Government spending. I think that is an outrageous proposal. It ought to be defeated.

We have an opportunity on this amendment to correct this wrong. I urge my colleagues: Do not pass up this opportunity.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. SASSER. I yield to the distinguished Senator from New York such time as he may consume.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, I thank the distinguished chairman.

I rise at an hour when we are trying to negotiate. The leaders are trying to put together an agreement for the final disposition of amendments for a time or a point certain at which we will conclude this measure.

But I cannot allow a mistake to be left uncorrected which was just made, a very understandable mistake by my learned friend from Texas, who suggested that, under this proposal, we would be taxing imputed income of Social Security recipients.

Not at all. Absolutely not. No. Never. In no possible way will that be done. It has not been proposed. Had it been proposed, there would not be a vote in this Chamber for it, nor ought there to be.

What has been involved, as my learned friend—who is, after all, an economist, and a recognized one—will recognize, is the economist's broad-based income concept of family economic income. And that simply is a composite of the revenues that can be sent to a household, either has or which can be imputed to have because it has property that would have an income equivalent, so that you say how well off or how badly off a family is.

And in this composite index, which economists use to estimate how well off families are and what their ranking is, you impute the rental value of a house that is owned. Say, if you had to rent it, this is what it would cost you. Therefore, you have that imputed income in your standard of living. That is all it is, a measure of living standard. In no circumstances would we ever dream of taxing such an imputed value. it is a concept which economists use.

Mr. President, I know where this came from. The administration prepared, a month or so ago, an analysis of the impact on family economic income classes of the whole range of programs that are, in effect, the President's economic proposals. Those are expansion of the earned income tax credit, increase in low-income heating provision—LIHEAP, as the acronym is—increase in food stamp programs, and the taxation of a larger portion of Social Security benefits.

They produced this composite table to see what the effects—up, down, sideways—of those four different measures would be a number of family income classes which begin with zero to $10,000 and make their way up to $200,000 and over.

Mr. President, just so this would be perfectly clear in the RECORD, I ask unanimous consent to have printed in the RECORD at this time this one page of the administration's analysis of its proposal.

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

ADMINISTRATION'S REVENUE PROPOSALS—OFFSETS: EXPANSION OF EITC AND INCREASES IN LIHEAP AND FOOD STAMP PROGRAMS [1]

[Includes taxation of Social Security benefits; 1994 income levels]

Family economic income class [4] (thousands)	Federal taxes under current law [2]			Change in Federal taxes [3]			Total Federal taxes after change		
	Amount (billions)	As a percent of pre-tax income	As a percent of after-tax income	Amount (billions)	As a percent of pre-tax income	As a percent of after-tax income	Amount (billions)	As a percent of pre-tax income	As a percent of after-tax income
0 to 10	$6.7	7.8	8.5	−$0.2	−0.2	−0.2	$6.5	7.6	8.3
10 to 20	26.9	9.8	10.9	0	0	0	26.9	9.8	10.9
20 to 30	55.7	14.0	16.3	.4	.1	.1	56.0	14.1	16.4
30 to 50	152.1	17.3	20.9	4.4	.5	.6	156.5	17.8	21.5
50 to 75	203.1	19.0	23.5	7.6	.7	.9	210.7	19.7	24.3
75 to 100	174.3	20.4	25.6	5.9	.7	.9	180.2	21.1	26.5
100 to 200	242.6	21.2	26.8	8.0	.7	.9	250.6	21.8	27.7
200 and over	247.5	20.9	26.5	34.3	2.9	3.7	281.8	23.8	30.2
Total [5]	1,110.5	19.0	23.4	60.4	1.0	1.3	1,170.9	20.0	24.7

[1] This table distributes the estimated change in tax liabilities due to possible revenue options, including taxation of Social Security benefits. Included is a total of $10.2 billion of expansions in the EITC and increases in transfers for Food Stamps and the Low-Income Home Energy Assistance Program.

[2] The taxes included are individual and corporate income, payroll (Social Security and unemployment), and excises. Estate and gift taxes and customs duties are excluded. The individual income tax is assumed to be borne by payors, the corporate income tax by capital income generally, payroll taxes (employer and employee shares) by labor (wages and self-employment income), excises on purchases by individuals by the purchaser, and excises on purchases by business in proportion to total comsumption expenditures. Taxes due to provisions that expire prior to the end of the Budget period (i.e., before 1999) are excluded.

[3] The change in Federal taxes is estimated at 1994 income levels but assuming fully phased in (1998) law and long-run (1996) behavior. All excise and payroll tax effects on indexed transfers and tax brackets are accounted for. All income, payroll, and excise tax changes are included, with the exception that provisions which only affect the timing of tax collections are excluded. The incidence assumptions for tax changes are the same as for current law taxes (see footnote 2).

[4] Family Economic Income (FEI) is a broad-based income concept. FEI is constructed by adding to AGI unreported and underreported income; IRA and Keogh deductions: nontaxable transfer payments, such as Social Security and AFDC; employer-provided fringe benefits; inside build-up on pensions, IRAs, Keoghs, and life insurance; tax-exempt interest; and imputed rent on owner-occupied housing. Capital gains are computed on an accrual basis, adjusted for inflation to the extent reliable data allow. Inflationary losses of lenders are subtracted and of borrowers are added. There is also an adjustment for accelerated depreciation of noncorporate businesses. FEI is shown on a family, rather than on a tax return basis. The economic incomes of all members of a family unit are added to arrive at the family's economic income used in the distributions.

[5] Families with negative incomes are included in the total line but not shown separately.

ASource: Department of the Treasury, Office of Tax Analysis.

Mr. MOYNIHAN. I do thank you, Mr. President, because, my goodness, if ever there was something we would never dream of doing is taxing people who, through a lifetime, have paid a mortgage and they finally own their house. We would not dream of it.

There are two other things I would like to say. The statement has been made that this proposal will raise revenue, some $31 billion over 5 years, for new spending.

No, sir. No, sir.

This money, every penny of it, goes into the Medicare hospital insurance trust fund of the Social Security system. That trust fund is not as robust as we would like. It probably will run down to zero by about the end of this decade.

In the meantime, the old age, survivors and disability insurance trust funds will rise to a trillion dollars in surplus. Well, I suppose the word "surplus" is not correct. The fund will have $1 trillion in assets.

The funds, at the end of this year, will be at $370 billion. That is more than a year's disbursement. We are well passed that year's reserve. To get a feeling, Mr. President, in 1993, you are at $370 billion. In 2001, you are at $1.091 trillion. That is how much this reserve in the Social Security system is accumulating. It rises very rapidly now.

This is all the result of the arrangements which were put in place in 1983, very much the initiative of our, dare I say, beloved—he probably would not like that—but our beloved Republican leader, who, in 1983, was a member of the National Commission on Social Security Reform. The Senator from New York was a member.

And on the day of January 3, 1983, when the new Senate was sworn in, he and I had a conversation about what to do with that Commission, its time having expired and its mission having failed.

He said, "We are not going to let it fail." He asked me if I could meet him the next day in his office, and I did. The day after that, he had Robert J. Myers in. The next day, we kept meeting. He asked if we could go out to the home of then Chief of Staff James A. Baker III. And, in about 10 days' time, we had the agreement, which included, for the first time, a tax, the provision that 50 percent of the Social Security benefit be taxed.

That had been proposed, in effect, by the Social Security Advisory Council that reported in 1979.

In 1979, the Quadrennial Commission, which looks at the condition of the Social Security system, said: No, the time has come to start having recipients of Social Security retirement benefits pay tax on them as recipients of private pensions do, or State government pensions. It is normal.

The normal rate is 85 percent. I can recall a brief discussion of whether we should go to the 85 percent. Please do not hold me to a record in that regard, but I do remember the point being made by the tax attorneys present that the normal rate is 85 percent. Should we go that far? And we said, well, what do you say to 50 percent on this first step?

We also provided that we would not index the thresholds of $25,000 and $32,500, so they would drift down a bit so that the day would come that Social Security benefits would be subject to

the same tax rates that private retirement benefits paid.

That day has come. This measure is in the President's program and it will be adopted. Why will it be adopted? Because we need the money. We desperately have to stop this growing, mounting debt. Already the service of the debt incurred in the 1980's is the largest item in our budget, larger than disbursements for Social Security retirement benefits. We are borrowing money to pay interest. It is the formula for ruin. And the President has said stop it.

If I may say it in anticipation, Mr. President, tomorrow morning the Honorable Alan Greenspan, Chairman of the Federal Reserve Board, will appear before the Finance Committee. And, mark you, Mr. President, he is going to say: I am not going to tell you how to do it, but you have to address the issue of the deficit.

The Senator from New Mexico has said it. The Senator from Kansas has said it. Heaven knows the Senator from Texas has said it. The Senator from New York says it. I would like to say this is part of what we are going to have to do to do it.

We are not taxing anybody twice. We are just giving equal exposure to taxation of persons receiving this stream of income as persons receiving other retirement benefits. Nothing more, nothing less. It is equitable and its time has come.

A Republican President, President Reagan; a Republican Senate, Howard Baker as majority leader; a Finance Committee with the present Republican leader as chairman—we put this into place. We knew what we were doing. We did the right thing. And we are simply taking the logical concluding step.

I see the Senator from New Mexico has risen. I would like to hear what he has to say and I happily yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. GRAMM. Will the Senator yield just for 2 minutes so I can respond briefly?

Mr. DOMENICI. I am pleased to. I yield 2 minutes to the Senator from Texas.

Mr. GRAMM. Mr. President, let me make my point again because I believe I am correct on this point. When the President talks about taxing Social Security benefits for people who are making $25,000 and more, he is not by his own tables counting W-2 form income. In order to argue fairness, so he can in fact tax people making $18,000 or more, not $25,000 or more, here is what the President's own table says.

It says "family income is a broad-based income concept."

Now, listen to the things they count to get you up to $25,000:

Employer-provided fringe benefits like parking, inside buildup on pensions, IRA's, Keogh plans, life insurance, tax-exempt interest, imputed rent on owner-occupied homes.

Mr. President, here is the point. The President did not want to say that he was taxing people who had W-2 form of $18,000 a year or more. So we have now created a new concept called broad-based family income, where we are counting fringe benefits, pension buildup, life insurance, tax-exempt interest, imputed rent on a home you own.

Our colleague from New York says never, ever would we tax these things. We are just trying to prove how fair it is to tax senior citizens making $18,000 a year or more.

My point is this. If we start this imputed income to argue fairness today, what is to keep us from taxing it tomorrow? I am worried we will tax it tomorrow. And my point stands. We are counting all of these things as income, to try to say it is fair to tax a senior citizen making $18,000 a year. It is not fair.

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

Mr. DOMENICI. Mr. President, I have the floor.

The PRESIDING OFFICER. Who seeks recognition? The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, let me say to my friend from New York, when I heard the Senator say: Never, never, never—I do not know—did you say it as many times as Winston or did you say it one less?

Mr. MOYNIHAN. One more.

Mr. DOMENICI. One more. That is it, when you said that you were talking about imputed income and you said we never tax imputed income. Let me tell you what happened. I do not have the verbatim but I will tell you what the President said in his State of the Union Address to the American people.

He said, 70 percent of the taxes in my proposal are going to come from people who earn $100,000 or more.

Mr. MOYNIHAN. I am sorry?

Mr. DOMENICI. My friend from New York, let me repeat. The President of the United States, in his State of the Union Address, made the following statement. It is not verbatim so I do not quote it.

Mr. MOYNIHAN. Sure.

Mr. DOMENICI. Seventy percent of the taxes imposed on the American people will be on taxpayers who earn more than $100,000. What he actually did was he used those family income distribution tables to get to the $100,000.

He did not tax under the family income distribution, which had imputed it. He merely raised a taxpayer who was actually earning and paying on $85,000, he raised him to the $100,000 level for his distribution of taxes. So he was telling the American people wrong. He was saying you are only going to be taxed—70 percent of this tax—for $100,000 or more of earnings. He really was saying $85,000, because he used this fictitious, imputed income to put them in a $100,000 bracket.

We now know from the Congressional Budget Office it is 85, not 100.

Mr. GRAMM. He knew they were rich.

Mr. DOMENICI. He knew they were richer than $100,000 in earnings.

Second, may I say for the record so we will get this imputed income straight, the President also made a statement in his State of the Union that was in error. It said that $30,000—people under $30,000 will not pay any tax, an unequivocal statement. People earning under $30,000 will not pay any tax. The truth of the matter is he was using $30,000 under the imputed income of that table. They are really going to pay—$21,000 and under are not going to pay. Instead of $30,000.

So we do not have as wealthy a group of people—to use his idea of wealth—in either bracket. Because 70 percent of the taxes are going to be paid on $85,000, and people who make more than $21,000 are going to be paying taxes.

So I think we are using, in a way, the imputed—where it serves our purpose to show distribution, even though we are not taxing people on that. They do not even understand the rental on a house is going to be taxed. But the President led us to believe that. That is what he used to let us believe that he was only taxing the very wealthy.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. FORD. Mr. President, on behalf of the manager of the bill, I yield 4 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 4 minutes.

Mr. DOMENICI. Mr. President, I did not yield the floor. I am certain I did not yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico has the floor. The Chair misunderstood.

Mr. MOYNIHAN. Could I have 2 minutes?

Mr. DOMENICI. Yes, I yield 2 minutes without losing my right to the floor.

Mr. FORD. Mr. President, let us get the consent to do this. Let us do it right.

Mr. DOMENICI. Mr. President, I ask unanimous consent to yield 2 minutes without losing my right.

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

Mr. MOYNIHAN. Mr. President, I have had the high honor to serve for 17 years in this Chamber with the Senator from New Mexico. I have not always agreed with him, but I have never found occasion to say he was misrepresenting anything and he did not misrepresent anything.

He said that for purposes of making a case for distributional equity, or what you like, the administration produced a table based on family economic income. But in no way, and the Senator from New Mexico said it, we are not going to tax that imputed income but they are using it, in his view, to adequately represent the distributional impact.

But the Senator from New Mexico and I do agree—I do not dispute his statement whatever, and I agree with his statement—in no sense would we ever dream of taxing imputed income.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, so the Senate will not think I will be here long, I hope we can get a unanimous-consent agreement. I only want to speak on three or four issues.

I want to thank Senator MOYNIHAN for his statement. Perhaps it is an interpretation of whether you use distribution tables right or not, but I think we all understand what the issue is, and I thank the Senator for his description of my work in the Senate in the past. I appreciate that very much.

Mr. President, I want to make a statement about this Lott amendment and not taxing Social Security because there may be some people who would say, "Senator Domenici, at some point in time, if you are putting a budget together, would you not consider this?"

I want to be absolutely clear. I am not going to support one single penny's worth of new taxes until I see a budget that cuts domestic spending permanently, because I think you are going to collect taxes, be it from Social Security recipients, or a new bracket, or Btu tax on a $21,000 wage earner, not $30,000, $21,000 and even lower if they are not getting any earned income tax back, if they do not have a family and do not work. I am not going to vote for one penny because we are not cutting domestic programs in this budget and, therefore, the seniors are going to put taxes in the coffers for no reason other than to increase domestic spending.

I say to my friend, the occupant of the chair, you made an argument today about education and we may need more money for education, but I am suggesting that the American people never thought we were going to raise domestic spending $124 billion in new programs so we could tax them. And I certainly urge that any organization representing the seniors in America let it be known that they are not going to support a tax on seniors until they see a budget that is real.

We have had a lot of talk about the integrity of this budget. I am not suggesting it is not truthful, but the truth of the matter is, it does not get you anyplace because you spend as much money as you cut. And even worse, there are no permanent entitlement changes in this budget, or mandatory spending. No permanent changes. The cuts in those programs are temporary. Do not pay the doctors so much next year, that is temporary. Do not pay the hospital so much, we are counting that as changing mandatory spending.

Why should the American people gamble on Congress and Presidents again that we are indeed going to get the budget under control?

I almost invented a poem sitting here, a rhyme: "No cuts here, wait till next year. It'll all be clear, the end is near."

You see what is going to happen, the end is going to be, you pay your taxes and you may not get a budget under control.

Frankly, that is bad enough on pure fiscal policy, but I guarantee you, for those who want to sit around and stand around and gab about growing jobs, growing jobs—how many times did we hear that?—growing jobs, like the Government knew how to grow jobs. Now how are you going to grow jobs with a $295 billion tax increase, which is just about the essence of the deficit reduction? You have defense and 295 billion dollars' worth of taxes.

I tell you, I have heard many times "the people of the country support this; they want change; they want a new plan." Frankly, we cannot get the message out there, but I want to repeat again that I do not think that 30 percent of the American people, much less 40 or 50, I do not think 30 percent would support a budget that does not restrain and cut domestic spending permanently.

I want to be totally honest. It cuts $7 billion, this budget, in domestic spending over the next 5 years. That is the net effect when you add up the pluses and minuses. I call that nothing; nothing.

So that is why I will not support this, and why I think nobody should, and that is why I think the AARP and other groups ought to tell their members forthrightly, clearly: Do not support this because there are not enough budget cuts in this, and you are going to put your money in the Federal coffers under some idea of equity of treatment so it can all get spent, right? I really do not think senior citizens deserve that.

I want to also say to my friend there are a couple inequities I did not, and you did not, mention. Do you know senior citizens cannot even shelter income under municipal bonds but other people can? If you are a senior citizen, you cannot invest in tax-free bonds; you have to pay taxes on what you gain on tax-free bonds. That is all part of this deal. That seems to me that ought to be changed if you are raising the threshold and give them at least the same kind of breaks that you give everybody else. The income from the bonds are counted toward the threshold. That is what I meant. So others do not get it counted toward their threshold. It is totally out of the tax. It is not even listed. They get to take it right out. We treat seniors different there and then we turn around tonight—and let me make another point.

This threshold started, Senator GRAMM, at $25,000; no indexation and it started 10 years ago. I wonder how much in today's dollars the $25,000 is? I would bet it is $37,000, $35,000. So, again, we are giving everybody else Consumer Price Indexes, everybody else gets to bring their dollars up to indexation, even on the tax brackets we index them, but not for seniors on this threshold. If nothing else, we ought to raise the threshold to where it belongs in current dollars as compared with 10 years ago. Whoever is busy about putting this tax on ought to at least do that.

I am pleased to have had the opportunity to discuss this. I am prepared at any time to proceed with a consent agreement. I am willing to do that.

At this point, I yield the floor.

The PRESIDING OFFICER. Who yields time?

If no one yields time, the time will be charged equally to both sides.

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. What is our parliamentary position?

The PRESIDING OFFICER. The Senate is in session. Time is being allocated to both sides. Time is temporarily in the charge of the Senator from Kentucky and the Senator from New Mexico.

Mr. FORD. Does the Senator desire some time?

Mr. ROCKEFELLER. I would like, if the Senator might yield, about 10 minutes.

Mr. FORD. I yield the Senator, on behalf of the manager, 10 minutes off the resolution.

The PRESIDING OFFICER. The Senator is recognized for 10 minutes.

Mr. ROCKEFELLER. I thank the Presiding Officer.

I rise to urge the defeat of Senator LOTT'S amendment.

Let us be honest about the point of this amendment. It is designed to knock one of the legs out from under a balanced, serious, honest plan for charting this country's future. The proponents of this amendment do not want us to succeed in our drive for changing business as usual. This is an amendment aimed at weakening our resolve; at convincing one part of the population that they are being unfairly asked to do their share; and at scoring yet another victory for gridlock and division by trying to divide us right down the middle.

Well, I say to my colleagues that we should not walk into this trap. We should remember what the American

people said in the voting booth on November 3. We should have the confidence to push forward, until we achieve the results that are the whole point of serving in public office.

How much louder do the American people have to shout before we believe that they understand our country and our Government must change course; that we have to end business as usual, break gridlock, and make the tough choices required to get our country back on the right track.

Our President is leading the way with his bold plan to cut the deficit, and to restructure our priorities to invest in key programs for our country's future education, health care, and economic growth.

This budget resolution is the first step toward charting a new course. I know that every Member would like to tinker with this part or that part of the package—but we just cannot do it.

If each Senator does, our package will unravel. This resolution is a solid, responsible proposal that is fair and deserves support.

I want to share with my colleagues two letters from West Virginia seniors. They are honest, refreshing accounts.

From a 73-year-old retired Federal employee from Jackson County, WV:

Here are some attitudes which I hope you and the Congress will consider * * * the Federal Government is the head of a big family—some 275 or so million people. As head of a family of nine, I would not think of borrowing money and obligating my grandchildren to debt.

The government cannot do all things for all people. * * * I could write several pages of attitudes but I will summarize briefly. In order to get things back on a sound basis, one or all of the following must be brought about:

(1) increase efficiency in government;

(2) increase taxes—proportionally for all, and;

(3) do without some services, many of which benefit only special interests.

A senior couple from Marshall County, WV, wrote me the following:

We are both retired with an income that allows us to live well, travel, etc. It's up to people like us to do our part before we bankrupt this country. Our children pay much more in taxes than we do. It's not fair to our young people. We disagree entirely * * * about social security being untouchable. We do however, feel that the suspension of the Social Security cost-of-living-adjustment for a year would be disastrous for those who rely solely on Social Security. * * *

They conclude their letter saying:

Continue to focus on this country's problems as the President did during his campaign and gear up to reduce the deficit.

These are extraordinary testimonies from West Virginia seniors that should convince each Member to do the right thing, and vote to table the Lott amendment and support the budget resolution.

I have been reaching out to West Virginians in public forums cosponsored by local Chambers of Commerce in my State—to talk about the President's economic plan and our country's future. After the first two in a series I am holding, in Charleston and Bluefield, my sense is that the people want change. They expect us to face up to the tough decisions and get our country back on track.

I do not relish increasing taxes of any kind, including the one we are discussing now—no one does. But let us be honest about what the President's proposal on Social Security does—and what it does not do. First, it will only ask those seniors whose incomes are more than $25,000 to pay more taxes.

The vast majority of seniors—over 75 percent of seniors do not now pay taxes on their Social Security benefits, and will not be asked to pay under this proposal. I repeat—the seniors who do not pay taxes now, will not under the President's plan.

What the plan does is ask seniors who are comfortable and who already pay taxes on 50 percent of their Social Security benefits to pay a little bit more. Less than 3 out of every 10 seniors would be affected by this change and the average income of those affected would be over $61,000.

Under this approach, older Americans who are struggling on limited incomes are not going to be hurt or lose a thing.

We are asking those seniors who are comfortable in their retirement to give a little more.

As the New York Times wrote in a recent editorial:

Equity is on the side of Mr. Clinton and the Senate Democratic Leadership * * * the 85% figure is not arbitrary. By levying the tax in this manner, retirees would pay tax on benefits in excess of their contributions. That's the same fair principle that applies to taxation of private pensions. * * *

This is fair, and it recognizes that every group in our country should contribute something towards our future.

Each group must be asked to give something, so every one will gain as we cut our deficit and put our country back on track.

Voting to table the Lott amendment is a tough but necessary choice, and I urge my colleagues to table this amendment.

I thank the Presiding Officer, and I thank the Senator from Kentucky.

The PRESIDING OFFICER (Mrs. FEINSTEIN). Who yields time?

Time will be deducted equally from each side against the amendment.

The Senator from Texas.

Mr. GRAMM. Madam President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GRAMM. Are we running time off the bill or off the amendment when we are sitting here?

The PRESIDING OFFICER. The time is being charged against the amendment.

Mr. GRAMM. How much time do we have remaining on the amendment?

The PRESIDING OFFICER. Approximately 65 minutes.

Mr. GRAMM. Madam President, if we do not have a resolution here in 65 minutes, I am going to move to table this amendment and we are going to vote on it tonight.

I yield the floor.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. DOLE. Madam President, is leader time reserved?

The PRESIDING OFFICER. Leader time is reserved.

Mr. DOLE. That is not charged against the bill?

The PRESIDING OFFICER. There are no precedents on that.

Mr. DOLE. Madam President, I ask unanimous consent for my leader's time and it not be charged against the bill.

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

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

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

AMENDMENT NO. 202

Mr. MACK. Madam President, I must oppose this amendment which would double funding for the Women, Infants, and Children's Program by 1998.

I cannot support this amendment because it makes no sense to commit to such arbitrary funding levels 5 years in the future, no matter how worthy the intended recipients. The amount of budgetary funds potentially within our control in 1998 cannot now be accurately predicted. Because of this uncertainty, I will not, 5 years prior to the funds being distributed, vote to guarantee anyone's appropriation.

Make no mistake, I fully expect to advocate ample funding on a year-to-year basis for WIC, as I have done many times in the past. It has proven successful in improving pregnancy outcomes, reducing low-birth weight births, and saving medical costs. But, we should focus on funding 1994 levels for WIC and deal with 1998 levels once we get other Government spending under control.

CLINTON ADMINISTRATION EXEMPTS RENEWABLE ENERGY FROM BTU TAX

Mr. DASCHLE. Madam President, I commend President Clinton's announcement today that he will not apply the Btu tax to renewable, environmentally benign, and domestically produced energy sources such as biomass-derived ethanol. I have worked with Treasury Secretary Bentsen for weeks on this issue, and am pleased

that the Clinton administration has seen fit to recognize the critical role ethanol must play in our Nation's energy policy.

After 12 years of a rudderless energy policy, President Clinton is offering America a fresh approach. Last month, the President spelled out that approach in plain language when he announced that, "the administration will launch initiatives to develop new, clean, renewable energy sources that cost less and preserve the environment."

The President's promotion of domestically produced ethanol is particularly well-founded, because it contributes to the achievement of three of the President's top goals—environmental protection, job creation, and deficit reduction.

First, ethanol is an environmentally advantageous fuel. Ethanol blends reduce ozone-forming carbon monoxide emissions by up to 25 percent and displace up to 10 percent of the benzene, lead, and other toxic and ozone-forming elements of base gasoline. Ethanol is also one of the few motor vehicle fuels we use that actually reduces the greenhouse gas CO_2, according to the highly respected Oak Ridge National Laboratory.

Second, ethanol development creates good jobs here in America. Nothing is more central to this administration than the interrelationship between job creation and environmental protection, and ethanol provides one of the most dramatic success stories in this regard. The American ethanol industry not only has helped clean up the air, it has used more than 350 million bushels of corn every year, providing an additional 25 cents per bushel of corn sold in rural America.

Pure and simple, ethanol is one of the most effective ways we have found to improve farm income, create jobs, and stabilize rural economies. For every 100 million new gallons in production, 5,000 new jobs are created in rural America. Moreover, substituting over 900 million gallons of imported oil, methanol, or MTBE with domestically produced ethanol creates jobs here at home and improves our national trade balance and energy security outlook.

Finally, the administration is correctly placing a high priority on deficit reduction, and here, too, ethanol plays a constructive role. According to the General Accounting Office, the ethanol program saves the Government as much as $560 million every year in reduced farm program costs and increased rural economic development. And, speaking of subsidies, the last time I checked ethanol did not require a multibillion-dollar military tanker escort or a full scale war to ensure its safe delivery to market from South Dakota.

So, any way you look at it, encouraging the use of ethanol fits the Clinton-Gore vision for America. As one who has long championed the development of a viable and expanding domestic ethanol industry, and who authored the law to extend the solar, geothermal, and ocean thermal tax credits, I compliment the President on today's announcement that all renewable fuels will be exempted from the application of the Btu tax.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Madam President, I ask unanimous consent that the Senate resume consideration of Senate Concurrent Resolution 18 on Wednesday, March 24, at 9 a.m.; that there then be 30 minutes, equally divided in the usual form, remaining on the Lott amendment numbered 240, with a vote on or in relation to the Lott amendment occurring at the conclusion or yielding back of time; that following the disposition of the Lott amendment, the following first degree amendments be considered in the following order under the following time limitation:

A sense-of-the-Senate amendment by Senators LAUTENBERG and EXON on Social Security, 1 hour; an amendment by Senator GRAMM of Texas on spending and taxes, 90 minutes; a sense-of-the-Senate amendment by Senator KENNEDY regarding Btu tax/home heating fuels, 10 minutes; a sense-of-the-Senate amendment by Senator KRUEGER regarding Government waste, 10 minutes; a sense-of-the-Senate amendment by Senator PRYOR regarding agriculture, 10 minutes; an amendment by Senator DECONCINI regarding deficit reduction trust fund, 10 minutes; an amendment by Senators KENNEDY and KASSEBAUM regarding direct student loans, 10 minutes; a substitute amendment by Senator DOLE, 2 hours, on which there will be an up or down vote; a sense-of-the-Senate amendment by Senator SASSER regarding entitlement savings, 1 hour; a sense-of-the-Senate amendment by Senator NUNN regarding entitlement cap, 1 hour.

Mr. DOMENICI. That is not a sense of the Senate, Mr. Leader.

Mr. MITCHELL. Madam President, I stand corrected.

That is an amendment?

Mr. DOMENICI. Yes.

Mr. SASSER. Madam President, there is some confusion about that. We were told that the Nunn initiative is a sense of the Senate.

Mr. MITCHELL. Madam President, I amend my request to state that, with respect to both the Sasser and the Nunn provisions, it be a sense-of-the-Senate amendment or an amendment regarding entitlements; that the listed amendments in this agreement not be subject to second degree amendments; that no other amendments on the subject of Social Security, other than those listed in this agreement, be in order; that the time for debate be equally divided in the usual form; that final passage of the House Concurrent Resolution 64, after the Senate language, as amended, has been substituted in lieu thereof, be no later than 12 noon on Thursday, March 25; that upon disposition of the House budget resolution, the Senate insist on its amendment, request a conference with the House on disagreeing votes of the two Houses, that Chair be authorized to appoint conferees and the Senate companion be returned to the calendar; that upon the disposition of the budget resolution, the Senate, without any intervention action or debate, proceed on the consideration of H.R. 1335, the supplemental appropriations bill; that at 12 noon on Thursday, March 25, the Senate dispose of the pending amendment to Senate Concurrent Resolution 18 and proceed to House Concurrent Resolution 64, with the above occurring without any intervening action or debate.

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

Mr. MITCHELL. Madam President, I thank my colleagues.

Pursuant to this agreement, the Senate will complete action on the pending budget resolution no later than 12 noon on Thursday and, immediately following disposition of the pending budget resolution, the Senate will proceed to the consideration of the supplemental appropriations bill.

There will be a vote tomorrow between 9 a.m. and 9:30 a.m. I anticipate that the full 30 minutes will be utilized on the Lott amendment. So the vote on or in relation to the Lott amendment should occur at approximately 9:30. Senators should be alerted to that. And then there will be a series of votes throughout the day, with the possibility of a large number of votes later in the evening.

Madam President, I thank my colleagues. I now suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Mr. FORD. I now ask unanimous consent that we proceed to morning business and that Senators be allowed to speak therein.

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

AGNES GEELAN—NORTH DAKOTA'S FIRST WOMAN EVERYTHING

Mr. DORGAN. Madam President, today I rise to honor the recent passing, at age 95, of Agnes Geelan, a dedi-

cated North Dakota author, teacher and politician who is known in my State as the "first woman everything."

Agnes was born in Hatton, ND, in 1896 as the daughter of Norwegian homesteaders. Her immigrant father and uncle first arrived in Fargo, ND, by train and then traveled by foot many miles to the north to Traill County to stake a homestead.

She graduated from Mayville State College in 1915 and began teaching, until she left that profession in 1918 and 1919 to work to give women the right to vote.

She then taught for many years in the North Dakota towns of Enderlin, Lankin, Oberon, Mayville, and Carrington. Her activism was forged in the depression of the 1930's when she was president of the North Dakota American Legion Auxiliary and later when she held national offices in the Ladies Auxiliary of the Brotherhood of Railway Trainmen.

In 1946, she became the first woman to be elected mayor in North Dakota, when the people of Enderlin voted her into that office. While serving as mayor in 1950, she was the first woman elected to the North Dakota State Senate.

After two runs for Congress in 1948 and 1956, she was a leader in the movement to bring the two-party system to North Dakota by helping to switch the State's Non-Partisan League to the Democratic Party in 1956.

As a devoted pacifist, Agnes represented the U.S. League of Women Voters at the U.N. General Assembly's Third Session on Disarmament.

In 1976, at the age of 80, she became an author when she published "The Dakota Maverick," chronicling the life of former North Dakota Governor and U.S. Senator Bill Langer, who ranks as one of the State's most colorful politicians. She later wrote two novels, "The Minister's Daughters," in 1982, and its sequel, "Pine Cove Revisited," in 1985.

In 1987, when North Dakota was preparing to celebrate its Centennial, Agnes gave a moving tribute to her immigrant father and uncle.

Agnes Geelan's life represents the best of the pioneer spirit and courage that resides in North Dakota today and she will be missed with her passing. But her legacy of activism and dedication to helping people has made North Dakota a better place.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Madam President, the Federal debt—run up by the U.S. Congress—stood at $4,216,608,206,081.47 as of the close of business on Friday, March 19.

Anybody remotely familiar with the U.S. Constitution is bound to know that no President can spend a dime of the taxpayers' money that has not first been authorized and appropriated by the Congress of the United States. Therefore, no Member of Congress, House or Senate, can pass the buck as to the responsibility for this long-term and shameful display of irresponsibility. The dead cat lies on the doorstep of the Congress of the United States.

During the past fiscal year, it cost the American taxpayers $286,022,000,000 merely to pay the interest on reckless Federal spending, approved by Congress—spending of the taxpayers' money over and above what the Federal Government has collected in taxes and other income. This has been what is called deficit spending—but it's really a form of thievery. Averaged out, this astounding interest paid on the Federal debt amounts to $5.5 billion every week, or $785 million every day—just to pay, I reiterate for the purpose of emphasis, the interest on the existing Federal debt.

Looking at it on a per capita basis, every man, woman, and child in America owes $16,416.04—thanks to the big-spenders in Congress for the past half century. The interest payments on this massive debt, average out to be $1,127.85 per year for each man, woman, and child in America. Or, looking at it still another way, for each family of four, the tab—to pay the interest alone, mind you—comes to $4,511.40 per year.

Does this prompt you to wonder what America's economic stability would be like today if, for the past five or six decades, there had been a Congress with the courage and the integrity to maintain a balanced Federal budget? The arithmetic speaks for itself.

THE DEATH OF EMMET O'NEILL

Ms. MOSELEY-BRAUN. Madam President, Emmet O'Neill, the head of my Chicago office, died last Friday. His untimely death was a great loss for the people of my State, and I want to take just a moment to tell the Senate about the kind of person he was.

Emmet was an outstanding public servant. He was a big help to me in representing the people of the State of Illinois in the U.S. Senate, as I know he was a big help to Senator Alan Dixon before me.

I first met Emmet when I was in the State legislature. I spent many a Saturday morning with him at Mayor Harold Washington's home for breakfast, where Emmet always provided a rare combination of good humor, sound advice, and a genuine interest in the lives of everyone there.

Emmet was also my friend, and a trusted advisor. I really liked Emmet. I think everyone liked Emmet, because Emmet liked and cared about everyone he came in contact with. Even more than that, Emmet liked to help people. Nothing gave him greater pleasure than to be able to solve a problem for someone.

Emmet was a rare gem of a person. He was always warm, and always wonderful to be with. He was a truly splendid practitioner of the politics of joy. He made a difference to virtually everyone whose lives he touched. He certainly made a major difference in my life, Mr. President, and I will greatly miss him.

ELIZABETH LAYTON

Mrs. KASSEBAUM. Madam President, when Picasso observed that it takes a long time to become young, he might well have been describing Kansas artist Grandma Layton. Elizabeth Layton of Wellsville, KS, died last week at the age of 83. The mother of five, she edited the local paper for many years. Then at 68, she enrolled in an art class—and discovered her unique talents and her true calling. With colored pencils and blind-contour drawing, she found in her art the cure for the depression that years of drugs and electroshock had not provided. Her creativity unleashed, she had, indeed, become young.

Grandma Layton did not sell her work—drawing was just something she did to remain well. Nevertheless, she received national recognition, and her work was exhibited throughout the United States. Her most recent exhibit in Washington was last spring at the National Museum of American Art. If there was ever any doubt about her ability to communicate, one had only to look through the comment book. For example, a viewer wrote, "You are our conscience, the voice from within our hearts that reminds us what is right and good and true."

Grandma Layton's wit could be acerbic, yet she was not afraid of sentiment. Nor did she shy away from the issues of today, and her work expressed views on the ERA, racism, AIDS, and aging. In fact, she drew herself—and often her husband Glenn—complete with wrinkles and liver spots. She could move you to tears or laughter, bring you to anger over injustice and intolerance or evoke compassion for the human condition.

Still the editor, Grandma Layton offered the commentary to accompany her work. If an epitaph is needed, she provided her own in the description for the drawing, "Pushing Up the Daisies." She is lying before a tombstone, a rainbow across her face, surrounded by animals and birds. Her eyes are daisies with one offering a friendly wink. Her words:

> This is my grave * * * it doesn't make any difference after you're dead what color your skin is * * * so I drew my skin black * * * people of other colored skin have the same feelings. * * * This is my gravestone * * * some child has pulled some daisies and laid them there on the grave. See, she is winking * * * she knows what's after this world. It's a hopeful picture.

To those who are searching to discover their muse, Grandma Layton re-

mains an inspiration. She left a rich legacy: she left hope and humor.

JUSTICE BYRON WHITE LEAVES THE SUPREME COURT

Mr. DECONCINI. Madam President, I rise today to pay tribute to Justice Byron Raymond White, one of the preeminent jurists of our time who recently announced he is stepping down from the Supreme Court at the end of this term. Justice White leaves the Supreme Court after more than 30 years of exemplary service. The Court and the Nation will sorely miss him.

Byron White was born in Fort Collins, CO, on June 8, 1917, and was raised in the nearby farming town of Wellington. He attended the University of Colorado, where his exceptional ability in baseball, basketball, and football, earned him the nickname "Whizzer" White. Football was his best sport, however, and in 1937 White was catapulted to national fame as an all-American halfback after leading Colorado to an undefeated season where he led the Nation in running and scoring. White went on to graduate first in his class in 1938.

After college, Byron White attended Oxford University as a Rhodes scholar for 1 year, then enrolled in Yale Law School. His unique blend of brains and brawn enabled him to alternate between law school and playing professional football for Pittsburgh and Detroit, which paid for his studies. His athletic ability was so extraordinary that White was elected to the National Football Hall of Fame in 1954. Byron White also served as a Navy intelligence officer in the South Pacific during World War II.

After graduating from Yale Law School in 1946, White served as a clerk to Chief Justice Fred Vinson and later established a law practice in Denver. A strong supporter and friend of President John F. Kennedy, White was appointed Deputy Attorney General in 1961, when he helped extinguish the fire confronted by civil rights leaders in Alabama. The following year, President Kennedy appointed White to the Supreme Court, praising him for his humane and understanding approach to people and to problems. President Kennedy said then, that Byron White has excelled in everything he has attempted.

I have been fortunate to have had the opportunity to know Justice White professionally and socially and I share President Kennedy's assessment of him. The breadth and scope of his interests range from art to hiking, and he devotes his full energies to every endeavor he undertakes. He is truly the "Renaissance Man."

Despite his liberal background, Justice White is known for taking a pragmatic approach to legal issues and is widely respected for writing decisions from the influence of ideology or politics. Years ago, in fact, when asked whether he was a liberal or conservative, Byron White said, "I guess we'll just have to let the record speak for itself." I am confident the record of White's extraordinary accomplishments will speak for itself. Our Nation will genuinely miss Justice Byron White for his devotion to the high court and to the Constitution which is the underpinning of all we hold dear. His legacy, however, will endure through his instructive opinions and his pursuit of excellence.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate a message from the President of the United States submitting a nomination which was referred to the Committee on Foreign Relations.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 11:35 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1335. An act making emergency supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 64. A concurrent resolution setting forth the congressional budget for the United States Government for the fiscal years 1994, 1995, 1996, 1997, and 1998.

The message further announced that pursuant to section 8002 of the Internal Revenue Code, the chairman of the Committee on Ways and Means designates the following members of that committee to serve on the Joint Committee on Taxation during the 103d Congress on the part of the House: Mr. ROSTENKOWSKI, Mr. GIBBONS, Mr. PICKLE, Mr. ARCHER, and Mr. CRANE.

MEASURES REFERRED

The following measure, previously received from the House of Representatives for concurrence, was read, and referred as indicated:

H.R. 1335. An act making emergency supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes; to the Committee on Appropriations.

MEASURES PLACED ON THE CALENDAR

The following concurrent resolution was read, and placed on the calendar:

H. Con. Res. 64. A concurrent resolution setting forth the congressional budget for the United States Government for fiscal years 1994, 1995, 1996, 1997, and 1998.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BYRD, from the Committee on Appropriations, with an amendment in the nature of a substitute:

H.R. 1335. A bill making emergency supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes.

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD the following statement in explanation of the recommended amendment of the Committee on Appropriations to the bill H.R. 1335, making emergency supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes.

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

EXPLANATORY STATEMENT OF THE RECOMMENDATIONS OF THE SENATE COMMITTEE ON APPROPRIATIONS ON THE EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1993, AND FOR OTHER PURPOSES (H.R. 1335)

The Committee on Appropriations, to which was referred the bill (H.R. 1335) making emergency supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes, reports the same to the Senate with an amendment, and with the recommendation that the bill be passed.

ECONOMIC RECOVERY AND CREATING JOBS

This bill provides for critical investments in the transportation, water resources, and veterans health care infrastructure; youth employment and education; productivity-enhancing technology; rural and urban development; and environment and energy to strengthen America in the world community.

The current economic recovery has been conspicuous by the lack of job creation. Compared to the average of post-World War II recoveries this recovery has created the smallest percentage rise in nonfarm employment of any recovery. It has also produced the slowest rise in growth of gross domestic product [GDP]. It is clear that the economy is operating well below capacity. The recommendations contained in this bill will provide needed near-term jobs and economic stimulus helping to forestall just another downturn in the economy and a possible triple-dip recession.

In addition, provisions providing for ready-to-go infrastructure projects funded in this bill, represent a down payment on the long-term investment program in the Nation's infrastructure, both physical and human.

MAJOR PROVISIONS

Extended unemployment benefits—$4,000,000,000

Congress recently passed, and the President signed into law, legislation to provide up to 26 weeks of extended unemployment compensation.

Although that measure did include provisions to allow the Department to borrow from the advances to the trust funds to pay for benefits in the near term; the Department of Labor advises that without the appropriation of the $4,000,000,000 in this bill, it will run out of money for these benefits during the first part of April, leaving an estimated 1.8 million jobless Americans without unemployment compensation.

Federal-aid highways—$2,976,250,000

The administration's proposal brings the 1993 program level to that contained in the Intermodal Surface Transportation Efficiency Act [ISTEA]. This amount will increase obligations to $20,980,000,000, a 17-percent increase. These funds will be directed to fast-spending projects and will create an additional 120,000 direct and indirect jobs in 1993 and 1994.

Mass transit capital grants—$752,340,000

Under this proposal, 9,000 direct jobs will be created in 1993 and 1994. The funds will be used to replace over-age buses and vans, and to fund railcars and rail rehabilitation projects. The sum of $270,000,000, or 36 percent, will be devoted to quick-to-acquire bus and van purchases, while the remaining amount will be used for either bus or rail capital purposes.

Airport grants—$250,000,000

Many of the Nation's airports are congested, resulting in unacceptable delays for air travelers. Increased airport capacity can help reduce delays, speed air travel, and increase safety in many cases. This proposal will enable airports to undertake safety and capacity improvement projects that are ready to go.

Amtrak capital projects—$187,844,000

To allow Amtrak to purchase new train cars and locomotives, modernize stations and maintenance facilities, and to overhaul aging equipment. This will help Amtrak to improve its financial performance.

Community development block grants—$2,536,000,000

The community development block grant [CDBG] program is a formula-based program designed to enable communities to carry out a wide range of community development activities: neighborhood revitalization, economic development, and improved community facilities and services.

There remains a tremendous unmet need for these funds. The U.S. Conference of Mayors puts the number of unfunded CDBG-eligible projects ready to begin at close to $9,000,000,000. As a result, these funds will go to begin many of them quickly. Among the items for which these funds will be used are housing construction and rehabilitation, and public infrastructure like water and sewer systems.

The administration estimates 60,000 direct jobs will be created from this CDBG appropriation.

Small Business Administration loan guarantees—$2,575,558,000

A very real credit crunch is impacting on small business in this country. Banks just aren't lending to small business. This has led to increased demand for SBA guarantees. In fact, demand for SBA-loaned guarantees increased by 37 percent from 1991 to 1992, and in the fourth quarter of 1992 demand ran 46 percent above the same period the previous year. Appropriations have not kept pace. Current SBA credit will run out by May. If the Congress does not take action on this bill the SBA loan guarantee program will shut down. The administration estimates that this proposal will create over 12,000 direct jobs in 1993 and 1994.

Summer youth employment—$1,000,000,000

This proposal will create an additional 683,000 summer jobs for economically disadvantaged youth ages 14 to 21 years old. This will bring to nearly 1.4 million the total number who could participate in this program this summer. One-half of these funds will be concentrated in the 100 American cities with the greatest number of eligible youth.

Pell grant unfunded shortfall—$1,863,730,000

The President's proposal seeks to eliminate funding shortfalls in the Pell grant program for 1993-94 and prior academic years. These shortfalls occurred as result of an unanticipated surge in eligible applicants. The number of Pell grant recipients increased by 29 percent between 1990 and 1993. The Pell grant program now helps 4.4 million low-income students attend school each year, and eventually move on to become productive, taxpaying citizens. The Pell grant funds included in this package will help ensure that we meet the costs of grants for these students for the 1993-94 academic year.

Head Start—$500,000,000

The administration is proposing a new Head Start summer program which would eventually enroll 350,000 children. About 50,000 direct jobs will be created, mostly for parents of Head Start participants and other residents of low-income communities.

EPA sewage treatment construction—$845,300,000

The administration proposal would provide for States to capitalize their State revolving fund loan funds for sewage treatment construction. With only $2,500,000,000 appropriated for fiscal year 1993 and $2,400,000,000 in fiscal year 1992, these funds are vitally needed to help meet the enormous need for wastewater treatment construction nationwide—estimated at more than $100,000,000,000. The funds will be spent in every State for projects which are ready to begin construction immediately, and will create approximately 50,000 direct jobs.

Department of Veterans Affairs—$235,557,000

The bill provides $235,557,000 for maintenance and construction projects in VA hospitals in every State and six VA cemeteries. This will approximately double VA's funding for maintenance and repair projects in fiscal year 1993 to meet VA's enormous backlog of minor construction projects. It will generate 4,700 direct jobs.

More than 1,000 projects will receive funding—including modernizing patient treatment areas and wards, repairing roofs and windows, removing asbestos and lead-based paint, installing important medical equipment, and repairing and improving roads, buildings and water supply systems in VA cemeteries. These funds will enable VA to provide higher quality medical care to the Nation's 27 million veterans.

National Science Foundation—$207,622,000

The bill includes funds for research and facility activities at the National Science Foundation. This investment will create approximately 2,400 new direct jobs, and help create ideas that will help promote and sustain our Nation's long-term economic growth.

NSF research is designed to improve our country's productivity by generating new ideas that will enhance our long-term competitiveness. In addition, by training the current and next generation of scientists and engineers, the NSF is helping to provide the intellectual infrastructure for America's high-technology industries.

Water and waste disposal loans and grants—$470,000,000

The bill proposes to add $450,000,000 in direct loans. These funds are made available to rural communities with populations of under 10,000 to provide basic service, alleviate health and safety hazards, and promote economic development. There is a current backlog of $1,500,000,000 in loan applications and $600,000,000 in grant applications. In terms of job creation, about 2,500 direct jobs are created for each $100,000,000 in expenditures for infrastructure projects. These are primary jobs and do not include secondary jobs created as a result of the project.

Economic development grants—$93,900,000

The President's proposal includes $93,900,000 for the Economic Development Administration [EDA] grants. These grants will fund infrastructure—water and sewer projects; utilities and industrial sites. Of these funds, $48,900,000 will enable the administration to approve public works grant applications that are ready to go.

Of the funds requested, $15,000,000 will be targeted to help victims of Hurricane Iniki and Hurricane Andrew. Another $15,000,000 is targeted to assist communities impacted by Defense base closures and defense-related contract cutbacks. This will enable these communities to develop economic adjustment strategies and to produce nondefense-related jobs. The administration estimates that 850 long-term jobs will be created through this assistance.

Childhood immunizations—$300,000,000

The request includes $300,000,000 to finance vaccine purchases and education and outreach campaigns toward increasing the vaccination levels for all eligible children under the age of 2 years. The administration's goal is to vaccinate 1 million children during the summer of 1993.

Compensatory education for the disadvantaged—$734,805,000

The President has proposed a one-time supplemental of $500,000,000 to expand summer school programs in 1993 for educationally disadvantaged children from prekindergarten through high school. Funds would be allocated to schools with concentrations of poor children. The equalvalent of 14,000 direct education jobs would be created by this request.

In addition, the proposal includes $234,805,000 for a one-time adjustment for local school districts whose allocations are being decreased drastically as a result of using the 1990 census. The funds would be distributed to States based on the amount needed to bring counties up to about 92 percent of their fiscal year 1992 funding levels. This supplemental is important because the biggest cuts in allocations would hit States with the highest unemployment rates in the country. It will also allow States to retain 6,000 teaching positions that would otherwise have been lost.

Set forth below is a table summarizing by subcommittee the recommendations of the Committee:

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SUMMARY OF RECOMMENDED APPROPRIATIONS

Subcommittee	Budget authority	Loan authorizations
Department of Agriculture, Rural Development, Food and Drug Administration, and Related Agencies	$602,655,000	$707,623,000
Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies	507,555,000	2,575,558,000
District of Columbia	28,177,000	
Energy and Water Development	141,822,000	
Department of the Interior and Related Agencies	748,842,547	
Departments of Labor, Health and Human Services, and Education, and Related Agencies	8,814,358,000	
Limitation on administrative expenses	(302,000,0000)	
Department of Transportation and Related Agencies	924,334,000	
Limitation on obligations	(3,242,100,000)	
Treasury, Postal Service, and General Government	153,093,000	
Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies	4,336,617,000	
Total	16,257,453,547	3,283,181,000
Limitation on administrative expenses	(302,000,000)	
Limitation on obligations	(3,242,100,000)	

LOW-PRIORITY PROJECTS

During House of Representatives debate on H.R. 1335, numerous assertions were made that the President's economic stimulus program earmarked funds for lower priority projects. Included were such items as: (1) community development grants for golf courses and cemeteries; (2) fisheries atlases and studies of the sicklefin chub; (3) construction of whitewater canoeing facilities; and (4) payments for a National Oceanic and Atmospheric Administration class VI computer.

On March 22, 1993, the Director of the Office of Management and Budget wrote to assure the Committee that these type of low-priority projects were not proposed in the legislation submitted by the President and would not be funded. The Director committed to work with Cabinet members and the Appropriations Committees to ensure that economic stimulus funding is used only for programs of merit and not for the type of projects discussed during House debate.

TITLE I—EMERGENCY SUPPLEMENTAL APPROPRIATIONS

CHAPTER I

DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES

DEPARTMENT OF AGRICULTURE

AGRICULTURAL RESEARCH SERVICE

BUILDINGS AND FACILITIES

1993 appropriation to date	$34,514,000
1993 supplemental estimate	37,569,000
House allowance	37,569,000
Committee recommendation	37,569,000

COMMITTEE RECOMMENDATIONS

An additional $37,569,000, the same as the budget request and the House amount, is provided for major modernization and repair of Federal agricultural research facilities, including cleanup of hazardous wastesites. Many of the Federal agricultural research facilities are outdated in terms of fire/safety and environmental codes and are unsuitable for advanced research. The administration estimates that 450 new jobs will be created in 1993–94. Additional jobs are created through demands in the building materials industry to supply these construction projects.

The Committee has been advised that the Department has tentative plans to use the funds for the following projects (amounts are approximate):

Peoria, IL ($13,200,000).—Renovate pilot plant to provide facilities for industrial and bioprocessing research and development activities in cooperation with private companies.

Beltsville, MD ($10,000,000).—Renovate building 001, a 1930's lab facility, to provide modern research labs for natural resources and weed science research.

Plum Island, NY ($3,000,000).—Repair dock and pier facilities at animal disease research facility.

Ames, IA ($3,900,000).—Construct incinerator and necropsy facility at animal disease research lab to comply with environmental codes.

Washington, DC ($2,000,000).—Replace deteriorated water lines at the U.S. National Arboretum.

Albany, CA ($500,000).—Renovate west annex building at the Western Regional Research Center.

Various locations ($2,400,000).—Correct immediate building deficiencies including roof and plumbing repairs, painting, and other maintenance.

Hazardous waste ($3,000,000).—Clean up leaking underground storage tanks and other environmental hazards at Beltsville, Plum Island, and other ARS facilities.

FOOD SAFETY AND INSPECTION SERVICE

SALARIES AND EXPENSES

1993 appropriation to date	$489,867,000
1993 supplemental estimate	4,000,000
House allowance	4,000,000
Committee recommendation	4,000,000

COMMITTEE RECOMMENDATIONS

To hire an additional 160 meat inspectors to improve the food safety of meat supplies, the Committee recommends an additional $4,000,000, the same as the House amount and the budget request. The current meat inspection workload is being met with extensive overtime and by putting processing inspectors on the slaughter lines. Processing facilities need to be inspected daily, but every carcass must be inspected at slaughter. While visual inspection will only detect a relatively gross level of bacterial contamination, an adequate number of inspectors assures that proper slaughter and processing procedures are followed to reduce the incidence of contamination.

SOIL CONSERVATION SERVICE

WATERSHED AND FLOOD PREVENTION OPERATIONS

1993 appropriation to date	$228,266,000
1993 supplemental estimate	46,961,000
House allowance	46,961,000
Committee recommendation	46,961,000

COMMITTEE RECOMMENDATIONS

The Committee recommends an additional $46,961,000 for watershed project construction to address the more than $1,000,000,000 backlog of planned but unfunded projects authorized under the Public Law 566 and Public Law 534 programs. These programs provide financial and technical assistance to address a variety of purposes including flood control, water quality, erosion control, and recreation. Work is accomplished through project agreements with local sponsoring organizations. These local organizations are responsible for operating and maintaining completed works of improvement on non-Federal land. The administration estimates that 630 new jobs will be created by these funds in 1993–94.

Preliminary information from the Department indicates the funds may be distributed as follows:

State	Project	Funds
Alabama	South Fourche	$1,500,000
California	Beardsley, Llygas, Silva	8,000,000
Georgia	Little River, Tallapoosa	500,000
Iowa	Twelve Mile, Troublesome	1,500,000
Illinois	Lower Des Plaines	6,000,000
Indiana	Honey Creek	700,000
Kansas	Elk Creek, South Fork	1,000,000
Kentucky	South Fork Little River	800,000
Louisiana	Bayou Mallet	800,000
Mississippi	Town Creek	2,000,000
Missouri	Trouble, Grassy, U. Locust	2,000,000
North Carolina	Crabtree	3,000,000
New York	Virgil Creek	2,500,000
Ohio	Little Augling	2,000,000
Oklahoma	Upper Elk, Dry Creek	1,500,000
Tennessee	Hurricane Creek	1,800,000
Texas	Salado Creek	3,500,000
Virginia	Cedar Run	800,000
West Virginia	White Stick-Cranberry	4,500,000
Washington	Green River	2,600,000
Total [1]		47,000,000

[1] Total does not equal actual appropriation due to rounding.

FARMERS HOME ADMINISTRATION

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

SECTION 502 GUARANTEED LOANS

	Loans	Subsidy
1993 appropriation to date	$329,500,000	$6,096,000
1993 supplemental estimate	234,805,000	4,297,000
House allowance	234,805,000	4,297,000
Committee recommendation	234,805,000	4,297,000

COMMITTEE RECOMMENDATIONS

An additional $234,805,000 in loan authority is provided for section 502 single-family housing guaranteed loans at a cost of $4,297,000. These are the same amounts as the House provided and requested by the President. Loan guarantees of private-sector mortgages are available for the purchase or construction of single-family homes for families with incomes that do not exceed 115 percent of median family income. Funds appropriated for 1993 are expected to be used by May 1993, and this increase is expected to

meet the remaining demand and would be obligated by the end of the fiscal year. The administration estimates that these funds, together with the funds recommended for section 504 loans will generate 900 new jobs in 1993.

Estimates of the amounts States would be allocated follow:

State	Funds
Alabama	$5,638,000
Alaska	938,000
Arizona	2,332,000
Arkansas	4,424,000
California	9,520,000
Colorado	2,182,000
Connecticut	1,796,000
Delaware	558,000
Florida	6,047,000
Georgia	7,923,000
Hawaii	998,000
Idaho	1,515,000
Illinois	6,656,000
Indiana	5,612,000
Iowa	3,692,000
Kansas	2,762,000
Kentucky	6,743,000
Louisiana	5,052,000
Maine	2,452,000
Maryland	2,616,000
Massachusetts	3,187,000
Michigan	7,611,000
Minnesota	4,237,000
Mississippi	5,034,000
Missouri	5,326,000
Montana	1,244,000
Nebraska	1,651,000
Nevada	522,000
New Hampshire	1,565,000
New Jersey	2,400,000
New Mexico	1,887,000
New York	8,409,000
North Carolina	10,460,000
North Dakota	995,000
Ohio	8,947,000
Oklahoma	3,536,000
Oregon	3,466,000
Pennsylvania	10,897,000
Puerto Rico	5,527,000
Rhode Island	402,000
South Carolina	5,347,000
South Dakota	1,326,000
Tennessee	6,255,000
Texas	11,061,000
Utah	856,000
Vermont	1,255,000
Virgin Islands	750,000
Virginia	6,499,000
Washington	3,952,000
West Pacific areas	750,000
West Virginia	4,087,000
Wisconsin	5,106,000
Wyoming	802,000
State totals	214,805,000
General reserve	20,000,000
Total	234,805,000

SECTION 504 VERY LOW INCOME REPAIR LOANS

	Loans	Subsidy
1993 appropriation to date	$11,330,000	$4,548,000
1993 supplemental estimate	2,818,000	1,124,000
House allowance	2,818,000	1,124,000
Committee recommendation	2,818,000	1,124,000

COMMITTEE RECOMMENDATIONS

The Committee recommends an additional $2,818,000 for very low income repair loans at a cost of $1,124,000, the same amounts as the budget request and as provided by the House. These loans are made to very low income households to repair and rehabilitate existing housing units. The loans are made at 1 percent interest and are repayable in 20 years. The increase reflects the estimated level that can be obligated this fiscal year. The administration estimates that these funds, together with the funds recommended for section 502 loans will generate 900 new jobs in 1993.

Estimates of the amounts States would be allocated follow:

State	Funds
Alabama	$85,000
Alaska	14,000
Arizona	34,000
Arkansas	62,000
California	102,000
Colorado	22,000
Connecticut	14,000
Delaware	6,000
Florida	68,000
Georgia	106,000
Hawaii	12,000
Idaho	18,000
Illinois	74,000
Indiana	66,000
Iowa	43,000
Kansas	32,000
Kentucky	103,000
Louisiana	76,000
Maine	27,000
Maryland	29,000
Massachusetts	26,000
Michigan	83,000
Minnesota	53,000
Mississippi	78,000
Missouri	67,000
Montana	15,000
Nebraska	20,000
Nevada	5,000
New Hampshire	14,000
New Jersey	19,000
New Mexico	29,000
New York	78,000
North Carolina	136,000
North Dakota	12,000
Ohio	101,000
Oklahoma	50,000
Oregon	36,000
Pennsylvania	113,000
Puerto Rico	104,000
Rhode Island	3,000
South Carolina	73,000
South Dakota	16,000
Tennessee	90,000
Texas	164,000
Utah	11,000
Vermont	11,000
Virgin Islands	10,000
Virginia	91,000
Washington*	42,000
West Pacific areas	150,000
West Virginia	58,000
Wisconsin	58,000
Wyoming	9,000
State totals	2,818,000
General reserve	.....
Total	2,818,000

RURAL DEVELOPMENT ADMINISTRATION

RURAL DEVELOPMENT INSURANCE FUND PROGRAM ACCOUNT

WATER AND WASTE DISPOSAL LOANS

	Loans	Subsidy
1993 appropriation to date	$600,000,000	$87,360,000
1993 supplemental estimate	470,000,000	66,821,000
House allowance	470,000,000	66,821,000
Committee recommendation	470,000,000	66,821,000

COMMITTEE RECOMMENDATIONS

The Committee recommends an additional $470,000,000 in direct loans, at a cost of $66,821,000, for water and waste disposal loans. These funds are made available to rural communities with populations of under 10,000 to provide basic service, alleviate health and safety hazards, and promote economic development. There is a current backlog of $1,500,000,000 in loan applications. The additional funding will reduce this backlog by about one-third. The administration estimates that this funding, together with that recommended for rural water and waste disposal grants will generate 2,100 new jobs in 1993 and 1994.

Estimated State allocations follow:

Region and State	Funds
Region 1 (NE & VI):	
Connecticut	$2,783,000
Indiana	8,719,000
Maine	2,961,000
Massachusetts	4,120,000
Michigan	12,680,000
New Hampshire	1,863,000
New Jersey	3,567,000
New York	13,939,000
Ohio	13,156,000
Pennsylvania	16,646,000
Rhode Island	558,000
Vermont	1,603,000
Virgin Islands	450,000
Reserve	27,681,000
Subtotal	110,726,000
Region 2 (Mideast):	
Delaware	842,000
Kentucky	10,880,000
Maryland	3,699,000
North Carolina	16,287,000
Tennessee	10,504,000
Virginia	8,635,000
West Virginia	6,609,000
Reserve	19,152,000
Subtotal	76,610,000
Region 3 (SE & PR):	
Alabama	9,258,000
Florida	7,709,000
Georgia	11,660,000
Puerto Rico	16,744,000
South Carolina	7,985,000
Reserve	17,786,000
Subtotal	71,142,000
Region 4 (Delta):	
Arkansas	6,742,000
Louisiana	8,084,000
Mississippi	9,526,000
Reserve	8,118,000
Subtotal	32,470,000
Region 5 (SW):	
Arizona	2,163,000
New Mexico	2,111,000
Oklahoma	5,038,000
Texas	15,572,000
Reserve	8,295,000
Subtotal	33,179,000
Region 6 (NC):	
Colorado	2,526,000
Illinois	9,237,000
Iowa	5,258,000
Kansas	3,551,000
Minnesota	5,871,000
Missouri	7,709,000
Montana	1,822,000
Nebraska	2,666,000
North Dakota	1,670,000
South Dakota	2,075,000
Wisconsin	7,067,000

Region and State	Funds
Wyoming	717,000
Reserve	16,723,000
Subtotal	66,890,000
Region 7 (WP):	
Alaska	639,000
California	9,702,000
Hawaii	582,000
Idaho	2,161,000
Nevada	493,000
Oregon	3,983,000
Utah	1,050,000
West Pacific area	450,000
Washington	4,927,000
Reserve	7,996,000
Subtotal	31,983,000
Totals	423,000,000
National reserve	47,000,000
Total	470,000,000

RURAL WATER AND WASTE DISPOSAL GRANTS

1993 appropriation to date	$390,000,000
1993 supplemental estimate	281,767,000
House allowance	281,767,000
Committee recommendation	281,767,000

COMMITTEE RECOMMENDATIONS

An additional $281,767,000 is recommended for rural water and waste disposal grants, the same as the House amount and as the budget request. These funds are used in conjunction with the loan funds to reduce to reasonable levels the per household cost of repaying the loans. There is a current backlog of $600,000,000 in grant applications which would be reduced by one-half with the additional funding recommended. The administration estimates that this funding, together with that recommended for water and waste disposal loans will generate 2,100 new jobs in 1993 and 1994.

Estimated State allocations follow:

Region and State	Funds
Region 1 (NE & VI):	
Connecticut	$1,661,000
Indiana	5,203,000
Maine	1,767,000
Massachusetts	2,458,000
Michigan	7,566,000
New Hampshire	1,112,000
New Jersey	2,128,000
New York	8,318,000
Ohio	7,851,000
Pennsylvania	9,933,000
Rhode Island	375,000
Vermont	957,000
Virgin Islands	375,000
Reserve	16,568,000
Subtotal	66,271,000
Region 2 (Mideast):	
Delaware	503,000
Kentucky	6,493,000
Maryland	2,207,000
North Carolina	9,719,000
Tennessee	6,268,000
Virginia	5,153,000
West Virginia	3,944,000
Reserve	11,429,000
Subtotal	45,715,000
Region 3 (SE & PR):	
Alabama	5,524,000
Florida	4,600,000
Georgia	6,958,000
Puerto Rico	9,992,000
South Carolina	4,765,000
Reserve	10,613,000
Subtotal	42,453,000
Region 4 (Delta):	
Arkansas	4,023,000
Louisiana	4,824,000
Mississippi	5,685,000
Reserve	4,844,000
Subtotal	19,376,000
Region 5 (SW):	
Arizona	1,291,000
New Mexico	1,260,000
Oklahoma	3,006,000
Texas	9,292,000
Reserve	4,950,000
Subtotal	19,799,000
Region 6 (NC):	
Colorado	1,507,000
Illinois	5,512,000
Iowa	3,137,000
Kansas	2,119,000
Minnesota	3,503,000
Missouri	4,600,000
Montana	1,087,000
Nebraska	1,591,000
North Dakota	997,000
South Dakota	1,238,000
Wisconsin	4,217,000
Wyoming	428,000
Reserve	9,979,000
Subtotal	39,915,000
Region 7 (WP):	
Alaska	381,000
California	5,789,000
Hawaii	375,000
Idaho	1,289,000
Nevada	375,000
Oregon	2,377,000
Utah	627,000
West Pacific area	375,000
Washington	2,940,000
Reserve	4,843,000
Subtotal	19,372,000
Totals	252,900,000
National reserve	28,867,000
Total	281,767,000

FARMERS HOME ADMINISTRATION

VERY LOW INCOME HOUSING REPAIR GRANTS

1993 appropriation to date	$12,500,000
1993 supplemental estimate	5,635,000
House allowance	5,635,000
Committee recommendation	5,635,000

COMMITTEE RECOMMENDATIONS

The Committee recommends an additional $5,635,000 for very low income housing repair grants, the same as the House and budget request levels. The grants are made in conjunction with very low income housing repair loans and the maximum amount of a grant cannot exceed $5,000. Grants are available only to elderly households. The increase reflects the estimated level that can be obligated this fiscal year. An estimated 90 new jobs would be generated in 1993 by this increase.

Estimated State allocations follow:

State	Funds
Alabama	$163,000
Alaska	21,000
Arizona	63,000
Arkansas	127,000
California	206,000
Colorado	44,000
Connecticut	35,000
Delaware	13,000
Florida	160,000
Georgia	200,000
Hawaii	20,000
Idaho	36,000
Illinois	171,000
Indiana	143,000
Iowa	105,000
Kansas	81,000
Kentucky	189,000
Louisiana	142,000
Maine	57,000
Maryland	59,000
Massachusetts	65,000
Michigan	179,000
Minnesota	120,000
Mississippi	145,000
Missouri	151,000
Montana	31,000
Nebraska	51,000
Nevada	10,000
New Hampshire	32,000
New Jersey	50,000
New Mexico	50,000
New York	180,000
North Carolina	262,000
North Dakota	28,000
Ohio	213,000
Oklahoma	107,000
Oregon	77,000
Pennsylvania	263,000
Puerto Rico	172,000
Rhode Island	8,000
South Carolina	135,000
South Dakota	36,000
Tennessee	174,000
Texas	327,000
Utah	20,000
Vermont	25,000
Virgin Islands	20,000
Virginia	170,000
Washington	87,000
West Pacific areas	150,000
West Virginia	111,000
Wisconsin	133,000
Wyoming	18,000
State totals	5,635,000
General reserve	.....
Total	5,635,000

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAMS

CHILD AND ADULT CARE FOOD PROGRAM

Available, 1993	$1,273,160,000
1993 supplemental estimate	56,000,000
House allowance	56,000,000
Committee recommendation	56,000,000

COMMITTEE RECOMMENDATIONS

The Committee recommends an additional $56,000,000, the same as the House amount and the budget request, for the Child Nutrition Programs to increase funds available under the Child and Adult Care Food Program. This increase will fund meals for children participating in the proposed new summer Head Start Program.

SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN [WIC]

1993 appropriation to date	$2,860,000,000
1993 supplemental estimate	75,000,000
House allowance	75,000,000
Committee recommendation	75,000,000

COMMITTEE RECOMMENDATIONS

An additional $75,000,000, the same as the budget request and the House amount, is rec-

ommended for the Special Supplemental Food Program for Women, Infants, and Children. Participation will increase from 5.4 million in 1992 to 6 million in 1993, with up to 300,000 new participants added by this increase. WIC provides participants with coupons worth an average of $31 per month, for the purchase of specific supplemental foods rich in nutrients known to be lacking in the diets of low-income pregnant women and their children. In addition, at an average cost of $10 per month, participants are provided with health care screening and referrals as well as nutrition education and breast feeding counseling. Recent studies of WIC have documented that WIC reduces incidence of low birthweight babies and premature births. In fact, for each $1 spent on prenatal WIC, at least $3 in Medicaid costs are saved in the first 60 days of the child's life.

The Committee concurs with bill language indicating that grants are available to States that maintain the standards for eligibility which were in use on January 1, 1993. The Committee notes that these standards take into account changes in poverty income guidelines issued by the Department of Health and Human Services.

The Committee also concurs with bill language allowing the Secretary to waive regulations governing the allocation of funds and notes that this authority extends to any allocations made during fiscal year 1993. The Committee expects funds to be used in States where the need is greatest and expects to receive prior notification of allocations that deviate from the current regulations.

A distribution of funds based on the current formula follows:

State	*Funds*
Alabama	$699,000
Alaska	727,000
Arizona	2,383,000
Arkansas	379,000
California	17,710,000
Colorado	1,143,000
Connecticut	262,000
Delaware	76,000
District of Columbia	79,000
Florida	6,364,000
Georgia	1,244,000
Guam	205,000
Hawaii	546,000
Idaho	160,000
Illinois	1,328,000
Indiana	643,000
Iowa	360,000
Kansas	808,000
Kentucky	564,000
Louisiana	731,000
Maine	220,000
Maryland	1,081,000
Massachusetts	584,000
Michigan	1,613,000
Minnesota	398,000
Mississippi	543,000
Missouri	1,425,000
Montana	152,000
Nebraska	358,000
Nevada	697,000
New Hampshire	90,000
New Jersey	669,000
New Mexico	350,000
New York	2,320,000
North Carolina	1,201,000
North Dakota	77,000
Northern Marianas	4,000
Ohio	2,502,000
Oklahoma	1,175,000
Oregon	817,000
Pennsylvania	1,254,000
Puerto Rico	1,849,000
Rhode Island	97,000
South Carolina	750,000
South Dakota	97,000
Tennessee	932,000
Texas	12,663,000
Utah	304,000
Vermont	69,000
Virgin Islands	31,000
Virginia	922,000
Washington	1,701,000
West Virginia	247,000
Wisconsin	1,261,000
Wyoming	146,000
Total[1]	75,010,000

[1] Total does not equal actual appropriations due to rounding.

THE EMERGENCY FOOD ASSISTANCE PROGRAM

1993 appropriation to date	$165,000,000
1993 supplemental estimate	23,481,000
House allowance	23,481,000
Committee recommendation	23,481,000

COMMITTEE RECOMMENDATIONS

An additional $23,481,000, the same as the House and budget request levels, is recommended for the Emergency Food Assistance Program for the purchase of easy to consume and nutrient dense commodities to be provided to needy low-income persons in emergency distress. These funds will permit additional commodities to be purchased and allocated to States based on the number of unemployed persons and the number of persons under the poverty line. Through TEFAP, the Federal Government purchases and donates to the States a variety of wholesome commodities, such as peanut butter, raisins, rice, and dry bagged beans. Canned foods such as peas, green beans, applesauce, orange juice, and pork and beef products are also provided. TEFAP operates through a network of largely volunteer organizations which distribute foods donated to them locally and by the Federal Government.

Estimated State allocations follow:

State	*Funds*
Alabama	$444,000
Alaska	42,000
Arizona	350,000
Arkansas	261,000
California	2,795,000
Colorado	265,000
Connecticut	206,000
Delaware	45,000
District of Columbia	63,000
Florida	1,187,000
Georgia	580,000
Guam	8,000
Hawaii	61,000
Idaho	81,000
Illinois	1,019,000
Indiana	402,000
Iowa	195,000
Kansas	163,000
Kentucky	384,000
Louisiana	549,000
Maine	91,000
Maryland	324,000
Massachusetts	468,000
Michigan	876,000
Minnesota	292,000
Mississippi	364,000
Missouri	440,000
Montana	76,000
Nebraska	96,000
Nevada	90,000
New Hampshire	72,000
New Jersey	582,000
New Mexico	177,000
New York	1,638,000
North Carolina	547,000
North Dakota	51,000
Northern Marianas	4,000
Ohio	922,000
Oklahoma	297,000
Oregon	245,000
Pennsylvania	958,000
Puerto Rico	906,000
Rhode Island	84,000
South Carolina	323,000
South Dakota	55,000
Tennessee	462,000
Texas	1,866,000
Utah	116,000
Vermont	42,000
Virgin Islands	9,000
Virginia	463,000
Washington	372,000
West Virginia	223,000
Wisconsin	332,000
Wyoming	33,000
Total[1]	22,996,000

[1] Total does not equal actual appropriation due to rounding.

CHAPTER II

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES

DEPARTMENT OF COMMERCE

ECONOMIC DEVELOPMENT ADMINISTRATION

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

1993 appropriation to date	$217,000,000
1993 supplemental estimate	93,922,000
House allowance	93,922,000
Committee recommendation	93,922,000

The Committee recommends a supplemental appropriation of $93,922,000 for economic development assistance programs. This is the same as the President's request and the House allowance.

This appropriation would make additional funds available to the Economic Development Administration [EDA] to make grants to States, local governments, Indian tribes and private and public nonprofit organizations to promote economic growth and create jobs. These funds would provide grants to fund infrastructure, such as water and sewer projects, industrial site preparation, utilities, and access roads.

Of the funds recommended, $48,922,000 are provided to fund additional title I public works projects which can be approved and implemented expeditiously. The Committee also concurs with the President's request in recommending $45,000,000 for title IX economic adjustment grants which can be used for planning and project grants to assist economically distressed areas. These funds would be used to assist: (1) economic recovery for communities in Hawaii, Louisiana, and Florida that were devastated by Hurricanes Iniki and Andrew; (2) business development in riot-impacted communities in Los Angeles, CA; and, (3) communities adversely impacted across the Nation by Department of Defense base closures, realignments, and cutbacks in military procurement.

MINORITY BUSINESS DEVELOPMENT AGENCY

MINORITY BUSINESS DEVELOPMENT

1993 appropriation to date	$37,889,000
1993 supplemental estimate	1,878,000
House allowance	1,878,000
Committee recommendation	1,878,000

The Committee recommends a supplemental appropriation of $1,878,000 for minority business development. This recommenda-

tion is the same as the President's request and the House allowance.

These funds would provide the Minority Business Development Agency with resources to manage MBDA business development centers and to develop new strategies to stimulate private sector development and business ownership in America's minority communities. While 25 percent of the U.S. population is minority, only 6 percent of all businesses are minority owned.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

1993 appropriation to date	$1,521,416,000
1993 supplemental estimate	80,773,000
House allowance	80,773,000
Committee recommendation	80,773,000

The Committee recommends a supplemental appropriation of $80,773,000 for operations, research and facilities. This is the same level as the President's request and the House allowance.

These funds would be used as follows: (1) $21,000,000 to accelerate modernization of the National Weather Service through deployment of NEXRAD tornado detecting radars at various sites, and acquisition of supercomputers to facilitate improvements in meteorological forecasting; (2) $15,000,000 for NOAA's data modernization initiative at NOAA facilities in Colorado, Maryland, and North Carolina; (3) $9,000,000 for procurement of computers at National Marine Fisheries Service offices; (4) $10,773,000 for NOAA's participation in the interagency High Performance Computing and Communications [HPCC] Program; and (5) $25,000,000 for procurement of environmental research equipment and instrumentation for NOAA's Oceanic and Atmospheric Research laboratories.

NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY

SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES

1993 appropriation to date	$192,940,000
1993 supplemental estimate	14,088,000
House allowance	14,088,000
Committee recommendation	14,088,000

The Committee recommends a supplemental appropriation of $14,088,000 for scientific and technical research and services, the account which funds the National Institute of Standards [NIST] and "Technology's intramural research" account. This is the same as the President's request and the House allowance.

This funding supports NIST's role in the multiagency High Performance Computing and Communications Program. Other agencies involved in this effort include the National Science Foundation, National Aeronautics and Space Administration, and the National Institutes of Health. One objective of this NIST program is to accelerate the deployment of high performance computing and networking technologies. NIST would expedite standards development for electronic networks, with attention to industrial quality control and flexible computer-integrated manufacturing. An advanced manufacturing systems and networking testbed would be established at NIST laboratories to enable research into advanced manufacturing computer systems and networks. Most of the HPCC effort would be performed at NIST's laboratories in Boulder, CO.

INDUSTRIAL TECHNOLOGY SERVICES

1993 appropriation to date	$86,067,000
1993 supplemental estimate	103,315,000
House allowance	103,315,000
Committee recommendation	103,315,000

The Committee recommends a supplemental appropriation of $103,315,000 for the National Institute of Standards and Technology's Advanced Technology Program [ATP]. This is the same as the President's request and the House allowance.

The Committee recommended funding level enables NIST to aggressively expand and support high-risk, generic technology development by providing cost sharing cooperative agreements with industry. The ATP has established itself as a key national program to promote economic growth for American industry and to enhance competitiveness by accelerating the development of critically important technologies. The program is a cornerstone in the President's "Technology For America's Economic Growth, a New Direction to Build Economic Strength."

These funds will allow NIST to award an additional 80 ATP projects. NIST will be able to increase funding for the current competitive solicitation in fiscal year 1993 and to provide a second competition later in the year. Because investment in NIST programs produces jobs in new product areas utilizing advanced technologies, these jobs tend to offer higher paying, higher skilled employment. The administration estimates that the increase in ATP funds will create 330 short-term jobs, and potentially 20,000 long-term jobs.

NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION

PUBLIC TELECOMMUNICATIONS FACILITIES, PLANNING AND CONSTRUCTION

1993 appropriation to date	$21,320,000
1993 supplemental estimate	63,867,000
House allowance	63,867,000
Committee recommendation	63,867,000

The Committee recommends a supplemental appropriation of $63,867,000 for the National Telecommunications and Information Administration's Public Telecommunications Facilities, Planning and Construction Program [PTFP]. This is the same as the President's request and the House allowance.

This funding would enable NTIA to provide grants to promote the development and use of broadband, interactive telecommunications networks linking the Nation's schools, libraries, governments, and other public information producers. Grants would be competitively awarded to States, local governments, universities, school systems, and other nonprofit applicants.

The Committee concurs with House language that urges the Department of Commerce to build upon the existing PTFP program in the implementation of this program.

RELATED AGENCIES

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

SALARIES AND EXPENSES

1993 appropriation to date	$222,000,000
1993 supplemental estimate	8,829,000
House allowance	8,829,000
Committee recommendation	8,829,000

The Committee recommends a supplemental appropriation of $8,829,000 for the Equal Employment Opportunity Commission [EEOC]. This is the same as the President's request and the House allowance.

This funding will enable the EEOC to more effectively and efficiently process new cases filed pursuant to the Americans With Disabilities Act of 1990 and the Civil Rights Act of 1991. Full implementation of these legislative mandates will enable all Americans to develop their full potential in the workplace and thereby increase the overall productivity of the American economy.

The Committee recommendation will enable the EEOC to hire an additional 156 investigators and enforcement personnel, all of whom will be placed in field offices in 35 cities throughout the country. The EEOC offices that would gain the most employment include: Chicago, IL; Dallas, TX; Denver, CO; Detroit, MI; Houston, TX; Miami, FL; San Antonio, TX; and Seattle, WA.

SMALL BUSINESS ADMINISTRATION

BUSINESS LOANS PROGRAM ACCOUNT

1993 appropriation to date	$331,500,000
1993 supplemental estimate	140,883,000
House allowance	140,883,000
Committee recommendation	140,883,000

The Committee recommends a supplemental appropriation of $140,883,000 which subsidizes additional Small Business Administration [SBA] section 7(a) loan guarantees totaling $2,575,558,000. This is the same as the President's request and the House allowance. Including fiscal year 1992 carryover, this action would result in a total section 7(a) loan guarantee program level of $6,193,599,000 for fiscal year 1993.

The Committee also recommends inclusion of House proposed language which provides permissive authority to use up to $2,000,000 for program administration and oversight.

Demand for the section 7(a) program has increased substantially, since banks are not extending long-term credit to small businesses. In fact, demand for SBA guarantees increased by 37 percent from 1991 to 1992, and in the fourth quarter of fiscal year 1992 demand ran 46 percent above the previous year. Without supplemental funding, the loan guarantee program will run out of funds during May 1993, and will not be activated until after October 1, 1993.

The top five States which received section 7(a) loan guarantees in fiscal year 1992 were as follows: California ($1,257,101,000); Texas ($519,293,000); New York ($263,881,000); Georgia ($223,362,000); and Wisconsin ($159,440,000). The top five States experiencing increased demand in fiscal year 1992 (as compared with fiscal year 1991) for section 7(a) loan guarantees were as follows: Mississippi (197 percent); Connecticut (189 percent); Alaska (188 percent); New Hampshire (178 percent); and Rhode Island (132 percent).

The administration estimates that the credit extended to small businesses through this additional subsidy appropriation will create 12,100 jobs.

CHAPTER III

DEPARTMENT OF DEFENSE

DEPARTMENT OF DEFENSE—MILITARY

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, DEFENSE AGENCIES

1993 appropriation to date	$8,788,004,000
1993 supplemental estimate	$5,541,000
House allowance	.....
Committee recommendation	.....

The Committee recommends no supplemental funds for energy conservation projects for the Department of Defense, the same as recommended by the House. In fiscal

year 1993, the Congress provided the Defense Department with authority to use $60,500,000 in the defense business operations fund for this purpose. Therefore, the Committee believes adding another $5,541,000 for this purpose is unneeded at this time.

CHAPTER IV

DISTRICT OF COLUMBIA

1993 appropriation to date	$688,000,000
1993 supplemental estimate	28,177,000
House allowance	28,177,000
Committee recommendation	28,177,000

The Committee concurs with the House allowance and budget estimate providing an additional $28,177,000 for the District of Columbia government. According to information received from the District government this additional Federal amount, which is not an increase in the Federal payment but rather is an additional Federal amount, will help the District continue Mayor Kelly's youth initiative. The authorized level of the Federal payment was set in Public Law 102-102 at 24 percent of the independently audited locally generated general fund revenue from the second previous fiscal year. The General Accounting Office reviews the amounts reported as local revenue and makes a statement to the appropriate committees.

CHAPTER V

ENERGY AND WATER DEVELOPMENT

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

1993 appropriation to date	$3,487,705,000
1993 supplemental estimate	93,922,000
House allowance	93,922,000
Committee recommendation	93,922,000

The Committee recommends an appropriation of $93,922,000 for economic stimulus activities of the U.S. Army Corps of Engineers civil works program as proposed by the President. The recommendation includes $3,900,000 for construction, general; $76,497,000 for operation and maintenance activities, and $13,525,000 for flood control, Mississippi River and tributaries.

A key element of the administration's long-term investment package is improving the Nation's infrastructure and providing earlier realization of long-term benefits while at the same time increasing employment. The funds recommended in this bill will enable the Corps to expedite construction of ongoing high priority water resource projects and will provide funds for needed maintenance of existing projects. In addition, this program will result in a long-term savings by improving operational efficiency and safety, and replacing antiquated mechanical and electrical equipment.

The majority of the work will be performed by contract with the private sector. It is estimated that approximately 3,500 new jobs will be created by the funding recommended.

DEPARTMENT OF ENERGY

ENERGY SUPPLY, RESEARCH AND DEVELOPMENT

1993 appropriation to date	$3,015,793,000
1993 supplemental estimate	47,900,000
House allowance	47,900,000
Committee recommendation	47,900,000

The Committee recommendation concurs with the House action in providing $47,900,000 for energy supply, research and development activities as requested by the President. The amount recommended includes $46,961,000 for cooperative research and development agreements [CRADA's] and $939,000 for Department of Energy, in-house energy management activities.

The funding recommended for CRADA's will be used to support non-Defense, multilaboratory collaborations to enhance U.S. competitiveness and contribute to the creation and retention of jobs for U.S. workers. This program will allow non-Defense national laboratory scientists and technicians to work with industry, including small business partners and industry consortia, and will bring the resources of the Department's laboratories to bear on the technology problems of American industries.

The proposed funding for the in-house energy management program will provide for survey audits preparatory to retrofitting energy efficient technologies into Department of Energy buildings.

CHAPTER VI

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES

The proposed fiscal year 1993 economic stimulus package includes a total recommendation of $748,842,547 in additional funds for programs under the jurisdiction of the Interior Subcommittee. Similar programs as those funded in the stimulus package are base funded at a level of $1,890,000,000 in fiscal year 1993.

In general, the funds provided in the stimulus package will help the largest agencies in the Interior bill address some of their critical maintenance and repair backlogs; as well as provide for needed restoration of natural and cultural resources; address backlogs of road maintenance and repair, particularly on Indian reservations and in our national parks; provide educational and economic opportunities for tribes; increase energy efficiency; and accelerate use of alternative-fueled vehicles.

The total number of jobs (calculated in work-years) estimated to be created by the programs under the subcommittee's jurisdiction is roughly 19,300. The actual number of people hired may approximate 40,000, depending on the timing of enactment and progress in complying with Federal employment and contracting procedures.

The components of the President's economic stimulus program for agencies under the jurisdiction of the Interior Subcommittee help to address long identified backlogs or shortfalls. The estimated backlog of maintenance repair and rehabilitation projects for the six largest agencies under the subcommittee's jurisdiction approaches $6,000,000,000. This is nearly one-half the size of the subcommittee's annual funding level for all 40 of the agencies funded in the bill. Each year, funds are provided for maintenance and repair, but the rate at which new projects are added to the list each year surpasses the rate at which projects are removed from the list upon completion. This backlog addresses the physical infrastructure only. In addition, restoration of habitat and other natural and cultural resources under the subcommittee's jurisdiction has not kept pace with the demands placed by ever-increasing use of our public resources. The Department of the Interior supports about 450 million annual visits to the national parks, refuges, and BLM lands. The Forest Service supports an additional 500 million visits annually.

Based on information provided by the agencies, it is anticipated that the funding proposed in the stimulus package will be allocated as follows:

ECONOMIC STIMULUS PACKAGE PRELIMINARY STATE-BY-STATE DISTRIBUTION

[In thousands of dollars]

State	Agency						
	National Park Service	Fish and Wildlife Service	Bureau of Land Management	Bureau of Indian Affairs	Forest Service	Department of Energy	Total
Alabama	$559	$775			$1,125	$691	$3,150
Alaska	4,489	2,749	$54	$400	4,257	515	12,464
Arizona	11,928	1,500	86	23,566	10,845	505	48,430
Arkansas	1,943	1,034			3,679	554	7,210
California	27,009	11,719	180	1,107	39,074	2,555	81,644
Colorado	6,868	753	39	870	7,429	1,559	17,518
Connecticut	295	503				794	1,592
Delaware	165	873				182	1,220
Florida	4,484	5,717		336	1,082	871	12,490
Georgia	2,811	2,059			610	854	6,334
Hawaii	1,298	4,065				107	5,470
Idaho	960	1,696	107	1,133	13,121	572	17,589
Illinois	754	727			2,187	3,851	7,519
Indiana	1,600	570				1,864	4,034
Iowa	1,159	1,229		92		1,413	3,893
Kansas	481	405		276		745	1,907
Kentucky	2,017	50			1,487	1,262	4,816
Louisiana	838	2,136		88	4,530	486	8,078
Maine	798	809		431		832	2,870
Maryland	7,769	1,192				864	9,825
Massachusetts	6,990	1,081				1,870	9,941

ECONOMIC STIMULUS PACKAGE PRELIMINARY STATE-BY-STATE DISTRIBUTION—Continued

[In thousands of dollars]

State	Agency						Total
	National Park Service	Fish and Wildlife Service	Bureau of Land Management	Bureau of Indian Affairs	Forest Service	Department of Energy	
Michigan	4,796	1,974		73	2,774	4,237	13,854
Minnesota	1,639	3,976		3,357	3,145	2,865	14,982
Mississippi	5,557	2,414		1,323	3,815	460	13,569
Missouri	2,202	738			1,445	1,667	6,052
Montana	3,436	1,548	127	3,791	12,883	719	22,504
Nebraska	673	858		390	125	730	2,776
Nevada	5,400	563	75	88	950	281	7,357
New Hampshire	277	177			800	464	1,718
New Jersey	4,797	894				1,587	7,278
New Mexico	4,081	1,163	120	12,714	9,690	528	28,296
New York	18,761	1,578		150		5,567	26,056
North Carolina	15,293	1,297		1,011	2,296	1,170	21,067
North Dakota	882	2,095		4,318		702	7,997
Ohio	1,507	289			686	3,764	6,246
Oklahoma	699	741		1,634	193	736	4,003
Oregon	2,175	2,863	15,915	2,096	18,218	868	42,135
Pennsylvania	7,321	1,398			1,256	4,057	14,032
Rhode Island	296	178				351	825
South Carolina	1,498	940			540	514	3,492
South Dakota	1,892	3,031		8,387	639	542	14,491
Tennessee	2,971	1,133			1,690	1,194	6,988
Texas	4,149	4,958		100	50	1,784	11,041
Utah	11,884	1,080	115	343	6,337	675	20,434
Vermont	198	257			717	374	1,546
Virginia	20,498	2,038			1,444	1,185	25,165
Washington	7,132	4,764		6,248	20,413	1,409	39,966
West Virginia	1,692	331			4,000	865	6,888
Wisconsin	1,410	1,690		1,225	1,210	2,450	7,985
Wyoming	11,358	615	88	536	1,996	341	14,934
Other:							
American Samoa	70					63	133
District of Columbia	13,001	40				198	13,239
Guam	191					68	259
Micronesia (FSM)	207						207
Northern Mariana Islands	74					63	137
Puerto Rico	631	80			1,106	257	2,074
Virgin Islands	593	5				64	662
Unallocated	9,135			26,293		35,033	70,461
Total	253,591	87,348	16,906	102,376	187,844	100,778	748,843

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

1993 appropriation to date	$540,246,000
1993 supplemental estimate	1,878,000
House allowance	1,878,000
Committee recommendation	1,878,000

The Committee recommends an appropriation of $1,878,000, the same as the budget request and the House allowance. These funds are proposed to be used for riparian habitat restoration projects in 11 States throughout the western United States. When combined with the funds in the "Oregon and California grant lands" account, it is estimated that the BLM programs in the stimulus package will support between 350 and 450 work-years, or 1,100 jobs, in fiscal year 1993.

OREGON AND CALIFORNIA GRANT LANDS

1993 appropriation to date	$82,415,000
1993 supplemental estimate	15,027,547
House allowance	15,027,547
Committee recommendation	15,027,547

The Committee recommends an appropriation of $15,027,547, the same as the budget request and the House allowance. These funds will be used to address road maintenance and reforestation backlogs in the forested timberlands of western Oregon. Of the amount recommended, $5,635,000 is for reforestation and $9,392,547 is for road maintenance projects. It is expected that the reforestation funds will reduce by 70 percent the backlog of reforestation projects on the Oregon and California grant lands. The road funds will be used to repair 85 bridges and reduce stream sedimentation by replacing 40 culverts and resealing over 300 miles of roads.

U.S. FISH AND WILDLIFE SERVICE

RESOURCE MANAGEMENT

1993 appropriation to date	$530,537,000
1993 supplemental estimate	87,348,000
House allowance	87,348,000
Committee recommendation	87,348,000

The Committee recommends $87,348,000, the same as the budget request and the House allowance. These funds are proposed to be allocated to all 50 States.

Endangered species.—The budget request includes a total of $19,900,000 for endangered species activities, including candidate species status surveys, habitat conservation and restoration projects, permitting, and recovery activities, including actions, planning, and plan implementation. Prelisting activities will be conducted in support of species stabilization and conservation for the approximately 3,800 species awaiting status surveys.

Habitat conservation.—The Committee recommends $24,299,000, as proposed by the administration, for habitat conservation work. This amount includes $18,299,000 for habitat restoration on private lands. The funds will be used to restore over 50,000 acres of marsh and prairie potholes, plant 18,000 acres of bottomland hardwood forests and 35,000 acres of prairie grasslands, and restore over 200 miles of riparian habitat which will provide benefits to neotropical migratory birds, waterfowl, endangered species, and native animal and plant communities. Additional funding of $4,000,000 will be provided for 20 projects in 9 existing bay and estuary programs, and $2,000,000 will be provided in Florida for the national wetlands inventory.

Refuges and wildlife.—The recommendation includes $28,782,000 for habitat restoration and improvement projects within the national wildlife refuge system. These funds will be used for species population inventories, habitat management and improvement projects, protection of natural habitats, and initiating and updating baseline information regarding fish and wildlife resources on Alaska refuges. Slightly less than one-half of the total recommended for refuges and wildlife will be applied toward wetlands and other habitat projects, and the balance will go toward natural resource projects. The Service has estimated that approximately 200 of the 490 national wildlife refuges will receive funding under this program.

Migratory bird management.—A total of $3,000,000 is recommended to expand existing partnership agreements to protect, enhance, restore, and manage ecosystems for migratory birds and other fish and wildlife. Seven projects are proposed with a focus on urban fish and wildlife monitoring and habitat improvement.

Fisheries.—A total of $7,872,000 is recommended for fisheries habitat restoration and improvement, as well as other fisheries project work to help implement a coordinated, habitat-based fisheries program.

Research.—The administration has proposed funding of $1,455,000 for fisheries research and $2,040,000 for gap analysis. The

gap analysis funds will support ongoing biodiversity data base development in 22 States, and to begin demonstrations in the Pacific Northwest and Great Basin, and expand work in New England, Pennsylvania, Delaware, and New Jersey. The fisheries research funds will be distributed to 21 States with ongoing fisheries research programs.

NATIONAL PARK SERVICE

OPERATION OF THE NATIONAL PARK SERVICE

1993 appropriation to date	$983,995,000
1993 supplemental estimate	146,519,000
House allowance	146,519,000
Committee recommendation	146,519,000

The Committee recommends $146,519,000, the same as the budget request and the House allowance. Of this amount, $79,519,000 is provided for cyclic maintenance and repair and rehabilitation in the national parks. The physical plant of the National Park Service includes 15,000 buildings, 8,000 miles of roads, 1,400 bridges, 5,000 housing units, and approximately 1,500 water and sewer systems. In fiscal year 1993, the regions of the National Park Service identified repair and rehabilitation needs of approximately $400,000,000. Additional maintenance backlog funding of $12,000,000 is recommended for cultural cyclic maintenance. Of the 359 units in the National Park System, 203 are predominantly cultural areas. Additionally, natural resource restoration and preservation is funded at a level of $20,000,000, which will allow for over 350 projects nationwide to protect and preserve park natural resources. A recent Interior inspector general report documented a backlog of nearly 4,000 natural resource projects totaling over $400,000,000.

Additional operating funds are provided for exhibit rehabilitation ($5,000,000) and seasonal operations ($30,000,000). The exhibit rehabilitation funds will be used for 27 projects upgrading park interpretive exhibits nationwide, such as fabricating and installing an interpretive exhibit at Padre Island National Seashore in Texas and completion of production of an Acadian culture film for Jean Lafitte National Historic Site in Louisiana. The additional seasonal operational funds will be used to help many park units maintain visitor and interpretive services during the busy summer season, so as to prevent the closure of park areas, including Shenandoah Drive and Independence National Historical Park.

NATIONAL RECREATION AND PRESERVATION

1993 appropriation to date	$23,563,000
1993 supplemental estimate	1,409,000
House allowance	1,409,000
Committee recommendation	1,409,000

The Committee recommends $1,409,000, the same as the budget request and the House allowance. This amount will allow for measured drawings of 28 historically significant structures within the NPS to be completed and recorded and deposited with the Library of Congress. This work is traditionally done by students. These projects are located in 23 different States and will be conducted using cooperative agreements with the American Institute of Architects and the American Society of Civil Engineers, as well as using contracts with private firms. At present, before structures determined to be historically significant through the National Register process are removed or modified, measured drainages must be completed so that the Nation's architectural and engineering heritage are preserved.

HISTORIC PRESERVATION FUND

1993 appropriation to date	$36,617,000
1993 supplemental estimate	22,072,000
House allowance	22,072,000
Committee recommendation	22,072,000

The Committee recommends $22,072,000, the same as the budget request and the House allowance. Of the amount provided, $12,472,000 will be allocated on a formula basis to the States and tribes for historic preservation activities determined at the local level, consistent with the Historic Preservation Act. The balance of $9,600,000 will be provided to the National Trust for Historic Preservation to fund historic preservation activities at 16 historic properties in 8 States and the District of Columbia. The properties are: Aiken House, SC; Belle Grove, VA; Brucemore, IA; Casa Amesti, CA; Chesterwood, MA; Cliveden, PA; Decatur House, DC; Drayton Hall, SC; Filoli, CA; Lyndhurst, NY; Montpelier, VA; Oatlands, VA; Shadows-on-the-Teche, LA; Woodrow Wilson House, DC; Woodlawn, VA; and NTHP Headquarters, DC.

CONSTRUCTION

1993 appropriation to date	$229,831,000
1993 supplemental estimate	83,591,000
House allowance	83,591,000
Committee recommendation	83,591,000

The Committee recommends $83,591,000, the same as the budget request and the House allowance. The recommendation includes $50,000,000 for road maintenance and construction projects at 67 sites. Seven of these projects ($30,000,000) are major reconstruction projects that will be conducted through the Federal Highway Administration program, and the remaining $20,000,000 will be provided for regional road maintenance at 60 sites in 54 parks. The seven major projects are located at Blue Ridge Parkway, VA; Bryce Canyon National Park, UT; Golden Gate National Recreation Area, CA; Lake Mead National Recreation Area, NV; Mesa Verde National Park, CO; Shenandoah National Park, VA; and Yellowstone National Park, WY.

The remaining construction funds are allocated for line item projects ($18,000,000), employee housing rehabilitation ($10,000,000), and storm damage repair ($5,591,000). The storm damage funds will be used to help five units and the North Atlantic regional office recover from damages as a result of the strong, and slow-moving storm of December 1992. The high winds and coastal flooding from the storm resulted in damages to marina facilities, boardwalks, parking lots, seawall structures, and dune and beach front areas. The funds will be used for debris cleanup, resource stabilization, and building repairs so that facilities can open in time for the summer season. It is expected that nearly two-thirds of these funds will be allocated to the Gateway National Recreation Area in New York and New Jersey. If additional repairs are needed at Park Service units as a result of the recent winter storm in the southern and eastern United States, the Park Service should identify these needs in a reprogramming request.

The funding for employee housing will be allocated for 65 different projects in 53 units of the system. The line item construction projects will be used for five major projects that are ready to proceed to construction. These projects are located at Cape Hatteras National Seashore, NC (employee housing); Gateway National Recreation Area, NY (Jacob Riis Park); Grand Canyon National Park, AZ (employee housing); John D. Rockefeller, Jr. Memorial Parkway, WY (electrical lines for facility relocation); and Yosemite National Park, CA (electrical system).

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

1993 appropriation to date	$1,342,391,000
1993 supplemental estimate	92,044,000
House allowance	92,044,000
Committee recommendation	92,044,000

The Committee recommends an appropriation of $92,044,000, the same as the budget request and the House allowance. According to the Office of Management and Budget, these funds are expected to generate additional employment of approximately 1,000 workyears. The actual number of jobs created may be higher since many of the positions generated are expected to be summer jobs.

For school operations and administrative cost grants, a total of $48,844,000 is provided. These funds will be used to cover shortfalls which have resulted from a 5-percent increase in student enrollment at Bureau-funded schools and which could result in early closings of schools and layoffs of personnel. The Committee understands that the additional funds for school operations will restore staff positions which would otherwise be reduced, as well as provide needed supplies, such as textbooks and library materials, and cover increased transportation costs. Of the total of $22,587,000 provided for the 1992-93 school year, $18,497,000 is for school operations and $4,090,000 is for administrative cost grants. Of the total of $26,257,000 provided for the 1993-94 school year, $21,503,000 is provided for school operations and $4,754,000 is provided for administrative cost grants.

The Committee is concerned about the current methodology for estimating and distributing funding for school operations, which uses the Indian School Equalization Program [ISEP] formula. It is unclear that the formula allocates educational resources effectively and, as a result, the Committee is concerned that the quality of Bureau-funded education is being compromised. Given the current budget situation, it is essential that BIA education funds be allocated in a manner that more closely matches funding with identified educational needs and that allocated funds be properly managed.

The Bureau should closely examine the funding, enrollment, and staffing situation at all schools and explore alternative funding distribution mechanisms and improved accountability measures. As part of the ISEP formula reauthorization this year, the Committee encourages the Bureau to work closely with the authorizing committees to devise a funding distribution methodology which will more effectively allocate and manage resources.

The Committee recently concurred with the administration's proposed transfer of funding from the Indian Child Welfare Act [ICWA] grant program to school operations to prevent the closing of several Bureau schools as a result of funding shortfalls for the current school year. The reprogramming was approved as a stop-gap measure on the assumption that the stimulus package, as proposed by the President, would soon be enacted. In order to restore the ICWA grants to the fiscal year 1993 enacted level, it is the Committee's intent that any funds transferred from the ICWA grants be replenished by the funds provided herein for school operations and administrative cost grants for the current year and that these funds be replenished in the same manner that they were

transferred to cover the shortfalls in school operations.

For school facilities operations and maintenance, $4,700,000 is provided for summer jobs to clean, paint, and upgrade Bureau-funded Indian schools, many of which are deteriorating. These funds will be allocated on a formula basis to 23 States.

For road maintenance, $23,500,000 is provided to upgrade school bus routes, medical access roads, and rural routes on Indian reservations. It is expected that these funds will result in the creation of approximately 300 new jobs in 15 States.

For forest development, $15,000,000 is provided for tree planting and precommercial thinning to increase future harvesting on about 50 reservations, which have been identified as having the largest acreage of need. According to a recent survey, approximately 1.7 million acres were identified as needing forest development activities.

CONSTRUCTION

1993 appropriation to date	$149,613,000
1993 supplemental estimate	4,696,000
House allowance	10,332,000
Committee recommendation	10,332,000

The Committee recommends an appropriation of $10,332,000, the same as the House allowance and an increase of $5,636,000 above the budget request. Subsequent to submission of the stimulus package to the Congress, the administration proposed transferring funds to this account from other BIA programs included in the supplemental request. The construction funds will help address the backlog of facility repair projects which have been identified on the reservations, which is estimated to be $550,000,000. It is estimated that over 325 jobs would be created with the funds provided.

Within this amount, $4,696,000 is provided to complete facility improvement and repair projects, including education and law enforcement facility repairs, and closure of certain solid waste landfills on Indian reservations.

The remaining $5,636,000 is provided to complete construction of two juvenile detention centers on the Navajo Reservation in Arizona and one juvenile detention center on the Pine Ridge Reservation in South Dakota. Funds provided previously for these three facilities are insufficient to complete construction. The additional funds will allow completion of the facilities.

GUARANTEED LOANS

1993 appropriation to date	$9,687,000
1993 supplemental estimate	5,636,000
House allowance	
Committee recommendation	

The Committee recommends that no additional funding be provided in fiscal year 1993 for guaranteed loans, a reduction of $5,636,000 from the budget request and the same recommendation as provided by the House. The administration has requested that the guaranteed loan funds be shifted to the "Construction" account to complete three juvenile detention centers.

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

NATIONAL FOREST SYSTEM

1993 appropriation to date	$1,307,274,000
1993 supplemental estimate	150,000,000
House allowance	150,000,000
Committee recommendation	150,000,000

The Committee recommends $150,000,000, the same as the budget request and the House allowance. These funds will be used to help reduce the backlog of cyclic maintenance and rehabilitation of facilities, trails, and recreation sites in our national forests. When combined with the funding recommended in the "Construction" account, it is estimated that between 2,300 and 4,000 work-years would be created. The Forest Service has estimated that 4,000 work-years would translate into approximately 8,000 jobs, most of them summer employment.

The recommended funds will be allocated as follows: $75,000,000 for recreation management, $25,000,000 for trail maintenance, $20,000,000 for facilities maintenance, and $30,000,000 for a new line item called ecosystem restoration. The ecosystem restoration funds will be used for a variety of activities, including but not limited to, rehabilitation of watersheds and riparian areas, road obliteration to reduce soil movement and sedimentation, restoration and revegetation of abandoned and inactive mines to help reduce nonpoint source pollution, restoration of fish and wildlife habitat, protection of threatened and endangered species, and treatment of timber stands to improve forest health and reduce the risk of damaging wildfire.

CONSTRUCTION

1993 appropriation to date	$255,259,000
1993 supplemental estimate	37,844,000
House allowance	37,844,000
Committee recommendation	37,844,000

The Committee recommends $37,844,000, the same as the budget request and the House allowance. These funds will be provided for reconstruction and rehabilitation of existing Forest Service facilities, trails, and recreation sites. The facilities funds will be allocated principally to recreation sites ($19,844,000 in 21 States), but some funds will also be used for Forest Service research facilities ($3,000,000 in 14 States) as well as fire, administrative and other buildings ($7,000,000 in 13 States). The FA&O backlog is approximately $369,000,000. No new facilities are to be initiated with these funds. The balance of the funding, $7,000,000, is for trail construction in 23 States.

DEPARTMENT OF ENERGY

ENERGY CONSERVATION

1993 appropriation to date	$578,903,000
1993 supplemental estimate	100,778,000
House allowance	100,778,000
Committee recommendation	100,778,000

The Committee recommends an appropriation of $100,778,000, the same as the budget request and the House allowance.

Within the transportation program, a total of $28,177,000 is provided to accelerate the purchase of alternative-fueled vehicles for the Federal fleet and to begin implementation of titles III, IV, and V of the Energy Policy Act of 1992 (Public Law 102-486) regarding alternative fuels. It is expected that an additional 10,000 vehicles will be purchased with the additional funds.

For the Federal energy management program, a total of $6,856,000 is provided. Within this amount, $5,635,000 is provided to train more than 550 new energy managers and perform energy audits at approximately 470 Federal sites around the country. The remaining $1,221,000 is provided to establish a fund to be managed by the Federal energy management program for energy-efficiency improvements at all Federal agencies, except for the Departments of Defense, Energy, Veterans Affairs, and the General Services Administration, which receive direct funding for this purpose.

For the weatherization assistance program, $46,961,000 is provided for the weatherization of approximately 28,000 low-income homes. For the institutional conservation program, $18,784,000 is provided to weatherize approximately 800 school and hospital buildings. These funds are expected to generate approximately 1,000 jobs in over 1,200 communities across the country.

CHAPTER VII

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

TRAINING AND EMPLOYMENT SERVICES

1993 appropriation to date	$4,172,156,000
1993 supplemental estimate	1,000,000,000
House allowance	1,000,000,000
Committee recommendation	1,000,000,000

Summer youth employment

The Committee recommends $1,000,000,000 in supplemental funding for the summer youth employment and training program. Of that amount, $989,500,000 is provided for the summer jobs, bill language has been included to require that 30 percent of those moneys be used for academic enrichment activities. Of the remaining $10,500,000, $10,000,000 has been included for the design and development of models and demonstrations for the academic enrichment portion of the summer youth employment and training program, and $500,000 for the technical assistance and training programs.

Increased funding will provide an additional 657,000 summer jobs for economically disadvantaged youths ages 14 through 21 years of age.

People with disabilities, particularly youths with disabilities, are among the most unemployed or underemployed population in our Nation. It is the intent of the Committee that eligible youth with disabilities be among the targeted groups who are served this summer by this program.

These funds are available only for fiscal year 1993.

The following table displays the Senate formula allocation, which is based on current law.

JTPA title IIB summer youth program for 1993

State	*Current formula*
Alabama	$17,883,594
Alaska	2,543,158
Arizona	13,671,699
Arkansas	10,801,745
California	125,839,558
Colorado	10,846,287
Connecticut	10,409,951
Delaware	2,424,644
District of Columbia	4,480,572
Florida	52,148,184
Georgia	19,744,082
Hawaii	2,424,644
Idaho	3,274,853
Illinois	47,933,718
Indiana	16,085,505
Iowa	5,884,307
Kansas	3,848,665
Kentucky	15,513,700
Louisiana	27,142,350
Maine	4,845,819
Maryland	14,201,499
Massachusetts	28,738,598
Michigan	44,519,404
Minnesota	11,007,359
Mississippi	14,482,310
Missouri	17,038,434

State	Current formula
Montana	3,424,888
Nebraska	2,424,644
Nevada	3,389,206
New Hampshire	3,975,685
New Jersey	26,071,827
New Mexico	6,258,443
New York	71,503,632
North Carolina	19,186,138
North Dakota	2,424,644
Ohio	38,103,424
Oklahoma	10,900,048
Oregon	10,138,511
Pennsylvania	42,315,415
Puerto Rico	35,383,287
Rhode Island	4,306,848
South Carolina	11,781,254
South Dakota	2,424,644
Tennessee	17,405,692
Texas	68,612,989
Utah	3,338,288
Vermont	2,424,644
Virginia	18,578,984
Washington	16,426,033
West Virginia	10,885,261
Wisconsin	12,038,221
Wyoming	2,424,644
U.S. total	969,857,711
American Samoa	78,117
Guam	915,138
Marshall Islands	26,998
Micronesia	63,979
Northern Marianas	35,138
Palau	10,595
Virgin Islands	519,463
Native Americans	17,894,860
Subtotal	19,642,289
Demos	10,500,000
Grand total	1,000,000,000

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

1993 appropriation to date	$390,060,000
1993 supplemental estimate	32,131,000
House allowance	32,131,000
Committee recommendation	32,131,000

The Community Service Employment for Older Americans Program provides employment opportunities for individuals 55 years of age and older. To expand those employment opportunities, the Committee recommends $32,131,000 for community service employment for older Americans. This funding will fund approximately 5,300 additional slots, for a total of 70,000 slots in 1993.

STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

(INCLUDING TRANSFER OF FUNDS)

1993 appropriation to date	$3,160,388,000
1993 supplemental estimate	14,300,000
House allowance	14,300,000
Committee recommendation	14,300,000

The Committee recommends $14,300,000 for the State unemployment insurance and employment service operations appropriation, the same amount requested by the President. These funds will be used to implement a nationwide profiling system to identify structurally unemployed workers and to establish a national center to develop the profiling system and provide technical support in developing new computer applications. The profiling system is funded from State operations at $6,600,000; the center is funded from national activities at $5,000,000, and the remaining $2,700,000 may be transferred to the "Program administration" account.

These funds are available only for fiscal year 1993.

ADVANCES TO THE UNEMPLOYMENT TRUST FUND AND OTHER FUNDS

1993 appropriation to date	$665,000,000
1993 supplemental estimate	4,000,000,000
House allowance	4,000,000,000
Committee recommendation	4,000,000,000

The Committee recommends $4,000,000,000 to cover the fiscal year 1993 costs of the extension of the emergency unemployment compensation benefits from March 6, 1993, to January 15, 1994. This is the amount requested by the President. The extension of the emergency unemployment compensation program will provide benefits to an estimated 1.9 million individuals who have exhausted regular State unemployment insurance benefits. The EUC program extension would end October 2, 1993, for the filing of new claims, but payments for persons in claims status on that date may continue until expiration of eligibility, but no payments may be made after January 15, 1994. Claimants filing new EUC claims under the extension will be eligible for up to 20 or 26 weeks of benefits, depending on the level of unemployment in their State.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH RESOURCES AND SERVICES

1993 appropriation to date	$2,580,812,000
1993 supplemental estimate	200,000,000
House allowance	200,000,000
Committee recommendation	200,000,000

The Committee recommends $200,000,000 for the Ryan White Comprehensive AIDS Resources Emergency Act: $85,000,000 is provided for title I, for additional grants to 25 eligible metropolitan areas heavily impacted by AIDS; $85,000,000 is provided for title II, for grants to States for home and community-based care, continuing health insurance for people with HIV, purchasing pharmaceuticals, and other services; $25,000,000 is provided for title III, for grants to community-based organizations; and $5,000,000 is provided for title IV, to foster collaboration between comprehensive pediatric and family service projects and clinical research programs.

The Committee expects the majority of title IV funds will supplement ongoing pediatric/family AIDS demonstration projects to increase their capacity to support clinical trials for children, women, and families. In addition, the Committee understands funds will be used to provide planning grants and technical assistance to the 32 States that currently have no organized capacity for referrals and where the benefits of such demonstration projects can be identified.

These funds are available only for fiscal year 1993.

NATIONAL INSTITUTES OF HEALTH

NATIONAL LIBRARY OF MEDICINE

1993 appropriation to date	$104,184,000
1993 supplemental estimate	9,392,000
House allowance	9,392,000
Committee recommendation	9,392,000

The Committee recommends $9,392,000 for the National Library of Medicine for its role in a Government-wide supercomputer initiative. Funds would be used to develop technologies for applications of high-performance computing and high-speed networking in the health care sector. The supplemental appropriations would support research, development, and demonstration projects to create advanced methods of medical computing and communications. This is the same amount requested by the President and recommended by the House.

These funds are available only for fiscal year 1993.

ASSISTANT SECRETARY FOR HEALTH

OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH

(INCLUDING TRANSFER OF FUNDS)

1993 appropriation to date	$56,984,000
1993 supplemental estimate	300,000,000
House allowance	300,000,000
Committee recommendation	300,000,000

The Committee recommends $300,000,000 for the childhood immunization activities within the Public Health Service.

Of this amount, $282,800,000 is included for the Centers for Disease Control and Prevention [CDC]. These funds are provided to improve the immunization rates among preschoolers. This appropriation is intended to fund the immunization action plans for improving vaccine delivery that were developed by the immunization grantees in 1992. The Committee is aware that many of the immunization action plans integrate the community and migrant health centers in their vaccine delivery efforts, and the Committee intends that the community and migrant health centers be provided additional financial support for these activities through funds provided to the States.

Also included is $4,200,000 for the National Institute of Allergy and Infectious Diseases and $7,000,000 for the Food and Drug Administration for vaccine research. The remaining $6,000,000 is provided for the Office of the Assistant Secretary for Health for coordination and administration of immunization activities. The Committee requests that the OASH report to the Committee on the activities supported with these funds so that the Committee can make informed decisions about fiscal year 1994 funding for coordination activities in OASH.

The Committee has been reluctant to increase funding for the National Vaccine Program Office in the past. While the Committee acknowledges the need for administrative funding to coordinate immunization activities, it believes these funds should be kept to a minimum and every possible dollar should be directed toward the purchase of vaccines and support of delivery activities. The Committee also believes appropriations for vaccine activities in other agencies should be made directly to those agencies.

These funds are available only for fiscal year 1993.

SOCIAL SECURITY ADMINISTRATION

PAYMENTS TO SOCIAL SECURITY TRUST FUNDS

1993 appropriation to date	$35,242,000
1993 supplemental estimate	10,000,000
House allowance	10,000,000
Committee recommendation	10,000,000

The Committee concurs with the House in recommending $10,000,000, to remain available until expended, to reimburse the old-age and survivors insurance and disability insurance trust funds for administrative expenses expended from the "Limitation on administrative expenses" account for the Social Security Administration to process non-Social Security casework under sections 9704 and 9706 of the Internal Revenue Code of 1986, as amended by section 19141 of the Energy Policy Act of 1992.

The amount provided reflects the estimated cost needed to reimburse the trust

funds for the administrative expenses of carrying out the new functions in the Coal Industry Health Benefit Act (established by the Energy Policy Act of 1992) for which the Secretary of Health and Human Services is responsible.

SUPPLEMENTAL SECURITY INCOME PROGRAM

1993 appropriation to date	$23,346,846,000
1993 supplemental estimate	150,000,000
House allowance	150,000,000
Committee recommendation	150,000,000

The Committee concurs with the House in recommending an additional $150,000,000 for fiscal year 1993 for the supplemental security income [SSI] program.

The amount provided reflects the estimated cost needed to reimburse the trust funds for the SSI program's share of the administrative costs for the proposed fiscal year 1993 supplemental appropriation for the limitation on administrative expenses. In addition, the bill language changes the date from July 31 to June 15 for an indefinite appropriation to finance any benefit payment shortfall for the current fiscal year. This is a technical change and will not change the obligation or outlay pattern for the SSI program.

These funds are available only for fiscal year 1993.

LIMITATION ON ADMINISTRATIVE EXPENSES

1993 appropriation to date	$4,813,101,000
1993 supplemental estimate	302,000,000
House allowance	302,000,000
Committee recommendation	302,000,000

The Committee recommends an additional $302,000,000 from the Social Security trust funds for administrative expenses of the Social Security Administration, the same as the administration request and the House allowance. This bill provides $292,000,000 in additional funding in fiscal year 1993 for disability case processing and for investments in automation and SSA facilities to stimulate the economy as well as improve office habitability and service to the public.

The bill also includes $10,000,000, to remain available until expended, to provide administrative expenses for the Social Security Administration to process non-Social Security casework associated with carrying out the new functions in the Coal Industry Retiree Health Benefit Act for which the Secretary of Health and Human Services is responsible. These functions are chargeable to Federal funds. Thus the Social Security trust funds will be reimbursed for these costs from the payment to Social Security trust funds appropriation.

The Committee has not yet received the comprehensive report requested addressing a number of issues relating to SSA's proposed intelligent work station/local area network [IWS/LAN] initiative. The Committee recognizes that the Agency is continuing to pilot IWS/LAN projects and supports these pilot efforts and their evaluation prior to deciding the appropriateness, timing, and other issues related to national implementation. The Committee looks forward to reviewing the requested report and related budget justifications on the administration's multiyear investment proposal for this initiative.

ADMINISTRATION FOR CHILDREN AND FAMILIES

CHILDREN AND FAMILIES SERVICES PROGRAMS

1993 appropriation to date	$3,658,391,000
1993 supplemental estimate	500,000,000
House allowance	500,000,000
Committee recommendation	500,000,000

The Committee recommends $500,000,000 to fund a new Head Start summer program. Most Head Start programs operate only during the school year. Providing funding for a summer program will help up to 350,000 disadvantaged children and their families to receive the program's comprehensive services throughout the summer months and also allow some of these children to participate on a full-day basis. In addition, the program will employ approximately 50,000 Head Start staff, most of whom are Head Start parents and other residents of low-income communities.

The Head Start program has a mandate that no less than 10 percent of the population served be children with disabilities. The Committee expects that this mandate will continue to be met by the Head Start program as it expands to serve all eligible children.

These funds are available only for fiscal year 1993.

The following table displays the formula allocation.

Head Start—Tentative estimates, fiscal year 1993

	Summer increase
Appropriation	$500,000,000
Alabama	7,700,000
Alaska	1,000,000
Arizona	7,700,000
Arkansas	4,700,000
California	62,500,000
Colorado	4,900,000
Connecticut	3,900,000
Delaware	1,000,000
District of Columbia	1,500,000
Florida	19,500,000
Georgia	13,100,000
Hawaii	1,400,000
Idaho	1,500,000
Illinois	21,300,000
Indiana	7,500,000
Iowa	3,900,000
Kansas	3,500,000
Kentucky	8,200,000
Louisiana	12,700,000
Maine	1,800,000
Maryland	5,900,000
Massachusetts	8,200,000
Michigan	20,500,000
Minnesota	6,200,000
Mississippi	8,000,000
Missouri	8,800,000
Montana	1,500,000
Nebraska	2,200,000
Nevada	1,400,000
New Hampshire	1,000,000
New Jersey	9,200,000
New Mexico	4,000,000
New York	33,500,000
North Carolina	10,300,000
North Dakota	1,000,000
Ohio	21,400,000
Oklahoma	6,100,000
Oregon	4,400,000
Pennsylvania	18,000,000
Puerto Rico	19,200,000
Rhode Island	1,500,000
South Carolina	6,300,000
South Dakota	1,300,000
Tennessee	9,400,000
Texas	37,500,000
Utah	2,700,000
Vermont	1,000,000
Virginia	7,200,000
Washington	7,900,000
West Virginia	4,000,000
Wisconsin	8,100,000
Wyoming	1,000,000

DEPARTMENT OF EDUCATION

COMPENSATORY EDUCATION FOR THE DISADVANTAGED

1993 appropriation to date	$6,708,986,000
1993 supplemental estimate	734,805,000
House allowance	734,805,000
Committee recommendation	734,805,000

The Committee recommends a supplemental appropriation of $734,805,000 for chapter I compensatory education programs. This is the same amount as the House and the same as the amount requested by the President. Under this program, formula grants to local educational agencies [LEA's] are provided for supplemental instruction and to help educationally disadvantaged children attain the academic skills they need to succeed in school. This supplemental appropriation for two chapter I activities will help spur economic growth and will create new jobs or retain jobs for many Americans who are or who would have expected to be out of work. This is a forward funded program with fiscal year 1993 funds supporting activities in the 1993–94 academic year.

These funds are available only for fiscal year 1993.

Chapter I summer programs

Of the total amount provided by the Committee for chapter I compensatory education programs, the Committee recommends a one-time supplemental appropriation of $500,000,000 for LEA's in the 50 States, the District of Columbia, and Puerto Rico, to operate 1993 summer programs that would enrich the education of disadvantaged children at the prekindergarten through high-school age levels. This amount is the same amount as the President's request and the House allowance and is the amount necessary to provide each State with adequate funds to operate viable summer programs. Using these funds, LEA's would either create new programs or expand existing summer programs to provide access to disadvantaged children. Funds may be used for educational activities already supported by chapter I and may also be used for additional activities such as arts education, food services, school health services, and transportation. Funds would be distributed using the chapter I concentration grant formula, which provides allocations to counties and LEA's with at least 6,500 children from low-income families or with a poverty rate of at least 15 percent.

The Committee is providing appropriations language requested by the President and provided by the House that will require school districts to obligate all of their funds by September 30, 1993, and also provide assurances that at least 80 percent of their funds will be liquidated by that date. This will ensure that this supplemental funding will contribute to an immediate economic stimulus effect. The chapter I summer programs would provide employment for up to 83,000 teachers, classroom aides, and other related staff. Approximately 80 percent of these funds would go to support salaries and other personnel-related expenses.

The Committee is concerned about the educational needs of children of migrant and agricultural farm workers. Recent reports found that there is a greater likelihood that migrant children will be overlooked by a school district in its assessment of service needs of its educationally disadvantaged population.

In order to fill the educational gap of migrant children and provide these children with needed compensatory education services, the Committee directs the Department of Education to provide guidance to school districts to ensure that children of migrant and agricultural workers participate in the summer chapter I program.

The following table displays the formula allocation.

Chapter I summer programs[1]

State	Proposed supplemental[2]
Alabama	$10,920,319
Alaska	356,489
Arizona	9,204,770
Arkansas	6,437,568
California	62,570,623
Colorado	4,009,018
Connecticut	2,333,336
Delaware	320,396
Florida	22,976,105
Georgia	13,460,917
Hawaii	1,024,226
Idaho	1,194,424
Illinois	23,700,534
Indiana	5,590,540
Iowa	1,827,062
Kansas	2,454,058
Kentucky	10,004,984
Louisiana	17,503,940
Maine	669,877
Maryland	4,472,074
Massachusetts	7,107,806
Michigan	21,596,907
Minnesota	4,034,082
Mississippi	11,296,806
Missouri	8,741,193
Montana	2,085,232
Nebraska	1,161,418
Nevada	715,538
New Hampshire	250,000
New Jersey	8,236,881
New Mexico	5,456,289
New York	47,649,582
North Carolina	7,349,933
North Dakota	833,355
Ohio	21,774,927
Oklahoma	7,120,870
Oregon	3,345,843
Pennsylvania	19,993,361
Rhode Island	1,563,847
South Carolina	6,862,683
South Dakota	1,330,478
Tennessee	10,669,177
Texas	51,182,070
Utah	1,310,544
Vermont	250,000
Virginia	5,928,321
Washington	5,146,584
West Virginia	5,778,683
Wisconsin	5,653,028
Wyoming	384,089
District of Columbia	1,826,956
Puerto Rico	22,332,257
Total	500,000,000

[1] Distribution is based on the concentration grants formula, with minimum State allocation of $250,000.
[2] Amounts shown are estimates.

Census adjustment

The Committee recommends a supplemental appropriation of $234,805,000 to help reduce the impact on districts that will lose chapter I funds in fiscal year 1993 as a result of the first-time use of 1990 census data in making chapter I allocations. The amount provided by the Committee is the same as the President's request and the House allowance.

The 1990 census showed that while the number of poor children in each State increased between 1980 and 1990, the distribution of those children shifted so that there are relatively more in the Western States and fewer in the Eastern States. This results in sharp decreases in the 1993 allocations, compared to the 1992 allocations, for all Eastern and many Midwestern States. In fact, the 1993 allocations for several Eastern States will be reduced between 13 and 18 percent in comparison to their 1992 allocations, and some of the biggest cuts will occur in areas that have the highest unemployment rates in the country. This supplemental appropriation will delay the effect of the decreases in chapter I allocations to give districts time to plan a transition to a decreased allocation and a smaller compensatory education program. The supplemental appropriation will provide an economic stimulus by preventing the loss in the 1993–94 school year of up to 6,000 teaching positions and services to up to 250,000 students.

The following table displays the formula allocation.

Census adjustment[1]

State	Proposed supplemental[2]
Alabama	$8,530,836
Alaska	185,939
Arizona	
Arkansas	2,954,438
California	1,664,438
Colorado	194,687
Connecticut	5,322,934
Delaware	1,837,369
Florida	6,121,670
Georgia	9,238,125
Hawaii	1,140,251
Idaho	420,309
Illinois	13,716,229
Indiana	1,999,182
Iowa	2,105,089
Kansas	677,372
Kentucky	3,636,262
Louisiana	837,210
Maine	3,327,640
Maryland	7,742,773
Massachusetts	10,387,615
Michigan	1,171,114
Minnesota	2,657,308
Mississippi	4,237,159
Missouri	2,710,520
Montana	275,635
Nebraska	1,325,895
Nevada	174,206
New Hampshire	446,301
New Jersey	19,347,011
New Mexico	131,596
New York	41,739,548
North Carolina	12,803,378
North Dakota	559,114
Ohio	827,746
Oklahoma	448,989
Oregon	146,817
Pennsylvania	14,552,574
Rhode Island	1,457,990
South Carolina	5,843,009
South Dakota	1,000,448
Tennessee	8,157,865
Texas	1,490,878
Utah	121,779
Vermont	652,045
Virginia	9,165,897
Washington	71,740
West Virginia	1,044,648
Wisconsin	1,409,012
Wyoming	58,440
District of Columbia	2,701,787
Puerto Rico	16,034,560
Total	234,805,000

[1] Funds will be provided to States based on allocations to counties that, from the regular chapter I allocation, are receiving less than 92 percent of their fiscal year 1992 allocation for basic and concentration grants combined. Each State's allocation will be determined based on the amount of funding necessary to increase county allocations to 92 percent.
[2] Amounts shown are estimates.

STUDENT FINANCIAL ASSISTANCE

1993 appropriation to date	$7,546,109,000
1993 supplemental estimate	1,863,730,000
House allowance	1,863,730,000
Committee recommendation	1,863,730,000

The Committee recommends a supplemental appropriation of $1,863,730,000 for the Pell grant program within the "Student financial assistance" account. This allowance is the same as the House allowance, but $160,000,000 less than the total amount estimated by the administration as needed to pay off the Pell grant shortfall. The additional $160,000,000 will be considered as part of the regular supplemental the Congress will take up later this fiscal year. The reduction will not decrease the number of jobs estimated to be created by the supplemental package.

Pell grants, considered the foundation of the student aid programs, provide need-based grants to low- and middle-income students to help remove financial barriers to a postsecondary education. Grants are based on statutory need analysis and award rules. Over one-half the recipients in the 1993–94 award year are projected to have incomes below $10,000 and over 90 percent are projected to have incomes below $30,000. Approximately 6,600 postsecondary institutions, including public, private, and proprietary schools, participate in the Pell grant program.

The supplemental appropriation is provided to pay off accumulated Pell grant funding shortfalls. These shortfalls result from the difficulty in projecting program costs, which vary according to external economic and behavioral factors affecting student enrollment decisions. The annual appropriations cycle requires the projection of costs 2 years in advance of award year obligations and 3 years before actual award year costs are known. Recent growth in the number of qualifying Pell grant applicants has resulted in a growing multiple-year funding shortfall. When current year appropriations are insufficient to support current year award levels, the Department is authorized to borrow funds from the next year's appropriation. This borrowing, occurring over a number of years, has resulted in the current cumulative shortfall.

The supplemental is provided to defray program costs already accounted for in prior year and current year obligations and outlays. The supplemental will provide $1,370,730,000 to pay off prior year shortfalls accumulated through fiscal year 1992, and $493,000,000 to partially cover the currently estimated shortfall for fiscal year 1993, which funds awards for the 1993–94 academic year. The supplemental will ensure that no student's grant will be reduced in the school year starting next fall.

CHAPTER VIII

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES

DEPARTMENT OF TRANSPORTATION

FEDERAL AVIATION ADMINISTRATION

GRANTS-IN-AID FOR AIRPORTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(AIRPORT AND AIRWAY TRUST FUND)

1993 appropriation to date	($2,000,000,000)
1993 supplemental estimate	(250,000,000)
House allowance	(250,000,000)
Committee recommendation	(250,000,000)

The Committee has provided the full $250,000,000 in liquidating cash requested by the administration and recommended by the House for the Federal Aviation Administration's Airport Improvement Program.

In addition, the Committee has increased the limitation on obligations by $250,000,000

as requested. This is in addition to the $1,800,000,000 already appropriated for fiscal year 1993 for the Grants Program, and sets the obligation limitation at the fully authorized level of $2,050,000,000. This represents an almost 8 percent increase over the 1992 funding level.

The Federal Aviation Administration estimates that 75 percent of the funds would be allocated for pavement work, which includes construction, extensions, rehabilitation, and/or general improvements to runways, taxiways, apron areas, and access roads.

FEDERAL HIGHWAY ADMINISTRATION

FEDERAL-AID HIGHWAYS

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

1993 appropriation to date ..	($15,326,750,000)
1993 supplemental estimate	(2,976,250,000)
House allowance	(2,976,250,000)
Committee recommendation	(2,976,250,000)

The Committee has provided the full increase requested by the administration for the Federal-aid highways obligation ceiling. The supplemental amount, when combined with the previously made available funding ceiling, fully funds the obligation ceiling at $18,303,000,000 as authorized in the Intermodal Surface Transportation Efficiency Act of 1991 [ISTEA].

The table below provided by the Federal Highway Administration depicts the distribution of the increased obligation limitation.

CURRENT FISCAL YEAR 1993 OBLIGATION LIMITATION INCREASED BY $2,976,250,000

State	Current formula limitation plus discretionary	Increased limitation	Revised increased total limitation
Alabama	$224,069,313	$47,154,401	$271,223,714
Alaska	176,082,420	37,008,028	213,090,448
Arizona	179,309,277	37,729,331	217,038,608
Arkansas	141,107,908	29,686,981	170,794,889
California	1,237,599,457	260,488,228	1,498,087,685
Colorado	190,775,723	40,163,072	230,938,795
Connecticut	297,526,421	62,598,956	360,125,377
Delaware	57,893,755	12,169,455	70,063,210
District of Columbia	78,687,211	16,539,253	95,226,464
Florida	480,490,621	101,154,774	581,645,395
Georgia	375,045,182	78,939,851	453,985,033
Hawaii	221,640,626	47,006,788	268,647,414
Idaho	94,116,384	19,785,929	113,902,313
Illinois	523,452,461	110,123,140	633,575,601
Indiana	279,959,053	58,987,068	338,946,121
Iowa	175,611,931	36,909,206	212,521,137
Kansas	160,254,387	33,681,425	193,935,812
Kentucky	200,485,160	42,202,599	242,687,759
Louisiana	213,999,477	45,023,338	259,022,815
Maine	70,920,919	14,909,794	85,830,713
Maryland	213,613,659	44,948,654	258,562,313
Massachusetts	879,166,033	184,783,747	1,063,949,780
Michigan	358,067,293	75,412,901	433,480,194
Minnesota	277,312,374	58,569,006	335,881,380
Mississippi	153,798,812	32,349,818	186,148,630
Missouri	296,322,724	62,364,634	358,687,358
Montana	136,200,280	28,625,771	164,826,051
Nebraska	122,960,805	25,869,732	148,830,537
Nevada	86,820,669	18,248,767	105,069,436
New Hampshire	67,951,261	14,283,066	82,234,327
New Jersey	410,597,479	86,328,262	496,925,741
New Mexico	148,380,594	31,185,495	179,566,089
New York	777,798,754	163,571,009	941,369,763
North Carolina	324,853,893	68,351,291	393,205,184
North Dakota	87,258,701	18,340,574	105,599,275
Ohio	471,655,989	99,330,013	570,986,002
Oklahoma	181,953,697	38,277,754	220,231,451
Oregon	168,543,880	35,436,156	203,980,036
Pennsylvania	580,483,136	122,116,499	702,599,635
Rhode Island	88,759,644	18,656,000	107,415,644
South Carolina	194,057,933	40,898,583	234,956,516
South Dakota	93,666,275	19,687,141	113,353,416
Tennessee	274,684,451	57,805,103	332,489,554
Texas	861,611,004	181,322,202	1,042,933,206
Utah	105,253,997	22,124,005	127,378,002
Vermont	62,091,624	13,051,649	75,143,273
Virginia	264,384,320	55,654,807	320,039,127
Washington	272,800,209	57,402,395	330,202,604
West Virginia	132,962,603	27,947,671	160,910,274
Wisconsin	245,124,059	51,573,063	296,697,122
Wyoming	94,250,356	19,809,887	114,060,243
Puerto Rico	67,612,742	14,316,413	81,829,155
Subtotal	13,880,026,936	2,920,803,685	16,800,830,621
Administration	423,092,000		423,092,000
Federal lands	438,000,000		438,000,000
104(a) setaside	283,795,732		283,795,732
Reserved for discretionary	301,835,332	55,446,315	357,281,647
Total	15,326,750,000	2,976,250,000	18,303,000,000

FEDERAL RAILROAD ADMINISTRATION

GRANTS TO NATIONAL RAILROAD PASSENGER CORPORATION [AMTRAK]

1993 appropriation to date	$496,000,000
1993 supplemental estimate	187,844,000
House allowance	187,844,000
Committee recommendation	187,844,000

The Committee has provided $187,844,000 in supplemental funding for Amtrak capital improvements as requested by the administration. This supplemental funding, together with funds already appropriated, will bring total grants to Amtrak to $683,844,000 for fiscal year 1993, including capital funding of $352,844,000. The supplemental funding will be used for a wide variety of Amtrak improvement projects including equipment overhauls, improvements to maintenance facilities, improvements to passenger stations, track and right-of-way improvements, purchases of small equipment, and purchases of locomotives. The Committee is supportive of Amtrak's plans to distribute funding among these projects in a manner that will maximize employment opportunities in the near term.

Consistent with the directives of the House Committee, the Committee concurs that none of the supplemental funds shall be used for the development or evaluation of high-speed rail systems. Contrary to the directives of the House Committee, the Committee directs that not less than $120,000,000 of the supplemental funds made available shall be used for capital projects on or along right-of-way owned by Amtrak or State transportation authorities including the Northeast corridor. The Committee believes that Amtrak has a primary obligation to the capital infrastructure of taxpayer-owned right-of-way.

FEDERAL TRANSIT ADMINISTRATION

FORMULA GRANTS

1993 appropriation to date	$650,975,000
1993 supplemental estimate	466,490,000
House allowance	466,490,000
Committee recommendation	466,490,000

The Committee has provided the full amount requested, $466,490,000, in new budget authority for the Federal Transit Administration's Formula Grants Program. The Committee has included the requested bill language which would distribute the funds as follows: $17,423,000 for section 16; $26,420,000 for section 18; and $422,647,000 for section 9. In addition to the additional formula grant money from the general fund, the section 9 program would receive $15,850,000 in supplemental contract authority from the trust fund, making a total of $438,497,000 in new funds available for the section 9 capital program.

The total amount of new transit formula capital funds, a combination of general funds and trust funds, contained in the supplemental is $482,340,000. The table below, provided by the Federal Transit Administration, depicts the distribution of the additional capital funds.

IMPACT OF ADDITIONAL FISCAL YEAR 1993 SECTIONS 9, 18, AND 16, FORMULA FUNDING OPTIONS

[By State]

State	Fiscal year 1993 enacted (apportionments)				Fiscal year 1993 proposed stimulus at $482,340,000			
	Section 9	Section 18	Section 16	Total	Section 9	Section 18	Section 16	Total
Alabama	$8,346,608	$2,182,659	$844,035	$11,373,302	$2,348,426	$631,093	$306,935	$3,286,454
Alaska	1,348,700	325,481	167,262	1,841,443	379,474	94,110	135,693	609,277
American Samoa		46,391	51,664	98,055		13,414	50,421	63,835
Arizona	17,253,409	1,000,993	748,998	19,003,400	4,854,470	289,427	282,889	5,426,786
Arkansas	2,665,150	1,744,945	602,032	5,012,127	749,874	504,533	245,702	1,500,109
California	237,322,538	4,258,842	4,392,269	245,973,649	66,773,771	1,231,400	1,204,738	69,209,909
Colorado	16,691,713	909,093	590,113	18,190,919	4,696,430	262,855	242,686	5,201,971
Connecticut	24,468,068	824,633	670,249	25,962,950	6,884,408	238,434	262,963	7,385,805
Delaware	2,742,571	205,726	231,683	3,179,980	771,658	59,484	151,994	983,136
District of Columbia	15,277,294		230,267	15,507,561	4,298,465		151,636	4,450,101
Florida	68,918,832	2,737,771	2,977,168	74,633,771	19,391,206	791,598	846,677	21,029,481
Georgia	26,509,322	3,191,279	1,082,347	30,782,948	7,458,741	922,726	367,235	8,748,702
Guam		132,065	130,535	262,600		38,185	126,400	164,585
Hawaii	12,964,659	358,172	283,614	13,606,445	3,647,775	103,562	165,134	3,916,471
Idaho	1,606,180	722,602	289,287	2,618,069	451,920	208,933	166,569	827,422
Illinois	119,546,843	2,904,577	1,938,956	124,390,376	33,636,053	839,828	583,981	35,059,862
Indiana	18,426,828	2,828,208	1,036,716	22,291,752	5,184,627	817,747	355,689	6,358,063
Iowa	4,740,497	1,819,131	644,144	7,203,772	1,333,800	525,983	256,358	2,116,141
Kansas	4,345,416	1,447,061	546,615	6,339,092	1,222,639	418,403	231,680	1,872,722
Kentucky	9,112,366	2,388,782	810,590	12,311,738	2,563,882	690,692	298,473	3,553,047
Louisiana	14,667,485	1,975,696	813,081	17,456,262	4,126,887	571,252	299,103	4,997,242
Maine	1,152,122	953,350	351,484	2,456,956	324,164	275,651	182,307	782,122
Maryland	39,488,031	1,190,212	816,733	41,494,976	11,110,469	344,138	300,027	11,754,634
Massachusetts	61,057,986	1,275,546	1,158,405	63,491,937	17,179,456	368,811	386,480	17,934,747
Michigan	33,495,615	3,454,396	1,664,814	38,614,825	9,424,425	998,803	514,615	10,937,843
Minnesota	14,108,268	1,987,805	827,673	16,923,746	3,969,544	574,753	302,795	4,847,092
Mississippi	2,521,115	1,939,840	586,048	5,047,003	709,348	560,885	241,658	1,511,891
Missouri	16,969,688	2,315,281	1,050,767	20,335,736	4,774,642	669,440	359,244	5,803,326
Montana	1,215,400	585,365	268,783	2,069,548	341,969	169,252	161,381	672,602
Nebraska	4,593,414	883,241	397,435	5,874,090	1,292,417	255,380	193,933	1,741,730
Nevada	5,421,701	288,365	306,129	6,016,195	1,525,466	83,378	170,831	1,779,675
New Hampshire	1,704,081	763,515	291,460	2,759,056	479,465	220,762	167,119	867,346
New Jersey	93,741,371	1,091,664	1,382,549	96,215,584	26,375,350	315,643	443,194	27,134,187
New Mexico	3,720,714	858,213	354,455	4,933,382	1,046,871	248,144	183,058	1,478,073
New York	295,818,929	3,842,789	3,149,851	302,811,569	83,232,489	1,111,103	890,370	85,233,962
North Carolina	13,092,410	4,082,177	1,225,325	18,399,912	3,683,719	1,180,319	403,412	5,267,450
North Dakota	1,184,785	432,903	234,875	1,852,563	333,355	125,170	152,801	611,326
Northern Marianas		42,991	51,520	94,511		12,430	50,385	62,815
Ohio	46,722,796	4,155,940	2,021,747	52,900,483	13,146,064	1,201,647	604,929	14,952,640
Oklahoma	5,892,893	1,753,873	705,104	8,351,870	1,658,042	507,114	271,782	2,436,938
Oregon	12,836,383	1,410,653	658,401	14,905,437	3,611,683	407,876	259,965	4,279,524
Pennsylvania	86,638,376	4,635,994	2,415,856	93,690,226	24,376,830	1,340,450	704,649	26,421,929
Puerto Rico	13,637,229	1,385,381	626,680	16,649,290	3,837,011	400,569	251,939	4,489,519
Rhode Island	5,569,630	177,470	317,337	6,064,437	1,567,088	51,313	173,666	1,792,067
South Carolina	6,219,407	2,043,150	682,925	8,945,482	1,749,911	590,756	266,170	2,606,837
South Dakota	854,645	527,675	250,375	1,632,695	240,465	152,572	156,723	549,760
Tennessee	12,330,742	2,637,473	989,220	15,957,435	3,469,414	762,598	343,671	4,575,683
Texas	77,268,678	5,568,443	2,493,726	85,330,847	21,740,544	1,610,057	724,352	24,074,953
Utah	10,354,241	400,007	333,095	11,087,343	2,913,300	115,658	177,654	3,206,612
Vermont	429,513	471,787	214,054	1,115,354	120,849	136,412	147,533	404,794
Virgin Islands		100,978	132,027	233,005		29,197	126,778	155,975
Virginia	25,303,071	2,338,375	1,027,439	28,668,885	7,119,347	676,117	353,342	8,148,806
Washington	37,437,582	1,638,470	925,674	40,001,726	10,533,549	473,747	327,592	11,334,888
West Virginia	2,070,763	1,393,172	510,022	3,973,957	582,636	402,821	222,421	1,207,878
Wisconsin	18,074,989	2,407,238	944,210	21,426,437	5,085,632	696,028	332,282	6,113,942
Wyoming	593,465	336,679	188,177	1,118,321	166,979	97,347	140,986	405,312
Total	1,558,474,512	91,374,518	48,636,000	1,698,485,030	438,497,000	26,420,000	17,423,000	482,340,000

TRUST FUND SHARE OF TRANSIT PROGRAMS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

1993 appropriation to date	$1,134,150,000
1993 supplemental estimate	15,850,000
House allowance	15,850,000
Committee recommendation	15,850,000

The Committee has approved the requested increases of $15,850,000 in liquidating cash and the limitation on obligations for the transit portion of the highway trust fund. These additional funds will be apportioned for section 9 urban formula capital grants.

DISCRETIONARY GRANTS

1993 appropriation to date	$1,725,000,000
1993 supplemental estimate	270,000,000
House allowance	270,000,000
Committee recommendation	270,000,000

The Committee has provided an additional $270,000,000 in new budget authority specifically for discretionary bus grants, as requested by the administration and recommended by the House.

CHAPTER IX

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT

DEPARTMENT OF THE TREASURY

INTERNAL REVENUE SERVICE

INFORMATION SYSTEMS

1993 appropriation to date	$1,480,341,000
1993 supplemental estimate	148,397,000
House allowance	148,397,000
Committee recommendation	148,397,000

The Committee bill includes an additional amount of $148,397,000 for the Internal Revenue Service's "Information systems" account in fiscal year 1993, as requested by the President and approved by the House. These supplemental funds will be used by the IRS to replace outmoded information, tax, and telecommunication systems with state-of-the-art equipment. These funds will permit the IRS to respond more rapidly and accurately to taxpayer requests for account information and result in improved tracking of account receivables. The Committee is advised that contracts are currently in place which will permit the Service to obligate these funds in fiscal year 1993. The Internal Revenue Service indicates that an estimated 850 jobs will be created as a result of this supplemental funding in such areas of the country as San Jose, CA; Austin, TX; Poughkeepsie, NY; and Oklahoma City, OK.

INDEPENDENT AGENCY

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

(LIMITATIONS ON AVAILABILITY OF REVENUE)

1993 appropriation to date	$330,501,000
1993 supplemental estimate	4,696,000
House allowance	4,696,000
Committee recommendation	4,696,000

The Committee bill includes an additional $4,696,000 as requested by the President and approved by the House for the General Services Administration's Federal buildings fund. These funds will be used to undertake energy conservation projects in Federal buildings throughout the United States. The General Services Administration estimates that an additional 250 jobs will be created as a result of this supplemental funding at various Federal office building sites in the United States.

CHAPTER X

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES

DEPARTMENT OF VETERANS AFFAIRS

VETERANS HEALTH ADMINISTRATION

MEDICAL CARE

1993 appropriation to date	$14,642,723,000
1993 supplemental estimate	202,684,000
House allowance	202,684,000
Committee recommendation	202,684,000

The Committee has provided $202,684,000 for the "Medical care" account, as requested by the President and provided by the House. The funds provided will significantly augment VA's current budget of $229,626,139 for nonrecurring maintenance projects in VA medical facilities.

These funds will provide for maintenance and repair projects, including modernizing patient treatment areas and wards, repairing roofs and windows, removing asbestos and lead-based paint, and installing important medical equipment. The Department has numerous aging facilities which require maintenance and repair projects in order to correct code and critical operational deficiencies. According to the Department, there is a backlog of approximately $800,000,000 for nonrecurring maintenance projects. The funds provided will enable VA to provide higher quality medical care to the Nation's veterans.

The amount provided includes $751,000 for energy efficiency projects, as requested by the administration.

The following table provides a breakdown of the administration's request by State:

State	*Amount*
Alabama	$1,411,000
Arizona	2,305,000
Arkansas	4,237,000
California	2,229,000
Colorado	545,000
Connecticut	16,076,200
Delaware	404,000
District of Columbia	3,347,000
Florida	1,506,000
Georgia	3,056,000
Idaho	387,000
Illinois	17,675,000
Indiana	9,995,400
Iowa	3,185,000
Kansas	5,444,500
Kentucky	2,252,000
Louisiana	3,289,000
Maine	584,000
Maryland	2,546,500
Massachusetts	5,716,703
Michigan	6,074,000
Minnesota	806,000
Mississippi	1,748,000
Missouri	6,481,000
Montana	59,000
Nebraska	4,248,000
Nevada	284,000
New Hampshire	105,000
New Jersey	5,164,000
New Mexico	28,000
New York	18,726,983
North Carolina	1,081,000
North Dakota	1,314,000
Ohio	13,508,668
Oklahoma	1,798,000
Oregon	2,638,500
Pennsylvania	9,995,271
Puerto Rico	121,000
Rhode Island	293,000
South Carolina	2,136,000
South Dakota	5,382,201
Tennessee	2,107,800
Texas	6,938,000
Vermont	932,600
Virginia	5,158,500
Washington	3,402,000
West Virginia	2,745,000
Wisconsin	13,077,174
Wyoming	140,000
Grand total	202,684,000

DEPARTMENTAL ADMINISTRATION

CONSTRUCTION, MINOR PROJECTS

1993 appropriation to date	$149,525,000
1993 supplemental estimate	32,873,000
House allowance	32,873,000
Committee recommendation	32,873,000

The Committee has provided $32,873,000 for minor construction projects, as requested by the President and provided by the House. These funds will provide for improvements at several VA hospitals as well as six national veterans cemeteries. The projects to be funded include renovating wards and clinics, and infrastructure repair and maintenance at cemeteries.

The following table provides the administration's request by State:

State	*Amount*
Alabama	$255,000
Arizona	334,000
Arkansas	232,000
California	5,032,000
Colorado	1,569,000
Florida	629,000
Georgia	631,000
Kansas	2,501,000
Massachusetts	2,434,000
Michigan	2,300,000
Montana	2,378,000
Nebraska	250,000
New Mexico	1,708,000
New York	1,405,000
North Carolina	2,324,000
Oklahoma	2,480,000
Pennsylvania	626,000
South Carolina	245,000
Texas	339,000
Utah	2,435,000
Vermont	418,000
Washington	638,000
Wisconsin	627,000
Wyoming	1,083,000
Grand total	32,873,000

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT BLOCK GRANTS

1993 appropriation to date	$4,000,000,000
1993 supplemental estimate	2,536,000,000
House allowance	2,536,000,000
Committee recommendation	2,536,000,000

The Committee recommends a supplemental appropriation of $2,536,000,000 for community development block grants [CDBG]. This is the same amount as the administration request and the House allowance.

The Committee believes that the CDBG program is one of the Federal Government's best measures to stimulate the Nation's economy. It provides capital to States, communities, Indian tribes, and insular areas, on a formula basis, for improving important portions of our infrastructure: housing, public facilities like water and sewer systems, roads, and other public improvements, and for public services. The U.S. Conference of Mayors estimates that there are almost 9,000,000,000 dollars' worth of CDBG-eligible

projects ready to be acted upon today. The funds provided under this supplemental appropriation will help address this need and generate almost 60,000 new jobs during the fiscal year 1993–95 period.

The Committee has included language, requested by the administration, that requires local officials to obligate funds under this appropriation by December 31, 1994. This will accelerate the pace at which jobs will be created by this supplemental expenditure.

The Committee has also included language requested by the administration to provide the Secretary with regulatory flexibility to expedite the use of funds by communities to meet certain immediate needs.

The State-by-State distribution of these funds, as proposed by the administration, is as follows:

State	*Total allocations*
Alabama	$37,979,000
Alaska	2,833,000
Arizona	29,015,000
Arkansas	20,037,000
California	273,293,000
Colorado	24,129,000
Connecticut	27,271,000
Delaware	4,768,000
District of Columbia	13,043,000
Florida	101,727,000
Georgia	51,675,000
Hawaii	10,834,000
Idaho	6,371,000
Illinois	133,959,000
Indiana	49,646,000
Iowa	28,739,000
Kansas	20,389,000
Kentucky	36,068,000
Louisiana	50,461,000
Maine	11,625,000
Maryland	38,084,000
Massachusetts	71,762,000
Michigan	100,269,000
Minnesota	41,014,000
Mississippi	27,265,000
Missouri	52,549,000
Montana	6,115,000
Nebraska	14,218,000
Nevada	7,876,000
New Hampshire	7,616,000
New Jersey	75,739,000
New Mexico	12,734,000
New York	250,237,000
North Carolina	44,533,000
North Dakota	5,060,000
Ohio	117,331,000
Oklahoma	22,416,000
Oregon	21,539,000
Pennsylvania	158,943,000
Rhode Island	11,597,000
South Carolina	27,017,000
South Dakota	5,883,000
Tennessee	38,112,000
Texas	169,024,000
Utah	13,883,000
Vermont	4,717,000
Virginia	40,915,000
Washington	36,790,000
West Virginia	18,904,000
Wisconsin	45,129,000
Wyoming	2,875,000
Puerto Rico	82,632,000
Subtotal	2,506,640,000
Indian grants	25,360,000
Special purpose grants (insular areas)	4,000,000
Grand total	2,536,000,000

TRANSITIONAL AND SUPPORTIVE HOUSING DEMONSTRATION PROGRAM

1993 appropriation to date	$150,000,000
1993 supplemental estimate	423,000,000
House allowance	423,000,000
Committee recommendation	423,000,000

The Committee recommends the full administration supplemental appropriation request of $423,000,000 for the Transitional and Supportive Housing Demonstration Program. This amount is the same as the House allowance.

The supportive housing program underwent substantial revision in the Housing and Community Development Act of 1992. Its goal is to provide supportive housing and services, particularly for deinstitutionalized homeless individuals, homeless families with children, homeless individuals with mental disabilities, and other handicapped persons. Funds are awarded on a competitive basis.

The Committee notes that this appropriation is designed to address two needs: the creation of jobs and reducing the growing number of homeless in the United States. Jobs will be created since funds used under this program will provide for the rehabilitation of structures for permanent housing for the homeless. The administration estimates that 11,200 jobs will be created in the fiscal year 1993–95 period. Homeless persons will benefit because the program is designed to deal not with the symptoms of homelessness, but with its root causes: permanent shelter and self-sufficiency skills and services. Cost sharing is required for program recipients.

INDEPENDENT AGENCIES

COMMISSION ON NATIONAL AND COMMUNITY SERVICE

PROGRAM ACTIVITIES

1993 appropriation to date	$73,000,000
1993 supplemental estimate	15,000,000
House allowance	15,000,000
Committee recommendation	15,000,000

The Committee recommends a supplemental appropriation of $15,000,000 for program activities of the Commission on National and Community Service. This is the same as requested by the administration and the House allowance.

The Committee believes that national service offers a unique opportunity to help create the ethic of service among the Nation's young people. At the same time, it offers the chance for important tasks to be accomplished in communities that otherwise would go undone.

The supplemental funds provided in this act will create 1,000 jobs in the President's summer of service initiative, the initial step in his National Service Program. Young people between the ages of 18 and 25 will be involved in service activities to serve the education, health, public safety, and environment of at-risk children.

The Commission will select between 4 and 10 sites, on a competitive basis, for the use of this appropriation. Service programs must run for at least 8 weeks this summer. Each recipient program must have both service and leadership training for staff and participants. Youth participating in the program will receive a minimum wage stipend and a $1,000 postservice benefit that can be used for either education or training. Participating programs will be required to provide some matching funds to support the work of the summer of service effort in their community.

ENVIRONMENTAL PROTECTION AGENCY

ABATEMENT, CONTROL, AND COMPLIANCE

1993 appropriation to date	$1,318,965,000
1993 supplemental estimate	20,663,000
House allowance	20,663,000
Committee recommendation	20,663,000

The Committee has provided $20,663,000 to expand the Agency's energy efficiency programs, as requested by the President and provided by the House. These funds will be used to encourage the use of "green" technologies and systems that reduce energy consumption, thereby increasing the productivity of businesses and conserving energy. The Agency estimates that more than $1,000,000,000 in private investments in new lighting, heating, ventilation, building materials, and other equipment will be created as a result of this spending.

PROGRAM AND RESEARCH OPERATIONS

1993 appropriation to date	$823,607,000
1993 supplemental estimate	2,818,000
House allowance	2,818,000
Committee recommendation	2,818,000

The Committee has provided the administration's request of $2,818,000 for the "Program and research operations" account. These funds will provide for approximately 45 full-time employees [FTE's] to expand EPA's energy efficiency programs.

The Committee directs the Agency to provide a report within 30 days of enactment of this legislation detailing how these funds will be expended.

CONSTRUCTION GRANTS/STATE REVOLVING LOAN FUND PROGRAM

1993 appropriation to date	$2,550,000,000
1993 supplemental estimate	892,261,000
House allowance	892,261,000
Committee recommendation	892,261,000

The Committee has provided $892,261,000 for the "Construction grants/State revolving loan fund" account, as requested by the President and provided by the House.

The amount provided includes $845,300,000 for grants to States to capitalize their revolving loan funds for sewage treatment construction. These funds are critically needed to help meet the enormous need for wastewater treatment construction nationwide, estimated by the Agency at more than $100,000,000,000. The funds will be spent in every State for projects which are ready to begin construction. The funds will lead to the creation of approximately 50,000 jobs.

The following table provides the administration's request by State:

State	*State allotment*
Alabama	$9,520,500
Alaska	5,095,700
Arizona	5,750,700
Arkansas	5,569,700
California	60,893,900
Colorado	6,810,600
Connecticut	10,430,600
Delaware	4,179,800
District of Columbia	4,179,800
Florida	28,740,100
Georgia	14,395,700
Hawaii	6,594,200
Idaho	4,179,800
Illinois	38,507,300
Indiana	20,519,400
Iowa	11,523,300
Kansas	7,685,300
Kentucky	10,836,400
Louisiana	9,359,700
Maine	6,590,900
Maryland	20,592,600
Massachusetts	28,907,600
Michigan	36,609,700
Minnesota	15,649,200
Mississippi	7,671,000
Missouri	23,603,100
Montana	4,179,800
Nebraska	4,354,900

State	State allotment
Nevada	4,179,800
New Hampshire	8,508,600
New Jersey	34,793,000
New Mexico	4,179,800
New York	93,978,100
North Carolina	15,366,400
North Dakota	4,179,800
Ohio	47,931,800
Oklahoma	6,878,800
Oregon	9,618,200
Pennsylvania	33,726,400
Rhode Island	5,717,000
South Carolina	8,722,500
South Dakota	4,179,800
Tennessee	12,368,500
Texas	38,915,600
Utah	4,486,200
Vermont	4,179,800
Virginia	17,424,700
Washington	14,806,500
West Virginia	13,272,700
Wisconsin	22,018,000
Wyoming	4,179,800
American Samoa	764,400
Guam	553,100
Northern Marianas	355,300
Puerto Rico	11,104,900
Pacific Trust Territory	309,000
Virgin Islands	443,700
Subtotal	841,073,500
Indian set-aside	4,226,500
Total	845,300,000

The Committee has concurred with the administration and the House in waiving the 20-percent State match requirement, in order to expedite the award of funds.

The amount provided under this account includes $46,961,000 for nonpoint source pollution control grants, as requested by the President and provided by the House. These funds will enable our Nation's watersheds to be protected and restored through such activities as the construction of systems to treat urban runoff and animal wastes, urban lake renewal projects, and the restoration of wetland habitats. The amount provided will provide more than 2,400 jobs for laborers, heavy equipment operators, fishery biologists, engineers, and others.

The Committee has concurred with the administration and the House in waiving the 40-percent State match requirement for the section 319 program, in order to expedite the award of funds.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

RESEARCH AND DEVELOPMENT

1993 appropriation to date	$7,089,300,000
1993 supplemental estimate	4,696,000
House allowance	4,696,000
Committee recommendation	4,696,000

The Committee concurs with the House in recommending a supplemental appropriation of $4,696,000 for research and development activities of the National Aeronautics and Space Administration. This amount is the same level as was requested by the administration.

Funds appropriated under this account will provide for additional activities in NASA's portion of the high-performance computing and communications initiative. Advances in high-performance computing are essential for certain high-technology fields in which NASA plays an important role, including aeronautics, climate change analysis, and space technology. The Committee expects NASA to utilize these funds with an emphasis on the applications that result from the use of advanced computing networks and technology.

NATIONAL SCIENCE FOUNDATION

RESEARCH AND RELATED ACTIVITIES

1993 appropriation to date	$1,859,000,000
1993 supplemental estimate	197,230,000
House allowance	197,230,000
Committee recommendation	197,230,000

The Committee recommends a supplemental appropriation of $197,230,000 for research and related activities of the National Science Foundation. This amount is the same level as requested by the administration and the House allowance.

About 55 percent of the funds provided in this account will go for strategic research initiatives already begun by the NSF in advanced materials, climate change, manufacturing, high-performance computing, and biotechnology. The remaining amounts will go to basic research proposals undertaken by individual investigators and small groups of researchers. Proposals will be selected in part on the basis of their ability to obligate funds quickly. The Committee concurs with the administration in believing that these funds will help stimulate the economy by creating an estimated 2,100 jobs. In addition, research funded by the NSF will promote long-term investment by generating new ideas that will spur the economic opportunities of tomorrow.

The allocation of research funds, consistent with the Administration's request, will be as follows:

Biological sciences	$20,000,000
Computer and information science	47,700,000
Engineering	35,770,000
Geosciences	43,780,000
Mathematical and physical sciences	40,550,000
Social, behavioral, and economic sciences	9,430,000
Total	197,230,000

ACADEMIC RESEARCH FACILITIES AND INSTRUMENTATION

1993 appropriation to date	$50,000,000
1993 supplemental estimate	4,696,000
House allowance	4,696,000
Committee recommendation	4,696,000

The Committee recommends a supplemental appropriation of $4,696,000 for academic research and facilities activities of the National Science Foundation. This amount is the same level as requested by the administration and the House allowance.

The Committee notes its long-standing interest in reducing the tremendous backlog of need for major research equipment and facilities at the Nation's colleges and universities. Funds provided through this supplemental appropriation will be awarded on a cost-sharing basis to high-priority projects that will enhance the research environment.

SALARIES AND EXPENSES

1993 appropriation to date	$111,000,000
1993 supplemental estimate	4,696,000
House allowance	4,696,000
Committee recommendation	4,696,000

The Committee recommends $4,696,000 for salaries and expenses activities of the National Science Foundation. This amount is the same level as requested by the administration and the House allowance. The Committee allocates these funds for connection only in use with the Foundation's relocation to its new headquarters.

TITLE II—GENERAL PROVISIONS

The Committee concurs in a House provision (Sec. 201) that no part of any appropriation contained in the bill remain available for obligation beyond the current fiscal year unless expressly so provided therein.

The Committee concurs in a provision requested by the President and proposed by the House (Sec. 202) that designates all funds provided under the bill to be emergency requirements.

BUDGETARY IMPACT

Section 308(a)(1)(A) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended, requires that the report accompanying a bill providing new budget authority contain a statement detailing how that authority compares with the reports submitted under section 602 of the act for the most recently agreed to concurrent resolution on the budget for the fiscal year. All funds provided in this bill are emergency funding requirements.

FIVE-YEAR PROJECTION OF OUTLAYS

In compliance with section 308(a)(1)(C) of the Congressional Budget Act of 1974 (Public Law 93-344), as amended, the following table contains 5-year projections associated with the budget authority provided in the accompanying bill:

[In millions]

Budget authority: Fiscal year 1993	$16,257
Outlays:	
Fiscal year 1993	6,889
Fiscal year 1994	6,218
Fiscal year 1995	3,021
Fiscal year 1996	857
Fiscal year 1997 and future years	592

ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

In accordance with section 308(a)(1)(D) of the Congressional Budget Act of 1974 (Public Law 93-344), as amended, the financial assistance to State and local governments is as follows:

[In millions]

New budget authority	$7,075
Fiscal year 1993 outlays resulting therefrom	1,568

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P$20SPRN

FY 1993 SUPPLEMENTAL H. R. - 1335

Doc. No.		Supplemental Request	House Amount	Senate Amount	Senate versus Requests	Senate versus House Amount
	FY 1993 EMERGENCY SUPPLEMENTAL APPROPRIATIONS					
	CHAPTER I					
	DEPARTMENT OF AGRICULTURE					
	Agricultural Research Service					
102-50	Buildings and facilities	37,569,000	37,569,000	37,569,000	---	---
	Food Safety and Inspection Service					
102-50	Salaries and expenses	4,000,000	4,000,000	4,000,000	---	---
	Soil Conservation Service					
102-50	Watershed and flood prevention operations	46,961,000	46,961,000	46,961,000	---	---
	Farmers Home Administration					
	Rural Housing Insurance Fund Program Account:					
	Loan authorizations:					
	Low-income single family housing (sec. 502):					
102-50	Unsubsidized guaranteed	(234,805,000)	(234,805,000)	(234,805,000)	---	---
102-50	Housing repair (sec. 504)	(2,818,000)	(2,818,000)	(2,818,000)	---	---
	Total, Loan authorizations	(237,623,000)	(237,623,000)	(237,623,000)	---	---
	Loan subsidies:					
102-50	Low-income single family housing (sec. 502)	4,297,000	4,297,000	4,297,000	---	---
102-50	Housing repair (sec. 504)	1,124,000	1,124,000	1,124,000	---	---
	Total, Loan subsidies	5,421,000	5,421,000	5,421,000	---	---
	Rural Development Insurance Fund Program Account:					
	Water and sewer facility loans:					
102-50	(Direct loan authorization)	(470,000,000)	(470,000,000)	(470,000,000)	---	---
102-50	Loan subsidy	66,821,000	66,821,000	66,821,000	---	---
102-50	Rural water and waste disposal grants	281,767,000	281,767,000	281,767,000	---	---
102-50	Very low-income housing repair grants	5,635,000	5,635,000	5,635,000	---	---
	Total, Farmers Home Administration	359,644,000	359,644,000	359,644,000	---	---
	Food and Nutrition Service					
102-50	Child nutrition programs	56,000,000	56,000,000	56,000,000	---	---
102-50	Special supplemental food program for women, infants, and children (WIC)	75,000,000	75,000,000	75,000,000	---	---
102-50	The emergency food assistance program (TEFAP)	23,481,000	23,481,000	23,481,000	---	---
	Total, Food and Nutrition Service	154,481,000	154,481,000	154,481,000	---	---
	Total, Department of Agriculture	602,655,000	602,655,000	602,655,000	---	---
	DEPARTMENT OF HEALTH AND HUMAN SERVICES					
	Food and Drug Administration					
---	Salaries and expenses (by transfer)	---	(7,000,000)	(7,000,000)	(+7,000,000)	---
	Total, Chapter I:					
	New budget (obligational) authority	602,655,000	602,655,000	602,655,000	---	---
	(By transfer)	---	(7,000,000)	(7,000,000)	(+7,000,000)	---
	(Loan authorization)	(707,623,000)	(707,623,000)	(707,623,000)	---	---
	CHAPTER II					
	DEPARTMENT OF COMMERCE					
	Economic Development Administration					
102-50	Economic development assistance programs	93,922,000	93,922,000	93,922,000	---	---
	Minority Business Development Agency					
102-50	Minority business development	1,878,000	1,878,000	1,878,000	---	---
	National Oceanic and Atmospheric Administration					
102-50	Operations, research, and facilities	80,773,000	80,773,000	80,773,000	---	---
	National Institute of Standards and Technology					
102-50	Scientific and technical research and services	14,088,000	14,088,000	14,088,000	---	---
102-50	Industrial technology services	103,315,000	103,315,000	103,315,000	---	---
	Total, National Institute of Standards and Technology	117,403,000	117,403,000	117,403,000	---	---

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FY 1993 SUPPLEMENTAL H. R. - 1335

Doc. No.		Supplemental Request	House Amount	Senate Amount	Senate versus Requests	Senate versus House Amount
	National Telecommunications and Information Administration					
102-50	Public telecommunications facilities, planning, and construction	63,867,000	63,867,000	63,867,000	---	---
	Total, Department of Commerce	357,843,000	357,843,000	357,843,000	---	---
	RELATED AGENCIES					
	Equal Employment Opportunity Commission					
102-50	Salaries and expenses	8,829,000	8,829,000	8,829,000	---	---
	Small Business Administration					
	Business Loans Program Account:					
102-50	Guaranteed loans subsidy	140,883,000	140,883,000	140,883,000	---	---
102-50	(Limitation on guaranteed loans)	(2,575,558,000)	(2,575,558,000)	(2,575,558,000)	---	---
	Total, Chapter II:					
	New budget (obligational) authority	507,555,000	507,555,000	507,555,000	---	---
	(Loan authorization)	(2,575,558,000)	(2,575,558,000)	(2,575,558,000)	---	---
	CHAPTER III					
	DEPARTMENT OF DEFENSE - MILITARY					
	Operation and Maintenance					
102-50	Operation and maintenance, Defense agencies	5,541,000	---	---	-5,541,000	---
	CHAPTER IV					
	DISTRICT OF COLUMBIA					
102-50	Federal payment to the District of Columbia	28,177,000	28,177,000	28,177,000	---	---
	CHAPTER V					
	DEPARTMENT OF DEFENSE - CIVIL					
	DEPARTMENT OF THE ARMY					
	Corps of Engineers - Civil					
102-50	Construction, general	3,900,000	3,900,000	3,900,000	---	---
102-50	Flood control, Mississippi River and tributaries, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee	13,525,000	13,525,000	13,525,000	---	---
102-50	Operation and maintenance, general	76,497,000	76,497,000	76,497,000	---	---
	Total, Corps of Engineers - Civil	93,922,000	93,922,000	93,922,000	---	---
	DEPARTMENT OF ENERGY					
102-50	Energy supply, research and development activities	47,900,000	47,900,000	47,900,000	---	---
	Total, Chapter V:					
	New budget (obligational) authority	141,822,000	141,822,000	141,822,000	---	---
	CHAPTER VI					
	DEPARTMENT OF THE INTERIOR					
	Bureau of Land Management					
102-50	Management of lands and resources	1,878,000	1,878,000	1,878,000	---	---
102-50	Oregon and California grant lands	15,027,547	15,027,547	15,027,547	---	---
	Total, Bureau of Land Management	16,905,547	16,905,547	16,905,547	---	---
	Unites States Fish and Wildlife Service					
102-50	Resource management	87,348,000	87,348,000	87,348,000	---	---
	National Park Service					
102-50	Operation of the national park system	146,519,000	146,519,000	146,519,000	---	---
102-50	National recreation and preservation	1,409,000	1,409,000	1,409,000	---	---
102-50	Historic preservation fund	22,072,000	22,072,000	22,072,000	---	---
102-50	Construction	83,591,000	83,591,000	83,591,000	---	---
	Total, National Park Service	253,591,000	253,591,000	253,591,000	---	---
	Bureau of Indian Affairs					
102-50	Operation of Indian programs	92,044,000	92,044,000	92,044,000	---	---
102-50	Construction	4,696,000	10,332,000	10,332,000	+5,636,000	---
102-50	Indian guaranteed loan progr[illegible] ccount	5,636,000	---	---	-5,636,000	---
102-50	(Limitation on guaranteed loans)	(47,909,000)	---	---	(-47,909,000)	---
	Total, Bureau of Indian Affairs	102,376,000	102,376,000	102,376,000	---	---
	Total, Department of the Interior	460,220,547	460,220,547	460,220,547	---	---

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Doc. No.		Supplemental Request	House Amount	Senate Amount	Senate versus Requests	Senate versus House Amount
	RELATED AGENCIES					
	DEPARTMENT OF AGRICULTURE					
	Forest Service					
102-50 102-54	National forest system	150,000,000	150,000,000	150,000,000	---	---
102-50 102-54	Construction	37,844,000	37,844,000	37,844,000	---	---
	Total, Forest Service	187,844,000	187,844,000	187,844,000	---	---
	DEPARTMENT OF ENERGY					
102-50	Energy conservation	100,778,000	100,778,000	100,778,000	---	---
	Total, Chapter VI: New budget (obligational) authority	748,842,547	748,842,547	748,842,547	---	---
	CHAPTER VII					
	DEPARTMENT OF LABOR					
	Employment and Training Administration					
102-50	Training and employment services	1,000,000,000	1,000,000,000	1,000,000,000	---	---
102-50	Community service employment for older Americans	32,131,000	32,131,000	32,131,000	---	---
102-50	State unemployment insurance and employment service operations	14,300,000	14,300,000	14,300,000	---	---
102-50	Advances to the Unemployment Trust Fund and other funds	4,000,000,000	4,000,000,000	4,000,000,000	---	---
	Total, Department of Labor	5,046,431,000	5,046,431,000	5,046,431,000	---	---
	DEPARTMENT OF HEALTH AND HUMAN SERVICES					
	Health Resources and Services Administration					
102-50	Health resources and services	200,000,000	200,000,000	200,000,000	---	---
	Centers for Disease Control and Prevention					
---	Disease control, research, and training (by transfer)	---	(282,800,000)	(282,800,000)	(+282,800,000)	---
	National Institutes of Health					
---	National Institute of Allergy and Infectious Diseases (by transfer)	---	(4,200,000)	(4,200,000)	(+4,200,000)	---
102-50	National Library of Medicine	9,392,000	9,392,000	9,392,000	---	---
	Assistant Secretary for Health					
102-50	Office of the Assistant Secretary for Health	300,000,000	300,000,000	300,000,000	---	---
	Social Security Administration					
102-50	Payments to social security trust funds	10,000,000	10,000,000	10,000,000	---	---
102-50	Supplemental security income	150,000,000	150,000,000	150,000,000	---	---
102-50 102-54	Limitation on administrative expenses: Trust fund	(302,000,000)	(302,000,000)	(302,000,000)	---	---
	Total, Social Security Administration	160,000,000	160,000,000	160,000,000	---	---
	Administration for Children and Families					
102-50	Children and families services programs	500,000,000	500,000,000	500,000,000	---	---
	Total, Department of Health and Human Services	1,169,392,000	1,169,392,000	1,169,392,000	---	---
	DEPARTMENT OF EDUCATION					
102-50	Compensatory education for the disadvantaged	734,805,000	734,805,000	734,805,000	---	---
102-50 102-54	Student financial assistance	1,863,730,000	1,863,730,000	1,863,730,000	---	---
	Total, Department of Education	2,598,535,000	2,598,535,000	2,598,535,000	---	---
	Total, Chapter VII: New budget (obligational) authority	8,814,358,000	8,814,358,000	8,814,358,000	---	---
	(By transfer)	---	(287,000,000)	(287,000,000)	(+287,000,000)	---

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Doc. No.		Supplemental Request	House Amount	Senate Amount	Senate versus Requests	Senate versus House Amount
	CHAPTER VIII					
	DEPARTMENT OF TRANSPORTATION					
	Federal Aviation Administration					
	Grants-in-aid for airports (Airport and Airway Trust Fund):					
102-50	(Liquidation of contract authorization).....	(250,000,000)	(250,000,000)	(250,000,000)	---	---
102-50	(Limitation on obligations).....	(250,000,000)	(250,000,000)	(250,000,000)	---	---
	Federal Highway Administration					
102-50	Federal-aid-highways (Highway Trust Fund) (limitation on obligations).....	(2,976,250,000)	(2,976,250,000)	(2,976,250,000)	---	---
	Federal Railroad Administration					
102-50	Grants to the National Railroad Passenger Corporation: Capital.....	187,844,000	187,844,000	187,844,000	---	---
	Federal Transit Administration					
102-50	Formula grants.....	466,490,000	466,490,000	466,490,000	---	---
102-50	Formula grants (Highway Trust Fund) (limitation on obligations).....	(15,850,000)	(15,850,000)	(15,850,000)	---	---
102-50	Trust fund share of transit programs (Highway Trust Fund) (liquidation of contract authorization).....	(15,850,000)	(15,850,000)	(15,850,000)	---	---
102-50	Discretionary grants.....	270,000,000	270,000,000	270,000,000	---	---
	Total, Federal Transit Administration.....	736,490,000	736,490,000	736,490,000	---	---
	Total, Chapter VIII:					
	New budget (obligational) authority.....	924,334,000	924,334,000	924,334,000	---	---
	(Liquidation of contract authorization).....	(265,850,000)	(265,850,000)	(265,850,000)	---	---
	(Limitation on obligations).....	(3,242,100,000)	(3,242,100,000)	(3,242,100,000)	---	---
	CHAPTER IX					
	DEPARTMENT OF THE TREASURY					
	Internal Revenue Service					
102-50	Information systems.....	148,397,000	148,397,000	148,397,000	---	---
	INDEPENDENT AGENCIES					
	General Services Administration					
102-50	Federal buildings fund.....	4,696,000	4,696,000	4,696,000	---	---
	Total, Chapter IX: New budget (obligational) authority.....	153,093,000	153,093,000	153,093,000	---	---
	CHAPTER X					
	DEPARTMENT OF VETERANS AFFAIRS					
	Veterans Health Administration					
102-50	Medical care.	202,684,000	202,684,000	202,684,000	---	---
	Departmental Administration					
102-50	Construction, minor projects.....	32,873,000	32,873,000	32,873,000	---	---
	Total, Department of Veterans Affairs.....	235,557,000	235,557,000	235,557,000	---	---
	DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
	Homeless Assistance					
102-50	Transitional and supportive housing demonstration program.....	423,000,000	423,000,000	423,000,000	---	---
	Community Planning and Development					
102-50	Community development grants.....	2,536,000,000	2,536,000,000	2,536,000,000	---	---
	Total, Department of Housing and Urban Development.....	2,959,000,000	2,959,000,000	2,959,000,000	---	---
	INDEPENDENT AGENCIES					
	Commission on National and Community Service					
102-50	Programs and activities.....	15,000,000	15,000,000	15,000,000	---	---

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Doc. No.		Supplemental Request	House Amount	Senate Amount	Senate versus Requests	Senate versus House Amount
	Environmental Protection Agency					
102-50						
102-54	Abatement, control, and compliance	20,663,000	20,663,000	20,663,000	---	---
102-50	Program and research operations	2,818,000	2,818,000	2,818,000	---	---
102-50						
102-54	State revolving funds / construction grants	892,261,000	892,261,000	892,261,000	---	---
	Total, Environmental Protection Agency	915,742,000	915,742,000	915,742,000	---	---
	National Aeronautics and Space Administration					
102-50	Research and development	4,696,000	4,696,000	4,696,000	---	---
	National Science Foundation					
102-50	Research and related activities	197,230,000	197,230,000	197,230,000	---	---
102-50	Academic research facilities and instrumentation	4,696,000	4,696,000	4,696,000	---	---
102-50	Salaries and expenses	4,696,000	4,696,000	4,696,000	---	---
	Total, National Science Foundation	206,622,000	206,622,000	206,622,000	---	---
	Total, Chapter X:					
	New budget (obligational) authority	4,336,617,000	4,336,617,000	4,336,617,000	---	---
	Grand total:					
	New budget (obligational) authority	16,262,994,547	16,257,453,547	16,257,453,547	-5,541,000	---
	(By transfer)	---	(294,000,000)	(294,000,000)	(+294,000,000)	---
	(Direct/guaranteed loans)	(3,331,090,000)	(3,283,181,000)	(3,283,181,000)	(-47,909,000)	---
	(Liquidation of contract authorization)	(265,850,000)	(265,850,000)	(265,850,000)	---	---
	(Limitation on administrative expenses)	(302,000,000)	(302,000,000)	(302,000,000)	---	---
	(Limitation on obligations)	(3,242,100,000)	(3,242,100,000)	(3,242,100,000)	---	---

By Mr. PELL, from the Committee on Foreign Relations, without amendment and with a preamble:

H. Con. Res. 34. A concurrent resolution calling for a continued United States policy of opposition to the resumption of commercial whaling, and otherwise expressing the sense of the Congress with respect to conserving and protecting the world's whale, dolphin, and porpoise populations.

SPECIAL REPORT

The following report of the committee was submitted:

By Mr. GLENN, from the Committee on Governmental Affairs:

Special Report entitled "Third Interim Report on United States Government Efforts to Combat Fraud and Abuse In the Insurance Industry: Enhancing Solvency, Regulation and Disclosure Requirements—A Case Study of Guarantee Security Life Insurance Company" (Rept. No. 103-29).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PELL, from the Committee on Foreign Relations:

J. Brian Atwood, of the District of Columbia, to be Under Secretary of State for Management.

Lynn E. Davis, of Virginia, to be Under Secretary of State for International Security Affairs.

Stephen A. Oxman, of New Jersey, to be an Assistant Secretary of State.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. PELL. Mr. President, for the Committee on Foreign Relations, I also report favorably four nomination lists in the Foreign Service which were printed in full in the CONGRESSIONAL RECORD of March 9, 1993, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. There being no objection, it is so ordered.

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. STEVENS (for himself and Mr. MURKOWSKI):

S. 628. A bill to provide for an additional permanent Federal district judge for the judicial district of Alaska; to the Committee on the Judiciary.

By Mr. BINGAMAN (for himself and Mr. COHEN):

S. 629. A bill to create "Healthy American Schools", where children will learn the lifelong health and fitness skills vital to developing a smart body and smart mind and to empower every school with the ability to become a healthy school, built on a firm foundation of "healthy mind and healthy body" curricula; to the Committee on Labor and Human Resources.

By Mr. KERRY:

S. 630. A bill to facilitate the detection and disclosure of auditors of financial fraud in connection with securities issues, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. SPECTER:

S. 631. A bill to contain health care costs and increase access to affordable health care, and for other purposes; to the Committee on Finance.

By Mr. DURENBERGER:

S. 632. A bill to amend title V of the Social Security Act to encourage States to provide funds for programs to enhance and expand school health services; to the Committee on Finance.

By Mr. AKAKA (for himself, Mr. JOHNSTON, and Mr. INOUYE):

S. 633. 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. GLENN:

S. 634. A bill to establish a program to enpower parents with the knowledge and opportunities they need to help their children enter school ready to learn, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. RIEGLE:

S. 635. A bill to amend the Federal Power Act to protect consumers of multistate utility systems, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. KENNEDY (for himself, Mrs. BOXER, Mr. CAMPBELL, Mrs. FEINSTEIN, Mr. HARKIN, Mr. METZENBAUM, Ms. MIKULSKI, Mr. SIMON, Mr. ROBB, Mr. WELLSTONE, Mr. PELL, Ms. MOSELEY-BRAUN, and Mr. FEINGOLD):

S. 636. A bill to amend the Public Health Service Act to permit individuals to have freedom of access to certain medical clinics and facilities, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. BRADLEY (for himself and Mr. LAUTENBERG):

S. 637. A bill to suspend temporarily the duty on pentostatin; to the Committee on Finance.

S. 638. A bill to extend the temporary suspension of duty on jacquard cards and other cards used as jacquard cards; to the Committee on Finance.

By Mr. DeCONCINI (for himself, Mr. SIMON, Mr. PRYOR, Mr. BUMPERS, Mr. KOHL, Mr. BRADLEY, Mr. CHAFEE, Mr. SARBANES, Mr. MOYNIHAN, and Mr. WARNER):

S. 639. A bill to make unlawful the possession of certain assault weapons, to establish a Federal penalty for drive-by shootings, and for other purposes; to the Committee on the Judiciary.

By Mr. BRADLEY (for himself and Mr. LAUTENBERG):

S. 640. A bill to suspend until January 1, 1995, the duty on Malathion; to the Committee on Finance.

S. 641. A bill to provide for additional extension periods for reexportation of certain articles admitted temporarily free of duty under bond; to the Committee on Finance.

S. 642. A bill to extend the existing suspension of duty on methyl and ethyl parathion and dimethoate; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. LIEBERMAN:

S. Con. Res. 19. A concurrent resolution condemning North Korea's decision to withdraw from the Treaty on the Non-Proliferation of Nuclear Weapons; to the Committee on Foreign Relations.

S. Con. Res. 20. A concurrent resolution relative to Taiwan's Membership in the United Nations; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. STEVENS (for himself and Mr. MURKOWSKI):

S. 628. A bill to provide for an additional permanent Federal district judge for the judicial district of Alaska; to the Committee on the Judiciary.

JUDICIARY FOR ALASKA ACT OF 1993

Mr. STEVENS. Mr. President, I thank the Senator from New Mexico. I have just been informed that the Judicial Conference of the United States has requested 25 additional judges for the United States. The Federal district judge of Alaska now ranks number one in the Nation in the workloads of our Federal district judges. But unfortunately, even though Alaska has the highest workload in the United States, the Judical Conference has not requested an additional judge for Alaska.

The district of Alaska has a weighted average filings per judge at 646. This is the statistic which the Federal courts use to compare the workloads of Federal districts. The threshold indicator of a need for another judge is weighted average filings of 400—far below Alaska's average.

This extraordinarily high caseload means Alaskans seeking justice in the Federal judiciary face some of the biggest delays in the country. For these reasons, I am introducing a bill today to add a new Federal judge to the District of Alaska.

Much of the overload in the Alaska district courts stems from cases arising out of the *Exxon Valdez* oilspill.

The prospects reducing this case overload is not good. Administration of the Alaska National Interest Lands Conservation Act is expected to compound the problem. Under this act, the Federal Government now administers the rules for each of the 26 game management units in Alaska. Appeals from the Federal subsistence board will be heard by Alaska's district courts.

It is estimated that the litigation stemming from either the *Exxon Valdez* spill or the ANILCA could completely occupy the efforts of a Federal judge for the next 5 years.

I hope the Senate will seriously consider adding a new Federal district judge to Alaska at the next available opportunity.

I ask unanimous consent that the bill and additional material be printed in the RECORD.

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

S. 628

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

SECTION 1. ADDITIONAL PERMANENT JUDGE FOR THE JUDICIAL DISTRICT OF ALASKA.

Section 133(a) of title 28, United States Code, is amended by amending the item relating to Alaska in the table to read as follows:

"Alaska ..... 4".

JUDICIAL CONFERENCE OF THE UNITED STATES REQUESTS 25 ADDITIONAL JUDGESHIPS

The creation of additional judgeships is recommended in the following United States courts:

COURT OF APPEALS

First Circuit, 1.
Fifth Circuit, 1.
Sixth Circuit, 4.
Tenth Circuit, 3.

DISTRICT COURTS

Second Circuit:
Connecticut, 1 temp.
New York (Eastern), 1 + temp.
New York (Western), 1 temp.
Third Circuit:
Pennsylvania (Eastern), 1 temp.
Virgin Islands, 1.
Fourth Circuit:
North Carolina (Western), 1 temp.
South Carolina, 1 temp.
Fifth Circuit:
Louisiana (Middle), 1 temp.
Sixth Circuit:
Kentucky (Eastern), 1 rover to permanent in single district.
Kentucky (Western), 1.
Ohio (Northern), 1 temp.
Ninth Circuit:
Arizona, 1 temp.
Nevada, 1.
Oregon, 1 temp.
Eleventh Circuit:
Alabama (Middle), 1 temp.
Florida (Middle), 1.

It is anticipated that the Judicial Conference of the United States will approve a request for 10 additional judgeships for the Ninth Circuit at its March Conference.

By Mr. BINGAMAN (for himself and Mr. COHEN):

S. 629. A bill to create "Healthy American Schools," where children will learn the lifelong health and fitness skills vital to developing a smart body and smart mind and to empower every school with the ability to become a healthy school, built on a firm foundation of "healthy mind and healthy body" curricula; to the Committee on Labor and Human Resources.

HEALTHY STUDENTS—HEALTHY SCHOOLS ACT

• Mr. COHEN. Mr. President, I am pleased to join Senator BINGAMAN in reintroducing legislation we initially introduced in the last Congress, the Healthy Students—Healthy Schools Act of 1993, to strengthen the Federal Government's leadership role in promoting child health education and prevention efforts through our Nation's schools.

At the beginning of this century, 1 American child in 10 did not live to see a first birthday. Today, thanks to major strides in nutrition, sanitation, and advances in medical care, 99 out of 100 American children survive infancy.

However, while many American children are growing up healthy, well-adjusted, educated, and skilled, far too many are not. Poor health, poverty, substance abuse, and unintended pregnancies have limited the options and dimmed the futures of millions of American children.

The health issues facing American children have changed dramatically in recent years. Thirty years ago, child and adolescent health was threatened predominantly by contagious disease. Today, children and adolescents are endangered primarily by their own behavior. Drinking and driving, tobacco and other drug use, poor nutrition, inadequate physical activity, unintended pregnancy, and sexually transmitted disease all take a major toll on young people and place them at increased risk of chronic disease and disability as adults.

Almost 60 percent of the deaths in this country are attributable to cardiovascular disease and cancer. Unfortunately, American children are increasingly engaging in the three behaviors that contribute to these diseases: Tobacco use, improper diet, and insufficient exercise.

Dubbed the "dumpling decade" by Newsweek, today's children missed out on the fitness craze of the 1980's. I was particularly disturbed by a recent University of Maine study which revealed that the young people of my home State are particularly unfit: 72 percent of Maine boys and 64 percent of Maine girls are below the national norm for cardiovascular fitness. The same study found that 82 percent of Maine boys and 75 percent of Maine girls have a higher percentage of body fat than the national norm.

As British essayist Samuel Johnson once observed: "The chains of habit are too weak to be felt until they are too strong to be broken."

There is a general recognition that people who learn healthy habits early in life are more likely to practice them as adults. Conversely, poor habits—tobacco and other substance abuse, poor nutrition, and lack of exercise—may also have their roots in childhood. Because these risks do not respond to traditional kinds of medical treatment, effective health education programs in schools can be invaluable in helping our children to avoid high-risk behavior and develop healthy habits that will carry over into adulthood.

Last Congress, the Senate Subcommittee on Oversight of Government Management, held a hearing at my request on the Federal Government's role in promoting child health education efforts through the schools. The statistics cited at that subcommittee hearing were alarming.

Forty percent of American children aged 5 to 8 are obese, inactive, or have elevated blood pressure or cholesterol, all risk factors associated with cardiovascular disease. The problem of obesity and lack of physical activity is most marked in innercity children, who may also be exposed to other risk factors that threaten their health—poverty, inadequate housing, poor sanitation, crime, drugs, and inadequate access to health care.

Fifty percent of our elementary school students have tried smoking—the No. 1 preventable cause of death in the United States. What is particularly alarming is that children, especially girls, are smoking at younger and younger ages. Ninety percent of all smokers start before they are 21, 60 percent before they are 14, and 22 percent before they are 9.

In a recent study, 39 percent of our high school seniors reported that they had gotten drunk—meaning they had consumed 5 or more drinks a row—within the previous week. In my home State of Maine, an alarming 54 percent of our high school seniors reported getting drunk regularly, and 41 percent reported having driven a car while drinking alcohol or using marijuana. Drinking and driving remains the No. 1 killer of our Nation's adolescents: Ten American teenagers are killed every day in alcohol-related traffic accidents.

Sexual behaviors established during youth also contribute to significant health and social problems. With the advent of AIDS, these behaviors may also prove fatal.

These behaviors also contribute to the high adolescent pregnancy rate in the United States. In 1989, nearly 13 per cent of all births in the United States were to teenage mothers, and the birthrate for 15- to 19-year-olds was the highest in 16 years. Teenagers are two to three times more likely to give birth to low birthweight babies than older mothers. And low birthweight—babies born too small or too soon—is the major reason for our Nation's unacceptably high infant mortality rate. This problem is eminently preventable and is directly related to drug and alcohol abuse, smoking, poor nutrition, and a lack of prenatal care.

At the same time that our adolescent health problems have multiplied, student academic performance has declined. An unacceptable proportion of adolescents fail to complete high school, and even more young people are unable to achieve the high level of math, science, and communication skills they will need to function productively in the 21st century.

Too many young people are joining the growing ranks of the marginally unemployable every year, constituting a direct threat to our Nation's productivity and competitiveness. The success of our future economy will demand the full participation of our entire population. We must take action now to ensure that all young people, regardless of income, gender, or background, are prepared to be healthy, productive citizens.

Quality school health education programs—programs that are integrated, planned, and sequential and taught by educators trained to teach the subject—are essential if our children are to develop the knowledge and skills they will need to avoid health risks and maintain good health throughout their lives. However, while health education alone can teach children about good health, a more comprehensive approach is necessary if we are to actually reduce health risks and change behavior. For these programs to be truly successful, in addition to providing information through the classroom, the school should also be a health promoting environment.

While sound and up-to-date information about nutrition is important, it is equally important that the food served in the school cafeteria is consistent with what is learned in the classroom.

In addition to teaching students about the hazards associated with tobacco use, schools should be smoke free and should also offer programs for students, faculty, and staff who wish to stop smoking.

Regular physical activity and exercise opportunities should also be available for both students and staff, and the emphasis should be on lifetime fitness activities such as walking, jogging, or swimming rather than interscholastic sports.

Finally, it is essential that the school be a safe place, free of violence, drugs, weapons, or crime.

I am convinced that there is much that the Federal Government can do to improve its efforts to promote child health through the schools. The Healthy Students—Healthy Schools Act, which Senator BINGAMAN and I are reintroducing today, is a major step forward and is intended not only to strengthen Federal efforts to promote comprehensive health education, but also to provide the coordination necessary to avoid unnecessary fragmentation and duplication.

The legislation establishes a central office within the Department of Health and Human Services to help coordinate and assist States and local education agencies to develop and maintain comprehensive school health education programs. It also establishes an advisory council of experts to review existing programs and curricula and establish realistic, achievable healthy students—healthy schools and goals for the Nation that are consistent with the healthy people 2000 goals established by the Public Health Service. Finally, this legislation authorizes the Secretary of Health and Human Services to award incentive grants to local educational agencies to encourage schools throughout the United States to grow into healthy American schools.

No one disputes the need to improve the health status of our Nation's young people. However, many do question whether the school is the appropriate setting for health promotion and education activities. Some educators argue that teachers are already overloaded, and that such efforts detract from the schools' primary mission of educating our nation's youth. However, a student who is sick, who is malnourished, who abuses drugs or alcohol, or who has an unintended child to raise is not in a good position to learn.

Our nation's elementary and secondary schools have the potential of reaching more than 46 million students and 5 million faculty and staff each year—approximately 20 percent of our total population. Furthermore, our schools are a microcosm of society and present the best opportunity for reaching young people of all races, nationalities, backgrounds, and income levels.

However, we cannot expect the schools to do the job alone. Schools, families, communities, and businesses must all work in partnership to help our young people develop the intellectual and physical skills they will need to take them into the next century as healthy, productive citizens in an increasingly competitive global marketplace.

Mr. President, just as America's children must be healthy to be educated, they must also be educated to be healthy. Enactment of the Healthy Schools—Healthy Students Act will help us to accomplish that goal, and I urge my colleagues to join us as cosponsors.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 629

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Healthy Students-Healthy Schools Act".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) comprehensive, high quality education for the children of the United States has always been important, but in recent years it has become even more critical to the social and economic viability of our country;

(2) unhealthy children do not learn well and tend to grow into unhealthy adults, never realizing their full potential;

(3) without an increased focus on the health of our children, the United States will not be able to successfully compete in the 21st century;

(4) given the international dimensions of the health and education challenges facing the United States, the Federal Government should play a key role in the national effort to equip all American children with the intellectual and physical skills needed to compete in the new and rapidly changing global marketplace;

(5) although States and localities bear the primary responsibility for elementary and secondary education, strong national leadership, from the Congress and the Executive branch, is vital to the future health of our children, schools, and the United States;

(6) studies show that high quality, comprehensive educational care, as early as 3 years of age, translates into well-rounded individuals, better school performance, lower drop-out rates, lower teenage pregnancy rates, lower unemployment rates, and lower crime rates;

(7) a better understanding of the principles of good health, taught in a gender- and culturally competent manner, could help children succeed in school and become active, productive members of society;

(8) statistics on federally supported efforts to improve comprehensive school health curriculum demonstrate the effectiveness of preventive programs on the knowledge, behavior, and fitness of children and adolescents, yet few school systems offer such programs and most States do not have the resources to enforce sequential school health education requirements;

(9) several different agencies located in the Departments of Health and Human Services, Education, Agriculture, Interior, Energy, Defense, and Transportation currently administer school health education programs in areas such as AIDS education, drug abuse education, nutrition, physical fitness, smoking prevention, and asthma education;

(10) throughout the 1980s, Federal school health education efforts lacked coordination, despite—

(A) the 1978 legislative mandate directing the Commissioner of Education at what was then the Department of Health, Education, and Welfare to consult with the Public Health Service and the Surgeon General to "assure coordination and prevent duplication of effort" in all school health education programs; and

(B) the re-authorization and funding in 1988 of the Department of Education's Office of Comprehensive School Health Education;

(11) a coordinated Federal effort is needed to help State and local educational agencies develop and implement comprehensive school health education programs;

(12) over the past several years, the Department of Health and Human Services has led most Federal health education efforts, and the Public Health Service's 1990 report entitled "Healthy People 2000: National Health Promotion and Disease Prevention Objectives" outlines a comprehensive national strategy for improving the health of all Americans during this decade and includes specific goals related to school health education;

(13) one of the chief "Healthy People 2000" objectives is to increase to at least 75 percent the proportion of the Nation's elementary and secondary schools that provide planned and sequential kindergarten through 12th grade quality school health education; and

(14) the President and the Nation's governors have set six national education goals, as part of a strategy to create a new genera-

tion of American schools, which complement the Healthy People 2000 goals and form the basis of a healthy partnership.

(b) PURPOSES.—It is the purpose of this Act to—

(1) provide the Federal leadership needed to create Healthy American Schools, the building blocks of a healthy and strong education system capable of providing every child with the lifelong skills needed to become an intellectually and physically fit member of a productive work force;

(2) ensure that all federally funded school health education programs, including alcohol and substance abuse prevention programs, are coordinated and share the goals of reducing categorical barriers and comprehensively encouraging healthy students and healthy schools;

(3) designate a central office within the Department of Health and Human Services for the coordination and direction of Federal school health education efforts;

(4) establish a Federal clearinghouse where teachers can easily access health education information through the use of innovative and interactive technologies;

(5) establish an independent advisory council of highly respected, bipartisan, diverse experts to study, make recommendations, and identify core national health education goals to be known as the "Healthy Students-Healthy Schools Goals" that are consistent with the Healthy People 2000 Objectives;

(6) develop standards and a model framework for sequential Comprehensive School Health Education programs for use in kindergarten through grade 12;

(7) establish a comprehensive framework through which the Department of Health and Human Services will coordinate a national effort to assess, on a continuing basis, the health-related knowledge and behaviors of the Nation's school children and recognize schools which have successfully grown into Healthy American Schools; and

(8) establish an interagency task force on school health education to reduce categorical barriers and foster cooperation among Federal agencies carrying out school health education programs.

SEC. 3. DEFINITIONS.

As used in the Act:

(1) ADVISORY COUNCIL.—The term "Advisory Council" means the Healthy Students-Healthy Schools Advisory Council established under section 5.

(2) COMPREHENSIVE HEALTH EDUCATION.—The term "comprehensive health education" means a planned, sequential, kindergarten through grade 12 curriculum that addresses the physical, mental, emotional and social dimensions of health. Such curriculum shall—

(A) be designed to assist students in developing the knowledge, attitudes, and behavioral skills needed to make positive health choices and maintain and improve their health, prevent disease, and reduce health-related risk behaviors;

(B) permit students to develop and demonstrate increasingly sophisticated health-related knowledge, attitudes, skills, and practices; and

(C) be comprehensive and include a variety of topics such as personal health, family health, community health, consumer health, environmental health, family life, mental and emotional health, injury prevention and safety, nutrition, prevention and control of disease, and substance use and abuse, taught by qualified teachers who have been trained to teach the subject.

(3) DEPARTMENT.—The term "Department" means the Department of Health and Human Services.

(4) LOCAL EDUCATION AGENCY.—The term "local education agency" means the local education agencies, as defined in section 1471(12) of the Elementary and Secondary Education Act of 1965, and Federally recognized Indian tribes that are responsible for providing elementary and secondary education for tribal members.

(5) HEALTHY PEOPLE 2000 OBJECTIVES.—The term "Healthy People 2000 Objectives" means the 300 specific health objectives in 22 priority areas, such as fitness, nutrition, tobacco, maternal and infant health, cancer, cardiovascular disease, HIV disease, school health, immunization and environmental health, identified by the Secretary of Health and Human Services in the report entitled "Healthy People 2000: National Health Promotion and Disease Prevention Objectives".

(6) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

(7) STATE.—The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands.

SEC. 4. DESIGNATION OF HEALTHY STUDENTS-HEALTHY SCHOOLS OFFICE.

(a) DESIGNATION.—The Secretary shall designate, within the Centers for Disease Control, an office to serve as the Healthy Students-Healthy Schools Office to carry out the functions and activities described in subsection (b).

(b) FUNCTIONS AND ACTIVITIES.—The Office designated under subsection (a) shall—

(1) assist State and local educational agencies in their efforts to—

(A) develop and maintain comprehensive sequential school health education programs and curricula, which, to the extent practicable, are based on the model framework developed by the Advisory Council, in all elementary and secondary schools within their jurisdiction;

(B) train teachers in comprehensive sequential school health education;

(C) integrate and encourage school-, community-based, and public-private health promotion partnerships and efforts;

(D) integrate health education programs with health and social services for school-age youth;

(E) provide nutritious school food services; and

(F) encourage healthy, tobacco-free school environments;

(2) provide technical support to State and local educational agencies and educators concerning health education programs and curricula and administer the grant program authorized under section 7;

(3) establish and maintain a national clearinghouse, using advanced technologies to the maximum extent practicable, and mechanism for the diverse dissemination of school health education material, including written, audio-visual, and electronically-conveyed information to educators, schools, health care providers, and other individuals, organizations, and governmental entities;

(4) assist States in coordinating school-based programs that will help ensure progress toward relevant Healthy People 2000 Objectives and the Healthy Students-Healthy Schools Goals established under section 5;

(5) assist States in developing mechanisms to uniformly evaluate competency based health education skills and physical fitness and to collect and maintain uniform data, including baseline data on a continuing basis, on health behavior indicators, including absenteeism due to pregnancy and ill-health, which will measure progress toward relevant Healthy People 2000 Objectives and the Healthy Students-Healthy Schools Goals established under this Act;

(6) assist the Secretary in preparing an annual report on the status of school health education in the United States, as required under this section; and

(7) coordinate with other Federal school health education efforts and assist in reducing categorical barriers to sequential, comprehensive school health education programs.

(c) OFFICE OF COMPREHENSIVE SCHOOL HEALTH EDUCATION.—

(1) IN GENERAL.—Section 4605(c) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 3155(c)) is amended—

(A) in the matter preceding paragraph (1), by striking out "Office of the Secretary" and inserting in lieu thereof "Office of Elementary and Secondary Education"; and

(B) by adding at the end thereof the following new paragraph:

"(4) To act as a liaison office for the coordination of the activities undertaken by the Office under this section with related activities of the Assistant Secretary for Special Education, other offices within the Department, the Department of Health and Human Services, the Department of Agriculture and other Federal agencies, and to expand school health education research grant programs under this section.".

(2) TRANSITION.—The Secretary of Education shall take all appropriate actions to facilitate the transfer of the Office of Comprehensive School Health Education pursuant to the amendment made by paragraph (1).

SEC. 5. HEALTHY STUDENTS-HEALTHY SCHOOLS ADVISORY COUNCIL.

(a) ESTABLISHMENT.—There is established the Healthy Students-Healthy Schools Advisory Council that shall carry out the function and activities required under subsection (e).

(b) MEMBERSHIP AND APPOINTMENT.—

(1) IN GENERAL.—The Advisory Council shall be composed of 2 ex officio, nonvoting members and 18 voting members appointed under paragraph (3).

(2) EX OFFICIO MEMBERS.—The Secretary and the Secretary of Education shall serve as ex officio members of the Advisory Council.

(3) APPOINTED MEMBERS.—Of the voting members of the Advisory Council—

(A) six shall be appointed by the President in accordance with paragraph (5);

(B) six shall be appointed by the Speaker of the House of Representatives in consultation with the Minority Leader of the House of Representatives; and

(C) six shall be appointed by the President pro tempore of the Senate on the recommendation of the Majority Leader and Minority Leader of the Senate.

The initial members of the Advisory Council shall be appointed under this paragraph not later than 90 days after the date of the enactment of this Act.

(4) REQUIREMENTS.—Each member of the Advisory Council appointed under paragraph (3) shall—

(A) be eminent in the field of health education, adolescent and elementary behavior, family counseling, nutrition, reproductive and sexually transmitted disease behavior, drug and alcohol abuse, HIV prevention edu-

cation techniques, epidemiology, school nursing, school health services, clinical medicine, school policy, public administration, or public-private health promotion partnerships or activities; and

(B) be selected for appointment solely on the basis of an established record of distinguished service or research.

(5) ADVISORY COUNCIL APPOINTMENTS.—Of the members appointed under paragraph (3)—

(A) two members shall be directors of adolescent health research units that are primarily supported by Federal funds and who have specialized interest in school health;

(B) four members shall be employees of State governmental entities or members of local education agencies or school boards and who have specialized interest in school health education or school health;

(C) two members shall be school health educators currently teaching school health in elementary or secondary schools;

(D) two members shall be school nurses currently employed in the field of school health; and

(E) four members shall be appointed representatives of national educational associations.

(6) REPRESENTATION.—The membership of the Advisory Council, shall at all times have members who represent various geographic areas, including rural and underserved areas, the private sector, academia, scientific and professional societies, and minority and youth organizations.

(7) CHAIRPERSON.—The members of the Advisory Council shall elect a member to serve as the Chairperson of the Advisory Council for a term of office that shall not exceed 3 years.

(8) TERMS.—

(A) IN GENERAL.—Each member appointed to the Advisory Council under paragraph (3) shall serve for a term of 5 years, except that of the initial members appointed under subparagraph (A) of such paragraph, three shall be appointed for a term of 4 years and two shall be appointed for a term of 3 years, as designated by the President at the time of appointment. No member shall be eligible to serve continuously for more than two consecutive terms.

(B) VACANCIES.—A vacancy on the Advisory Council shall be filled in the same manner as the original appointment with respect to such vacancy was made. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which the predecessor of such member was appointed shall be appointed for the remainder of such term.

(c) MEETINGS.—

(1) IN GENERAL.—The Advisory Council shall meet on a regular basis, but in no case less than five times during the first 2 years after the appointment of the members of the Council. Such meetings shall be at the call of the Chairperson, or on the written request of one-third of the members of the Advisory Council.

(2) INITIAL MEETING.—The Advisory Council shall have its first meeting not later than 120 days after the date of enactment of this Act.

(3) QUORUM.—A majority of the appointed members of the Advisory Council shall constitute a quorum.

(d) EMPLOYMENT AND EXPENSES.—

(1) EMPLOYMENT.—Appointed members of the Advisory Council may not be full-time employees of the Federal Government.

(2) EXPENSES.—While away from their homes or regular places of business on the business of the Advisory Council, members of the Council shall be allowed travel expenses, including per diem in lieu of subsistence, as is authorized under section 5703 of title 5, United States Code, for persons employed intermittently in the Government service.

(e) FUNCTIONS AND ACTIVITIES.—The Advisory Council shall—

(1) establish national Healthy Students-Healthy Schools Goals based on existing data and research, including the Healthy People 2000 Objectives, identify the activities required to meet such goals, and identify the responsible Federal agencies or individuals with respect to each such goal;

(2) review existing comprehensive school health education standards, programs and curricula in elementary and secondary schools and review and evaluate Federally-supported health education programs currently being implemented in schools;

(3) develop a model framework for sequential comprehensive school health education curricula, including sample materials and methods for distribution to schools and to educators for use in kindergarten through 12th grade.

(4) develop and incorporate model school health education guidelines and evaluation mechanisms, including the gathering of baseline data, in the model framework for programs and curricula established under paragraph (1);

(5) provide scientific and technical advice concerning the development and implementation of all components of a comprehensive school health education programs and the reduction of categorical barriers to comprehensive school health education;

(6) recommend uniform methods for effectively linking research findings at the Federal level with implementation at the State and local level; and

(7) serve in an advisory capacity to the Secretary and other Federal agencies.

SEC. 6. HEALTHY STUDENTS-HEALTHY SCHOOLS INTERAGENCY TASK FORCE.

(a) ESTABLISHMENT.—Not later than 90 days after the date of enactment of this Act, the Secretary shall establish a Healthy Students-Healthy Schools Interagency task force that shall be staffed by the Office of Disease Prevention and Health Promotion and be composed of representatives of the Office of Disease Prevention and Health Promotion, the National Institutes of Health, the Centers for Disease Control, and other Federal agencies and departments, including the Extension Service of the Department of Agriculture, which have responsibility for components of school health and education, including AIDS prevention, drug and alcohol abuse prevention, injury prevention, physical fitness, and nutrition.

(b) CO-CHAIRPERSONS.—The Assistant Secretary for Health, Public Health Service, and the Assistant Secretary for Education (Elementary and Secondary Education) shall serve as co-chairpersons of the task force established under subsection (a).

(c) FUNCTIONS AND ACTIVITIES.—The task force established under subsection (a) shall—

(1) review and coordinate all Federal efforts in school health education, including drug and alcohol abuse prevention education, HIV prevention education, physical fitness, school services, and nutrition;

(2) provide scientific and technical advice concerning the development and implementation of the model framework comprehensive school health education programs and curricula to be developed under section 5;

(3) develop a consolidated grant application form (a form that serves as the main document containing the core information concerning a particular entity) and procedures that may be used with respect to all school health-related programs (including supplementary information procedures to be implemented when an entity that has already submitted a consolidated application form is applying for additional assistance) that require the submission of an application; and

(4) serve in an advisory capacity to and assist the Office designated by the Secretary under section 4, and other Federal agencies.

SEC. 7. FUNCTIONS OF THE SECRETARY.

The Secretary, with the assistance of the Advisory Council, shall—

(1) foster the interaction, coordination, and partnerships needed to create Healthy American Schools among Federal agencies, State and local governments, school administrators, educators, school nurses and other school health providers, the private sector, scientific communities, community-based organizations, health professionals, parents, and students;

(2) update progress toward achieving relevant Healthy People 2000 Objectives and the Healthy Students-Healthy Schools Goals established under this Act by establishing a national monitoring system to be implemented in schools and administered by the States and local educational agencies;

(3) ensure the timely implementation of the activities and nationwide mechanisms necessary for achieving and monitoring progress toward such objectives and goals;

(4) submit to the appropriate committees of Congress and the States an annual report, that shall include data on relevant agency budgets for each fiscal year, as required by section 9; and

(5) recognize, in the annual report, schools that have demonstrated exemplary efforts in becoming Healthy American Schools and provide a short evaluation to States that incorporate the Healthy Students-Healthy Schools Goals.

SEC. 8. HEALTHY AMERICAN SCHOOLS GRANT PROGRAM.

(a) GENERAL AUTHORITY.—The Secretary, acting through the Office designated under section 4(a), is authorized to award grants to States and local educational agencies to assist the schools under the jurisdiction of such States and agencies in becoming Healthy American Schools that teach comprehensive sequential school health education which, to the maximum extent practicable, make use of advanced technologies, such as computer-based learning and innovative communication channels.

(b) ELIGIBILITY.—To encourage all schools to become Healthy American Schools, the Secretary shall insure that every public elementary and secondary school in the United States is eligible to receive assistance under this section and that such assistance shall be distributed among all geographic areas, including rural, urban, and suburban areas.

(c) USES OF GRANTS.—Amounts awarded under this section shall be used to establish and implement comprehensive school health education curricula and programs that meet the goals of the Healthy Students-Healthy Schools program, which shall include—

(1) teacher training in sequential comprehensive school health education and related in-service training;

(2) healthy school environment standards;

(3) personal health and fitness activities;

(4) nutrition education and nutritious food services;

(5) mental health wellness programs;

(6) chronic disease prevention programs;

(7) substance abuse prevention education;

(8) prevention of intentional and unintentional injury and safety education;

(9) community and environmental health activities;

(10) family life education activities;

(11) activities for the prevention and control of communicable diseases;

(12) activities for the effective use of the health services delivery systems;

(13) development and aging activities; and

(14) worksite health promotion programs and partnerships with community-based organizations and the private sector.

(d) APPLICATION.—To be eligible to receive a grant under this section, an entity shall prepare and submit to the Secretary an application at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require. Each such application shall—

(1) describe the comprehensive school health education program for which assistance is sought, particularly the activities described in subsection (b);

(2) provide assurances that qualified health educators will teach or supervise the programs for which assistance is sought;

(3) provide assurance that the State, relevant local educational agency, or Indian tribe will involve the community, on an ongoing basis, in the planning, implementation and evaluation of the programs for which assistance is sought, including the establishment of partnerships with the private sector, cooperative extension systems of land-grant universities, nonprofit public agencies, organizations, community-based organizations, parents, and students;

(4) provide assurance that funding made available under this section will be used in a coordinated and cooperative manner with other school health education programs that the State, local educational agency or Indian tribe may be undertaking and will not duplicate other school health education programs;

(5) provide assurances that the State or Indian tribe will submit an annual report on the program to the Secretary (in the case of a local education agency, it shall submit an annual report to the State which shall then submit a Statewide report to the Secretary) to be integrated into the annual report required under section 9; and

(6) provide assurances that the State or Indian tribe will provide matching funds, through monetary or in kind contribution, in an amount that equals 25 percent of the amount of the grant.

(e) OUTSTANDING HEALTHY AMERICAN SCHOOL AWARDS.—The Secretary shall annually recognize schools that epitomize the Healthy Students-Healthy Schools Goals established under this Act and shall award such schools a commemorative plaque and a $1,000 cash award.

SEC. 9. EVALUATION AND ANNUAL REPORT.

(a) GENERAL AUTHORITY.—The Secretary shall uniformly collect, compile, and preserve data concerning school health education programs and curricula throughout the United States.

(b) DATA COLLECTION.—The Secretary shall develop and ensure the implementation of a system for the collection of data that uniformly measures and evaluates the impact of school health education programs and curricula to determine—

(1) the effectiveness of such programs in promoting progress toward achieving relevant Healthy People 2000 Objectives and the Healthy Students-Healthy Schools Goals established under this Act; and

(2) the impact of such programs on related health indicators such as absenteeism and teen-age pregnancy rates.

(c) RESULTS OF EVALUATIONS.—

(1) ANNUAL REPORT.—Not later than January 1, 1994, and annually thereafter, the Secretary shall prepare and publish a report that—

(A) evaluates the status of school health education in the United States, including the impact and effectiveness of the health education programs and curricula of each State;

(B) measures national progress towards achieving relevant Healthy People 2000 Objectives and the Healthy Students-Healthy Schools Goals established under this Act; and

(C) recognizes outstanding Healthy American Schools.

(2) ENTITIES RECEIVING REPORT.—In January of each fiscal year, the Secretary shall submit the report required under subsection (c) to the appropriate committees of the Congress and to the States to aid in the program evaluation and development efforts of such States.

SEC. 10. PROGRAM FOR COMPREHENSIVE HEALTH AND PHYSICAL EDUCATION AMONG INDIAN STUDENTS.

(a) IN GENERAL.—The Secretary of the Interior, acting through the Bureau of Indian Affairs and in consultation and cooperation with the Secretary of Health and Human Services and the Secretary of Education, shall develop and, not later than the date that is 1 year after the date of enactment of this Act, implement a program which provides gender and culturally competent sequential comprehensive health education and physical education to students enrolled in elementary and secondary schools operated by, or on behalf of, the Bureau of Indian Affairs.

(b) COURSES OF INSTRUCTION AND PARTICIPATION.—

(1) COURSES OF INSTRUCTION.—The program which the Secretary of the Interior is required to develop under subsection (a) shall provide courses of instruction for each grade of elementary and secondary school in a manner that ensures sequential, progressive, comprehensive, and continuous instruction.

(2) PARTICIPATION.—Except as otherwise prescribed by the Secretary of the Interior, all students enrolled in schools operated by, or on behalf of, the Bureau of Indian Affairs shall participate in the courses of instruction provided at such schools under the program developed under subsection (a).

(c) CONSULTATION.—In developing and implementing the program required under subsection (a), the Secretary of the Interior shall consult with—

(1) representatives of the Indian tribes that are to be served by such program;

(2) local educational and health personnel; and

(3) the Advisory Council established under section 5.

(d) REPORT.—Not later than the date that is 1 year after the date of enactment of this Act, the Secretary of the Interior shall submit to the Congress a report on the progress made by the Secretary of the Interior in carrying out the requirements of this section.

SEC. 11. APPROPRIATIONS AUTHORIZATION.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this Act, $200,000,000 for each of the fiscal years 1994 through 1997.

(b) USE.—Amounts appropriated under this section shall be used to fund the Healthy Students-Healthy Schools Grant Program, and to make available funds that may be necessary to carry out the activities of the Healthy Students-Healthy Schools Coordinating Office and the clearinghouse established under section 4(b)(4) and the Healthy Students-Healthy Schools Advisory Council established under section 5.

(c) LIMITATION.—The Secretary may not carry out the provisions of this Act until such time as amounts appropriated under section 8(a) for a fiscal year equal or exceed $25,000,000.

SEC. 12. DRUG-FREE SCHOOLS AND COMMUNITIES ACT.

Part E of the Drug-Free Schools and Communities Act of 1986 (20 U.S.C. 3221 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 5147. USE OF APPROPRIATIONS FOR HEALTHY STUDENTS-HEALTHY SCHOOLS PROGRAMS.

"Notwithstanding any other provision of law, amounts appropriated under this Act may be used in conjunction with the Healthy Students-Healthy Schools Program of any State, Indian tribe, local educational agency, or school, so long as substance abuse prevention is a major component of such Program, pursuant to the Healthy Students-Healthy Schools Act.".

SEC. 13. EFFECTIVE DATE.

This Act shall become effective on October 1, 1993.●

● Mr. BINGAMAN. Mr. President, I rise today to re-introduce legislation that will help us address a critically needed, though often overlooked, component of our education system: comprehensive health education. I am pleased that the distinguished Senator from Maine, Senator COHEN, is joining me in sponsoring the Healthy Students-Healthy Schools Act.

Mr. President, I believe that one of our Nation's greatest challenges is securing our children's health. In my view, we can meet this challenge in only one way: we need to make a commitment to comprehensive school health education for all children. Through education, we can ensure that a firm foundation is in place from which our children can build their future.

We need to focus on comprehensive school health education because the problems our children face are so pervasive. Throughout their school years, our children face challenge after challenge, from the most basic aspects of life: having food to eat, or a place to sleep and play, dysfunctional family life, peer pressure, drugs, alcohol, tobacco, crime, gangs, and violence.

The statistics are sobering: between 2.5 and 5 million of our children do not get enough food to eat; one in five lives in poverty; and hundreds of thousands of children live on the streets or in shelters. Fifty percent of all elementary school students have tried smoking; nearly 40 percent of high school seniors say they have gotten drunk; and more than half of all young people report that they have tried illicit drugs before graduating from high school. Related to this phenomenon, and spurred on by an aggressive drug trade, is a surge in juvenile violent crime and gang-related activity.

It is our responsibility to help our children confront these adversities and begin creating change. We can begin

this change through comprehensive school health education, from kindergarten through twelfth grade. It is for this reason Senator COHEN and I are reintroducing the "Healthy Students-Healthy Schools Act."

The goal of the Healthy Students-Healthy Schools Act is to promote a national effort to make all American children healthier. First, our bill will establish a "Healthy Students-Healthy Schools" Office in the Department of Health and Human Services, which will serve as the focal point for health education within the Federal Government. A partnership will be created with the Department of Education for coordinating and implementing health education programs with States and schools.

The office will support programs that encourage physical health, well being, and disease prevention as regular parts of the school day. This office will establish a clearinghouse and dissemination network, using advanced technologies, for school health education material; encourage active community involvement in health education curriculum design; assist in efforts to integrate school health education with community-based health programs, social services, and public-private health promotion partnerships; and buttress States and local educational agencies with technical support. The office will also work with other Federal agencies to coordinate all Federal school health education programs.

Second, the President and the Congress will establish a national "Healthy Students—Healthy Schools" Advisory Council to establish realistic goals for the Nation and develop a model framework and standards for comprehensive sequential school health education.

Third, an interagency task force will be officially established, made up of representatives from all the Federal departments and agencies responsible for school health and education. This task force will review, coordinate, and help streamline Federal health education efforts; work to reduce categorical funding barriers inhibiting comprehensive school health education; and provide and disseminate scientific and technical advice on school health education curricula and technologies to departments, agencies, States, local educational agencies, and teachers.

Fourth, the Secretary of Health and Human Services will be authorized to award incentive grants to local educational agencies to encourage all schools throughout the United States to grow into "Healthy American Schools." The Secretary will annually recognize schools that are actively striving to achieve the Healthy Students—Healthy Schools Goals through ongoing, interactive partnerships which create "health promoting" environments for students, staff, families, and communities.

Finally, this bill will ensure that the Department of Education's drug-free school money can be used in conjunction with comprehensive school health education.

Mr. President, we can no longer wait to take action. We must provide our schools with the necessary assistance to make healthy students a top priority.

We, as a country, must invest in our children and our future. There is an old saying about the success of societies that look toward the future: "Societies grow great when men and women plant trees under whose shade they will never sit."

I urge my colleagues to join Senator COHEN and me in this effort to help our children grow into healthy adults, and I ask that a summary of the Healthy Students—Healthy Schools Act be printed in the RECORD at the conclusion of our remarks. Thank you.

SUMMARY OF S. 629: THE HEALTHY STUDENTS-HEALTHY SCHOOLS ACT

The goal of the Healthy Students-Healthy Schools Act is to promote a national effort to make all American children healthier. The Act establishes a central office in the Department of Health and Human Services to coordinate and promote federal, state, and local efforts to equip all school-age children with the intellectual and physical skills they need to be healthy and compete successfully in the changing global marketplace.

I. HEALTHY STUDENTS–HEALTHY SCHOOLS OFFICE

The Secretary of HHS will designate an office within the Centers for Disease Control to:

Administer a grant program that will help states, local educational agencies, communities, and parents develop and maintain sequential, comprehensive school health education programs;

Assist in efforts to integrate school health education with community-based health programs, social services, and public-private promotion partnerships;

Establish a clearinghouse and dissemination network, using advanced technologies, for school health education material; and

Together with states and localities, develop and implement a national system for monitoring progress toward key "Healthy People 2000 Objectives" and the national Healthy Students-Healthy Schools Goals.

II. NATIONAL HEALTHY STUDENTS–HEALTHY SCHOOLS ADVISORY COUNCIL

The President and the Congress will establish a national "Healthy Students—Healthy Schools" Advisory Council that will:

Review existing comprehensive school health education programs and curricula;

Develop realistic, achievable "Healthy Students-Healthy Schools Goals" for the nation based on the Healthy People 2000 Objectives; and

Develop a model framework, with measurable health, fitness, and knowledge indicators, for sequential, comprehensive school health education programs.

III. HEALTHY STUDENTS—HEALTHY SCHOOLS INTERAGENCY TASK FORCE

A "Healthy Students—Healthy Schools Interagency Task Force," made up of representatives from all the federal departments and agencies responsible for school health and education will be legislatively authorized to:

Review, coordinate, and streamline federal health education efforts;

Reduce categorical funding barriers inhibiting comprehensive school health education; and

Provide and disseminate scientific and technical advice on school health programs, curricula, and technologies to departments, agencies, states, local educational agencies, and teachers.

IV. HEALTHY AMERICAN SCHOOLS GRANT PROGRAM

The Secretary will be authorized to award grants to local educational agencies to assist schools in becoming "Healthy American Schools." The Secretary will also:

Annually recognize and promote schools that are actively striving to achieve the Healthy Students—Healthy Schools Goals through ongoing, interactive partnerships which create "health promoting" environments for students, staff, families, and communities; and

Compile data on existing programs and publish an annual report that evaluates the status of school health education in the U.S., based on individual, state, and national progress toward key Healthy People 2000 Objectives and the national Healthy Students—Healthy Schools Goals.

V. COORDINATED FEDERAL HEALTH EDUCATION EFFORT

Under the Healthy Students—Healthy Schools Act:

Legislation authorizing the Department of Education's $650 million Drug-Free Schools grant program will be amended to make clear that "Drug-Free" grants can be used as part of comprehensive health education programs, so long as alcohol and drug abuse education and prevention are substantial components of the comprehensive programs; and

A consolidated grant application form for all school health-related programs will be developed by the Healthy Students—Healthy Schools Interagency Task Force.●

By Mr. KERRY:

S. 630. A bill to facilitate the detection and disclosure of auditors of financial fraud in connection with securities issues, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

FINANCIAL FRAUD DETECTION AND DISCLOSURE ACT

Mr. KERRY. Mr. President, today, as a followup to the investigative work I have done over the past few years in the area of financial fraud, I am introducing a bill, the Financial Fraud Detection and Disclosure Act, which is designed to amend Federal securities laws to facilitate the reporting of indicators of financial fraud to regulators by accountants.

As I learned over the past 4 years over the course of investigating the Bank of Credit and Commerce, International [BCCI], at present there are substantial limitations in current accounting practice concerning the detection of financial fraud. Too often, accountants apply inadequate procedures to provide reasonable assurances that they are detecting illegal acts that would have a direct and material

impact on the financial statements they are purporting to certify.

External auditors play a critical role in the self-regulatory process in the financial marketplace. When an external auditor certifies the financial statement of a business, it is simultaneously providing different services to different audiences.

For the shareholders of the institution it is certifying, it is providing what is supposed to be a clear, full, and fair description of the actual performance of the business to assist the shareholder in determining the value of his investment, the performance of the company, and the strength of the company's management, as well as assurances that the company has no untoward risks from violations of law or regulatory compliance.

To anyone else, an annual certification represents what may be the principal means by which an outsider can evaluate the safety of entering into a transaction with a business. As Securities and Exchange Commissioner Richard C. Breedon testified last month:

> Both large institutions and the smallest individual investor, together with suppliers of goods and lenders, rely on financial statements in deciding whether or not to invest in a firm or to extend credit, and if so, on what terms. The more accurate those financial statements are in portraying the financial condition and operating results of firms, the more efficient the overall market can be in allocating capital and producing the most efficient economy. However, to the degree that financial statements do not fairly or accurately portray a firm's financial condition, credit and investment decisions will be made that may not have been made on the same terms had the firm's true financial condition been accurately understood.

It is by no means easy for any outsider, including accounting firms, to detect the self-dealing, off-the-books accounting, the use of nominees and front companies, schemes to inflate income, manipulation of inventories, dummy post office boxes and phony brass plate corporations, and similar practices of the crooks, criminals, and conmen who spring up anywhere they find an opportunity.

When the Federal securities laws were enacted 60 years ago, Congress considered establishing a corps of Government auditors to verify corporate balances of public companies and review their books. Congress then abandoned this notion in favor of giving the private accounting profession the responsibility for auditing the financial statements of publicly traded companies.

Today, neither the SEC nor any other Government agency is in a position to review public filings by corporations in any detail. That responsibility has been ceded to private accountants. Recognizing the difficulties inherent in catching fraud, no one is in a better position to police it at the first instance than the accountants retained to certify that a company's books and records present a true and accurate picture of its financial condition.

The Financial Fraud Detention and Disclosure Act would give the SEC the ability to issue new requirements to auditors to supplement current auditing standards, to assist them in detecting financial chicanery.

It also strikes a balance between the auditor's responsibility to the firm that has engaged the auditor, and the auditor's responsibility to the public, through establishing a system for the reporting of information concerning illegal activity that allows management to take corrective action, and only brings the Government into the situation when it becomes clear that remedial action will not or cannot be taken.

The act would impose a clearly defined set of responses governing accountants when they detect information that an illegal act may have occurred.

Under the act, auditors are to first assess the information, consider the impact of it on the financial statement, and then to inform management and the company's audit committees or board of directors. If the auditors believe the illegal act may have a material effect on the financial statement of the issue, and that management has not taken timely and appropriate remedial action, the auditors are required to issue a formal report to the firm's board of directors. The board is in turn required to notify the SEC of the report, with a copy of the auditors. If the board fails to take this action, the auditors are required to provide a copy of the report to the SEC themselves, and have the option of additionally resigning from the auditing engagement.

An important constraint on auditors—the fear that they might be sued for telling the Government of the illegality they have discovered—is eliminated by the Financial Fraud Detection and Disclosure Act. The act protects auditors from liability in any civil litigation for "any finding, conclusion, or statement expressed" in a report to the Board or the SEC under the act.

And the act contains reasonable provisions for civil penalties for accountants who willfully violate the procedures set forth to respond to information concerning financial fraud, enforced by the SEC.

This bill, a companion measure to H.R. 574, has been termed as a moderate change in current law, and "a step in the right direction" by outgoing SEC Chairman Breedon. It has already been the subject of hearings before the House Subcommittee on Telecommunications and Finance of the Committee on Energy and Commerce. To date, the measure has received substantial support from within the accounting industry as well. The gap between the public's expectations of accountants and the protection actually offered to the public by certified audits is far too large. This legislation is designed to narrow that gap, and if enacted, provide strong incentives for accountants to take strong action whenever they discover financial wrongdoing. If it proves insufficient to protect against every substantial securities fraud, it may still do much to limit the scope and scale of the damage that results when such frauds persist over many years, and long after the first signs of wrongdoing have been apparent.

I ask unanimous consent that the full text of the Financial Fraud Detection and Disclosure Act be placed in the RECORD at the conclusion of my remarks.

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

S. 630

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Financial Fraud Detection and Disclosure Act".

SEC. 2. AMENDMENT TO SECURITIES EXCHANGE ACT OF 1934.

(a) AMENDMENTS TO THE SECURITIES EXCHANGE ACT OF 1934.—The Securities Exchange Act of 1934 is amended by inserting after section 10 (15 U.S.C. 78j) the following new section:

"FRAUD DETECTION AND DISCLOSURE

"SEC. 10A. (a) AUDIT REQUIREMENTS.—Each audit required pursuant to this title of an issuer's financial statements by an independent public accountant shall include, in accordance with generally accepted auditing standards, as may be modified or supplemented from time to time by the Commission, the following:

"(1) procedures designed to provide reasonable assurance of detecting illegal acts that would have a direct and material effect on the determination of financial statement amounts;

"(2) procedures designated to identify related party transactions which are material to the financial statements or otherwise require disclosure therein; and

"(3) an evaluation of whether there is substantial doubt about the issuer's ability to continue as a going concern over the ensuing fiscal year.

"(b) REQUIRED RESPONSE TO AUDIT DISCOVERIES.—

"(1) INVESTIGATION AND REPORT TO MANAGEMENT.—If, in the course of conducting any audit pursuant to this title to which subsection (a) applies, the independent public accountant detects or otherwise becomes aware of information indicating that an illegal act (whether or not perceived to have a material effect on the issuer's financial statements) has or may have occurred, the accountant shall, in accordance with generally accepted auditing standards, as may be modified or supplemented from time to time by the Commission—

"(A)(i) determine whether it is likely that an illegal act has occurred, and (ii) if so, determine and consider the possible effect of the illegal act on the financial statements of the issuer, including any contingent mone-

tary effects, such as fines, penalties, and damages; and

"(B) as soon as practicable inform the appropriate level of the issuer's management and assure that the issuer's audit committee, or the issuer's board of directors in the absence of such a committee, is adequately informed with respect to illegal acts that have been detected or otherwise come to the attention of such accountant in the course of the audit, unless the illegal act is clearly inconsequential.

"(2) RESPONSE TO FAILURE TO TAKE REMEDIAL ACTION.—If, having first assured itself that the audit committee of the board of directors of the issuer or the board (in the absence of an audit committee) is adequately informed with respect to illegal acts that have been detected or otherwise come to the accountant's attention in the course of such accountant's audit, the independent public accountant concludes that—

"(A) any such illegal act has a material effect on the financial statements of the issuer,

"(B) senior management has not taken, and the board of directors has not caused senior management to take, timely and appropriate remedial actions with respect to such illegal act, and

"(C) the failure to take remedial action is reasonably expected to warrant departure from a standard auditor's report, when made, or warrant resignation from the audit engagement,

the independent public accountant shall, as soon as practicable, directly report its conclusions to the board of directors.

"(3) NOTICE TO COMMISSION; RESPONSE TO FAILURE TO NOTIFY.—An issuer whose board of directors has received a report pursuant to paragraph (2) shall inform the Commission by notice within one business day of receipt of such report and shall furnish the independent public accountant making such report with a copy of the notice furnished the Commission. If the independent public accountant making such report shall fail to receive a copy of such notice within the required one-business-day period, the independent public accountant shall—

"(A) resign from the engagement; or

"(B) furnish to the Commission a copy of its report (or the documentation of any oral report given) within the next business day following such failure to receive notice.

"(4) REPORT AFTER RESIGNATION.—An independent public accountant electing resignation shall, within the one business day following a failure by an issuer to notify the Commission under paragraph (3), furnish to the Commission a copy of the accountant's report (or the documentation of any oral report given).

"(c) AUDITOR LIABILITY LIMITATION.—No independent public accountant shall be liable in a private action for any finding, conclusion, or statement expressed in a report made pursuant to paragraph (3) or (4) of subsection (b), including any rules promulgated pursuant thereto.

"(d) CIVIL PENALTIES IN CEASE-AND-DESIST PROCEEDINGS.—If the Commission finds, after notice and opportunity for hearing in a proceeding instituted pursuant to section 21C of this title, that an independent public accountant has willfully violated paragraph (3) or (4) of subsection (b) of this section, then the Commission may, in addition to entering an order under section 21C, impose a civil penalty against the independent public accountant and any other person that the Commission finds was a cause of such violation. The determination whether to impose a civil penalty, and the amount of any such penalty, shall be governed by the standards set forth in section 21B of this title.

"(e) PRESERVATION OF EXISTING AUTHORITY.—Except for subsection (d), nothing in this section limits or otherwise affects the authority of the Commission under this title.

"(f) DEFINITIONS.—As used in this section, the term 'illegal act' means any action or omission to act that violates any law, or any rule or regulation having the force of law.".

(b) EFFECTIVE DATES.—As to any registrant that is required to file selected quarterly financial data pursuant to item 302(a) of Regulation S-K (17 CFR 229.302(a)) of the Securities and Exchange Commission, the amendments made by subsection (a) of this section shall apply to any annual report for any period beginning on or after January 1, 1994. As to any other registrant, such amendment shall apply for any period beginning on or after January 1, 1995.

By Mr. SPECTER:

S. 631. A bill to contain health care costs and increase access to affordable health care, and for other purposes; to the Committee on Finance.

COMPREHENSIVE ACCESS AND AFFORDABILITY HEALTH CARE ACT OF 1993

Mr. SPECTER. Mr. President, I have sought the 5 minutes, since there had been no morning business, and since I consider it important to introduce health care legislation, to use this time for that purpose. I am introducing legislation entitled, the "Comprehensive Access and Affordability Health Care Act of 1993," which is a voluminous bill, a composite of health care legislation which has been introduced by Senator COHEN, Senator KASSEBAUM, Senator BOND, and Senator MCCAIN, as well as my bill, Senate bill 18, introduced on January 21 of this year, the first legislative day.

I introduce this legislation because I believe it is important to move ahead on the consideration of health care legislation. For the past 2 years, I have been a member of the Republican Health Care Task Force chaired by the distinguished Senator from Rhode Island [Mr. CHAFEE]. Our group is in the final stage of preparing legislation. It is my hope that this will be completed in time to offer health care legislation as an amendment this month, before we begin the next recess. If that is not the case, then I want to be in a position, either myself or myself in conjunction with other Senators, to offer a comprehensive health care bill to be taken up by the Senate.

I am concerned about reports that we may not be able to complete health care legislation this year. There have been a number of statements by leaders in both the House and the Senate which cast substantial doubt on our ability to finish this important legislation. The distinguished chairman of the House Ways and Means Committee, Congressman ROSTENKOWSKI, said he doubted we would be able to finish health care legislation this year.

It is the view of this Senator that what we need to do is bring to the Senate floor a critical mass and have the Senate go to work on this kind of legislation, very much as the Senate did on the Clean Air Act in 1990, by dividing up into task forces and taking whatever steps are necessary to get the bill completed.

This Senator made that effort last July 29, adding some important amendments to then pending energy legislation. At that time the majority leader said that the health care amendments did not belong on the energy bill. This Senator agreed and said he would be glad to take them off if we had a date certain for health care legislation. The majority leader said that was not possible. This Senator responded that a date certain had been given to product liability legislation, and when the majority leader declined to do that for health care legislation, I pressed ahead for the vote. Not unexpectedly, the amendments were defeated.

I believe the American people have spoken emphatically on their desire to have health care legislation enacted. It is on a par virtually with an economic recovery program. I think the way we are going to act on health care reform is when the Senate takes the bull by the horns, or the House takes the bull by the horns, and moves ahead to consider such legislation.

It is for that purpose that I am offering this expansive bill which provides a critical mass for health care legislation. And, as I say, I am hopeful the Republican Health Care Task Force will complete its legislative proposal.

I ask unanimous consent that the full text of the bill be printed in the CONGRESSIONAL RECORD along with a brief summary, which analyzes and summarizes the bill.

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

S. 631

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

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(A) SHORT TITLE.—This Act may be cited as the "Comprehensive Access and Affordability Health Care Act of 1993".

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

TITLE I—MANAGED COMPETITION IN HEALTH CARE PLANS

Sec. 100. Block grant program.

Subtitle A—Health Plan Purchasing Cooperatives

Sec. 101. Establishment and organization; HPPC area.

Sec. 102. Agreements with accountable health plans (AMPs).

Sec. 103. Agreements with employers.

Sec. 104. Enrolling individuals in accountable health plans through a HPPC.

Sec. 105. Receipt of premiums.

Sec. 106. Coordination among HPPCs.

Subtitle B—Accountable Health Plans (AHPs)

PART 1—REQUIREMENTS FOR ACCOUNTABLE HEALTH PLANS

Sec. 111. Registration process; qualifications.

Sec. 112. Specified uniform set of effective benefits.
Sec. 113. Collection and provision of standardized information.
Sec. 114. Prohibition of discrimination based on health status for certain conditions; limitation on pre-existing condition exclusions.
Sec. 115. Use of standard premiums.
Sec. 116. Financial solvency requirements.
Sec. 117. Grievance mechanisms; enrollee protections; written policies and procedures respecting advance directives; agent commissions.
Sec. 118. Additional requirements of open AHPs.
Sec. 119. Additional requirement of certain AHPs.

PART 2—PREEMPTION OF STATE LAWS FOR ACCOUNTABLE HEALTH PLANS

Sec. 120. Preemption from State benefit mandates.
Sec. 121. Preemption of State law restrictions on network plans.
Sec. 122. Preemption of State laws restricting utilization review programs.

Subtitle C—Federal Health Board

Sec. 131. Establishment of Federal Health Board.
Sec. 132. Specification of uniform set for effective benefits.
Sec. 133. Health benefits and data standards board.
Sec. 134. Health plan standards board.
Sec. 135. Registration of accountable health plans.
Sec. 136. Specification of risk-adjustment factors.
Sec. 137. National health data system.
Sec. 138. Measures of quality of care of specialized centers of care.
Sec. 139. Report on impact of adverse selection; recommendations on mandated purchase of coverage.

TITLE II—PRIMARY AND PREVENTIVE CARE SERVICES

Sec. 201. Maternal and infant care coordination.
Sec. 202. Reauthorization of certain programs providing primary and preventive care.
Sec. 203. Comprehensive school health education program.
Sec. 204. Comprehensive early childhood health education program.
Sec. 205. Disease prevention and health promotion programs treated as medical care.
Sec. 206. Worksite wellness grant program.

TITLE III—TAX INCENTIVES TO INCREASE HEALTH CARE ACCESS

Sec. 301. Credit for accountable health plan costs.
Sec. 302. No deduction for employer health plan expenses in excess of accountable health plan costs.
Sec. 303. Increase in deduction for health plan premium expenses of self-employed individuals.
Sec. 304. Deduction for health plan premium expenses of individuals.
Sec. 305. Exclusion from gross income for employer contributions to accountable health plans.

TITLE IV—DISCLOSURE OF CERTAIN INFORMATION TO BENEFICIARIES UNDER THE MEDICARE AND MEDICAID PROGRAMS

Sec. 401. Regulations requiring disclosure of certain information to beneficiaries under the medicare and medicaid programs.
Sec. 402. Outreach activities.

TITLE V—COOPERATIVE AGREEMENTS BETWEEN HOSPITALS

Sec. 501. Purpose.
Sec. 502. Hospital technology and services sharing program.

TITLE VI—PATIENT'S RIGHT TO DECLINE MEDICAL TREATMENT

Sec. 601. Right to decline medical treatment.
Sec. 602. Federal right enforceable in Federal courts.
Sec. 603. Suicide and homicide.
Sec. 604. Rights granted by States.
Sec. 605. Effect on other laws.
Sec. 606. Information provided to certain individuals.
Sec. 607. Recommendations to the Congress on issues relating to a patient's right of self-determination.
Sec. 608. Effective date.

TITLE VII—INSURANCE ADMINISTRATION SIMPLIFICATION

Sec. 701. Uniform computerized billing system and standards for electronic data interchange.

TITLE VIII—CHILD HEALTH CARE

Sec. 801. School based health insurance.
Sec. 802. Refundable tax credit for children's health insurance expenses.
Sec. 803. WIC program, maternal and child health services block grant program, and medicaid.

TITLE IX—IMPROVING ACCESS TO HEALTH CARE FOR RURAL AND UNDERSERVED AREAS

Subtitle A—Revenue Incentives for Practice in Rural Areas

Sec. 901. Revenue incentives for practice in rural areas.

Subtitle B—Public Health Service Act Provisions

Sec. 911. National health service corps.
Sec. 912. Establishment of grant program.
Sec. 913. Establishment of new program to provide funds to allow federally qualified health centers and other entities or organizations to provide expanded services to medically underserved individuals.
Sec. 914. Rural mental health outreach grants.
Sec. 915. Health professions training.
Sec. 916. Rural health extension networks.
Sec. 917. Rural managed care cooperatives.

TITLE X—PRIMARY AND PREVENTIVE CARE PROVIDERS

Sec. 1001. Increasing payments to certain nonphysician providers under the medicare program.
Sec. 1002. Requiring coverage of certain nonphysician providers under the medicaid program.
Sec. 1003. Medical student tutorial program grants.
Sec. 1004. General medical practice grants.
Sec. 1005. Payments for direct and indirect graduate medical education costs.

TITLE XI—MALPRACTICE REFORM

Sec. 1101. Prelitigation screening panel grants.

TITLE XII—MEDICARE PREFERRED PROVIDER DEMONSTRATION PROJECTS

Sec. 1201. Establishment of medicare primary and specialty preferred provider organization demonstration projects.

TITLE XIII—TREATMENT AND OUTCOMES RESEARCH

Sec. 1301. New drug clinical trials program.
Sec. 1302. Medical treatment effectiveness.
Sec. 1303. Treatment practice guidelines as a legal standard.

TITLE XIV—LONG-TERM CARE

Subtitle A—Tax Treatment of Qualified Long-Term Care Insurance Policies

Sec. 1401. Amendment of 1986 Code.
Sec. 1402. Definitions of qualified long-term care insurance and premiums.
Sec. 1403. Treatment of qualified long-term care insurance as accident and health insurance for purposes of taxation of insurance companies.
Sec. 1404. Treatment of accelerated death benefits under life insurance contracts.

Subtitle B—Tax Incentives for Purchase of Qualified Long-Term Care Insurance

Sec. 1411. Credit for qualified long-term care premiums.
Sec. 1412. Deduction for expenses relating to qualified long-term care.
Sec. 1413. Exclusion from gross income of benefits received under qualified long-term care insurance.
Sec. 1414. Employer deduction for contributions made for long-term care insurance.
Sec. 1415. Inclusion of qualified long-term care insurance in cafeteria plans.
Sec. 1416. Exclusion from gross income for amounts withdrawn from individual retirement plans and section 401(k) plans for qualified long-term care premiums and expenses.
Sec. 1417. Exclusion from gross income for amounts received on cancellation of life insurance policies and used for qualified long-term care insurance.
Sec. 1418. Use of gain from sale of principal residence for purchase of qualified long-term health care insurance.

Subtitle C—Medicaid Amendments

Sec. 1421. Expansion of medicaid eligibility for long-term care benefits.
Sec. 1422. Effective date.

TITLE XV—FINANCING

Sec. 1501. Repeal of dollar limitation on amount of wages subject to hospital insurance tax.

TITLE XVI—RESPONSIBILITIES UNDER UNIFORM SET OF EFFECTIVE BENEFITS

Sec. 1601. Employer responsibilities.
Sec. 1602. Individual responsibilities.
Sec. 1603. Self-insured plan requirements.
Sec. 1604. Provider responsibilities.

TITLE XVII—ENFORCEMENT PROVISIONS

Sec. 1701. Enforcement provisions for carriers, providers, and employers.
Sec. 1702. Enforcement provision for individuals.

SEC. 2. DEFINITIONS.

(a) ELIGIBILITY.—As used in this Act:

(1) ELIGIBLE INDIVIDUAL.—The term "eligible individual" means, with respect to a HPPC area, an individual who—

(A) is an eligible employee;

(B) is an eligible resident; or

(C) is an eligible family member of an eligible employee or eligible resident.

(2) ELIGIBLE EMPLOYEE.—The term "eligible employee" means, with respect to a HPPC area, an individual residing in the area who is the employee of a small employer.

(3) ELIGIBLE FAMILY MEMBER.—The term "eligible family member" means, with re-

spect to an eligible employee or other principal enrollee, an individual who—

(A)(i) is the spouse of the employee or principal enrollee; or

(ii) is an unmarried dependent child under 22 years of age; including—

(I) an adopted child or recognized natural child; and

(II) a stepchild or foster child but only if the child lives with the employee or principal enrollee in a regular parent-child relationship;

or such an unmarried dependent child regardless of age who is incapable of self-support because of mental or physical disability which existed before age 22;

(B) is a citizen or national of the United States, an alien lawfully admitted to the United States for permanent residence, or an alien otherwise lawfully residing permanently in the United States under color of law; and

(C) with respect to an eligible resident, is not a medicare-eligible individual.

(4) ELIGIBLE RESIDENT.—

(A) IN GENERAL.—The term "eligible resident" means, with respect to a HPPC area, an individual who is not an eligible employee, is residing in the area, and is a citizen or national of the United States, an alien lawfully admitted for permanent residence, and an alien otherwise permanently residing in the United States under color of law.

(B) EXCLUSION OF CERTAIN INDIVIDUALS OFFERED COVERAGE THROUGH A LARGE EMPLOYER.—The term "eligible resident" does not include an individual who—

(i) is covered under an AHP pursuant to an offer made under section 105(b)(1)(A); or

(ii) could be covered under an AHP as the principal enrollee pursuant to such an offer if such offer had been accepted.

(C) TREATMENT OF MEDICARE BENEFICIARIES.—The term "eligible resident" does not include a medicare-eligible beneficiary.

(5) ENROLLEE UNIT.—The term "enrollee unit" means one unit in the case of coverage on an individual basis or in the case of coverage on a family basis.

(6) MEDICARE BENEFICIARY.—The term "medicare beneficiary" means an individual who is entitled to benefits under part A of title XVIII of the Social Security Act, including an individual who is entitled to such benefits pursuant to an enrollment under section 1818 or 1818A of such Act.

(7) MEDICARE-ELIGIBLE INDIVIDUAL.—The term "medicare-eligible individual" means an individual who—

(A) is a medicare beneficiary; or

(B) is not a medicare beneficiary but is eligible to enroll under part A or part B of title XVIII of the Social Security Act.

(b) ABBREVIATIONS.—As used in this Act:

(1) AHP; ACCOUNTABLE HEALTH PLAN.—The terms "accountable health plan" and "AHP" mean a health plan registered with the Board under section 111(a).

(2) BOARD.—The term "Board" means the Federal Health Board established under subtitle C of title I.

(3) HPPC; HEALTH PLAN PURCHASING COOPERATIVE.—The terms "health plan purchasing cooperative" and "HPPC" mean a health plan purchasing cooperative established under subtitle A of title I.

(4) CLOSED AND OPEN PLANS.—

(A) CLOSED.—A plan is 'closed' if the plan is limited by structure or law to a particular employer or industry or is organized on behalf of a particular group. A plan maintained pursuant to one or more collective bargaining agreements between one or more employee organizations and one or more employers shall be considered to be a closed plan.

(B) OPEN.—A plan is "open" if the plan is not closed (within the meaning of subparagraph (A)).

(c) OTHER TERMS.—As used in this Act:

(1) HEALTH PLAN.—The term "health plan" means a plan that provides health benefits, whether directly, through insurance, or otherwise, and includes a policy of health insurance, a contract of a service benefit organization, or a membership agreement with a health maintenance organization or other prepaid health plan, and also includes an employee welfare benefit plan or a multiple employer welfare plan (as such terms are defined in section 3 of the Employee Retirement Income Security Act of 1974).

(2) SMALL EMPLOYER.—

(A) IN GENERAL.—Subject to subparagraph (B), the term "small employer" means an employer that normally employed fewer than 100 employees during a typical business day in the previous year.

(B) SPECIAL RULE FOR LARGE EMPLOYERS.—Subject to subparagraph (C), the Board shall provide a procedure by which, in the case of an employer that is not a small employer but normally employs fewer than 100 employees in a HPPC area (or other locality identified by the Board) during a typical business day, the employer, upon application, would be considered to be a small employer with respect to such employees in the HPPC area (or other locality). Such procedure shall be designed so as to prevent the adverse selection of employees with respect to which the previous sentence is applied.

(C) STATE ELECTION.—Subject to section 101(a)(3), a State may by law, with respect to employers in the State, substitute for "100" in subparagraphs (A) and (B) any greater number (not to exceed 10,001), so long as such number is applied uniformly to all employers in a HPPC area.

(3) HPPC STANDARD PREMIUM AMOUNT.—The term "HPPC standard premium amount" means, with respect to an AHP offered by a HPPC, the sum of—

(A) the standard premium amount established by the AHP under section 115, and

(B) the HPPC overhead amount established under section 104(a)(3).

(4) PREMIUM CLASS.—The term "premium class" means a class established under section 115(a)(2).

(5) STATE.—The term "State" includes the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands.

(6) TYPE OF ENROLLMENT.—There are 4 "types of enrollment":

(A) Coverage only of an individual (referred to in this Act as enrollment "on an individual basis").

(B) Coverage of an individual and the individual's spouse.

(C) Coverage of an individual and one child.

(D) Coverage of an individual and more than one eligible family member.

The types of coverage described in subparagraphs (B) through (D) are collectively referred to in this Act as enrollment "on a family basis".

(7) UNIFORM SET OF EFFECTIVE BENEFITS.—The term "uniform set of effective benefits" means, for a year, such set of benefits as specified by the Board under section 132(a).

TITLE I—MANAGED COMPETITION IN HEALTH CARE PLANS

SEC. 100. BLOCK GRANT PROGRAM.

(a) IN GENERAL.—The Secretary shall award grants to States to enable such States to defray the costs associated with the implementation and administration of the requirements of this title in such States.

(b) AMOUNT OF GRANTS.—The amount of a grant awarded to a State under this section shall be determined by the Secretary according to a formula developed by the Secretary to take into consideration the population, health care availability, and geographic make-up of the State as compared to other States.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to enable the Secretary to award grants under subsection (a), such sums as may be necessary for each fiscal year.

Subtitle A—Health Plan Purchasing Cooperatives

SEC. 101. ESTABLISHMENT AND ORGANIZATION; HPPC AREAS.

(a) HPPC AREAS.—

(1) IN GENERAL.—For purposes of carrying out this title, subject to paragraphs (2) and (3), each State shall be considered a HPPC area.

(2) ALTERNATIVE, INTRASTATE AREAS.—Each State may provide for the division of the State into HPPC areas so long as—

(A) all portions of each metropolitan statistical area in a State are within the same HPPC area; and

(B) the number of individuals residing within a HPPC area is not less than 100,000.

(3) ALTERNATIVE, INTERSTATE AREAS.—In accordance with rules established by the Board, one or more contiguous States may provide for the establishment of a HPPC area that includes adjoining portions of the States so long as such area, if it includes any part of a metropolitan statistical area, includes all of such area. In the case of a HPPC serving a multi-state area, section 2(c)(2)(C) shall only apply to the area if all the States encompassed in the area agree to the number to be substituted.

(b) ESTABLISHMENT OF HPPCS.—

(1) IN GENERAL.—Each State shall provide, by legislation or otherwise, for the establishment by not later than July 1, 1994, as a not-for-profit corporation, with respect to each HPPC area (specified under subsection (a)) of a health plan purchasing cooperative (each in this subtitle referred to as a "HPPC").

(2) SINGLE ORGANIZATION SERVING MULTIPLE HPPC AREAS.—Nothing in this subsection shall be construed as preventing—

(A) a single corporation from being the HPPC for more than one HPPC area; or

(B) a State from coordinating, through a single entity, the activities of one or more HPPCs in the State.

(3) INTERSTATE HPPC AREAS.—HPPCs with respect to interstate areas specified under subsection (a)(3) shall be established in accordance with rules of the Board.

(c) BOARD OF DIRECTORS.—Each HPPC shall be governed by a Board of Directors appointed by the Governor or other chief executive officer of the State (or as otherwise provided under State law or by the Board in the case of a HPPC described in subsection (b)(3)).

(d) DUTIES OF HPPCS.—Each HPPC shall—

(1) enter into agreements with accountable health plans under section 102;

(2) enter into agreements with small employers under section 103;

(3) enroll individuals under accountable health plans, in accordance with section 104;

(4) receive and forward adjusted premiums, in accordance with section 105, including the reconciliation of low-income assistance among accountable health plans;

(5) provide for coordination with other HPPCs, in accordance with section 106; and

(6) carry out other functions provided for under this title.

SEC. 102. AGREEMENTS WITH ACCOUNTABLE HEALTH PLANS (AHPS).

(a) AGREEMENTS.—

(1) OPEN AHPS.—Each HPPC for a HPPC area shall enter into an agreement under this section with each open accountable health plan registered with the Board under subtitle B, that serves residents of the area. Each such agreement under this section, between an open AHP and a HPPC shall include (as specified by the Board) provisions consistent with the requirements of the succeeding subsections of this section. Except as provided in paragraph (3)(A), a HPPC may not refuse to enter into such an agreement with an open AHP which is registered with the Board under subtitle B.

(2) CLOSED AHPS.—Each HPPC for a HPPC area shall enter into a special agreement under this paragraph with each closed AHP that serves residents of the area, in order to carry out subsection (e). Except as otherwise specifically provided, any reference in this Act to an agreement under this section shall not be considered to be a reference to an agreement under this paragraph.

(3) TERMINATION OF AGREEMENT.—In accordance with regulations of the Board—

(A) the HPPC may terminate an agreement under paragraph (1) if the AHP's registration under subtitle B is terminated or for other good cause shown; and

(B) the AHP may terminate either such agreement only upon sufficient notice in order to provide for the orderly enrollment of enrollees under other AHPs.

The Board shall establish a process for the termination of agreements under this paragraph.

(b) OFFER OF ENROLLMENT OF INDIVIDUALS.—

(1) IN GENERAL.—Under an agreement under this section between an AHP and a HPPC, the HPPC shall offer, on behalf of the AHP, enrollment in the AHP to eligible individuals (as defined in section 2(a)(1)) at the applicable monthly premium rates (specified under section 105(a)).

(2) TIMING OF OFFER.—The offer of enrollment shall be available—

(A) to eligible individuals who are employees of small employers, during the 30-day period beginning on the date of commencement of employment; and

(B) to other eligible individuals, at such time (including an annual open enrollment period specified by the Board) as the HPPC shall specify, consistent with section 104(b).

(c) RECEIPT OF GROSS PREMIUMS.—

(1) IN GENERAL.—Under an agreement under this section between a HPPC and an AHP, payment of premiums shall be made, by individuals or employers on their behalf, directly to the HPPC for the benefit of the AHP.

(2) TIMING OF PAYMENT OF PREMIUMS.—Premiums shall be payable on a monthly basis (or, at the option of an eligible individual described in section 2(a)(2)(B), on a quarterly basis). The HPPC may provide for penalties and grace periods for late payment.

(3) AHPS RETAIN RISK OF NONPAYMENT.—Nothing in this subsection shall be construed as placing upon a HPPC any risk associated with failure to make prompt payment of premiums (other than the portion of the premium representing the HPPC overhead amount). Each eligible individual who enrolls with an AHP through the HPPC is liable to the AHP for premiums.

(d) FORWARDING OF ADJUSTED PREMIUMS.—

(1) IN GENERAL.—Under an agreement under this section between an AHP and a HPPC, subject to section 115(b), the HPPC shall forward to each AHP in which an eligible individual has been enrolled an amount equal to the sum of—

(A) the standard premium rate (established under section 115) received for type of enrollment, and

(B) the product of—

(i) the lowest standard premium rate offered by an open AHP for the type of enrollment; and

(ii) a risk-adjustment factor (determined and adjusted in accordance with section 136(b)).

(2) PAYMENTS.—Payments shall be made by the HPPC under this subsection within a period (specified by the Board and not to exceed 7 days) after receipt of the premium from the employer of the eligible individual or the eligible individual, as the case may be.

(3) ADJUSTMENTS FOR DIFFERENCES IN NONPAYMENT RATES.—In accordance with rules established by the Board, each agreement between an AHP and a HPPC under this section shall provide that, if a HPPC determines that the rates of nonpayment of premiums during grace periods established under subsection (c)(2) vary appreciably among AHPs, the HPPC shall provide for such adjustments in the payments made under this subsection as will place each AHP in the same position as if the rates of nonpayment were the same.

SEC. 103. AGREEMENTS WITH EMPLOYERS.

(a) IN GENERAL.—Each HPPC for a HPPC area shall offer each small employer that employs individuals in the area the opportunity to enter into an agreement under this section. Each agreement under this section, between an employer and a HPPC shall include (as specified by the Board) provisions consistent with the requirements specified in the succeeding subsections of this section.

(b) FORWARDING INFORMATION ON ELIGIBLE EMPLOYEES.—

(1) IN GENERAL.—Under an agreement under this section between a small employer and a HPPC, the employer must forward to the appropriate HPPC the name and address (and other identifying information required by the HPPC) of each employee (including part-time and seasonal employees).

(2) APPROPRIATE HPPC.—In this subsection, the term "appropriate HPPC" means the HPPC for the principal place of business of the employer or (at the option of an employee) the HPPC serving the place of residence of the employee.

(c) PAYROLL DEDUCTION.—

(1) IN GENERAL.—Under an agreement under this section between a small employer and a HPPC, if the HPPC indicates to the employer that an eligible employee is enrolled in an AHP through the HPPC, the employer shall provide for the deduction, from the employee's wages or other compensation, of the amount of the premium due (less any employer contribution). In the case of an employee who is paid wages or other compensation on a monthly or more frequent basis, an employer shall not be required to provide for payment of amounts to a HPPC other than at the same time at which the amounts are deducted from wages or other compensation. In the case of an employee who is paid wages or other compensation less frequently than monthly, an employer may be required to provide for payment of amounts to a HPPC on a monthly basis.

(2) ADDITIONAL PREMIUMS.—If the amount withheld under paragraph (1) is not sufficient to cover the entire cost of the premiums, the employee shall be responsible for paying directly to the HPPC the difference between the amount of such premiums and the amount withheld.

(d) LIMITED EMPLOYER OBLIGATIONS.—Nothing in this section shall be construed as—

(1) requiring an employer to provide directly for enrollment of eligible employees under an accountable health plan or other health plan;

(2) requiring the employer to make, or preventing the employer from making, information about such plans available to such employees; or

(3) requiring the employer to make, or preventing the employer from making, an employer contribution for coverage of such individuals under such a plan.

SEC. 104. ENROLLING INDIVIDUALS IN ACCOUNTABLE HEALTH PLANS THROUGH A HPPC.

(a) IN GENERAL.—Each HPPC shall offer in accordance with this section eligible individuals the opportunity to enroll in an AHP for the HPPC area in which the individual resides.

(b) ENROLLMENT PROCESS.—

(1) IN GENERAL.—Each HPPC shall establish an enrollment process in accordance with rules established by the Board consistent with this subsection.

(2) INITIAL ENROLLMENT PERIOD.—Each eligible individual, at the time the individual first becomes an eligible individual in a HPPC area of a HPPC, have an initial enrollment period (of not less than 30 days) in which to enroll in an AHP.

(3) GENERAL ENROLLMENT PERIOD.—Each HPPC shall establish an annual period, of not less than 30 days, during which eligible individuals may enroll in an AHP or change in the AHP in which the individual is enrolled.

(4) SPECIAL ENROLLMENT PERIODS.—In the case of individuals who—

(A) through marriage, divorce, birth or adoption of a child, or similar circumstances, experience a change in family composition; or

(B) experience a change in employment status (including a significant change in the terms and conditions of employment);

each HPPC shall provide for a special enrollment period in which the individual is permitted to change the individual or family basis of coverage or the AHP in which the individual is enrolled. The circumstances under which such special enrollment periods are required and the duration of such periods shall be specified by the Board.

(5) TRANSITIONAL ENROLLMENT PERIOD.—Each HPPC shall provide for a special transitional enrollment period (during a period beginning in the months of October through December of 1994 as specified by the Board) during which eligible individuals may first enroll.

(c) DISTRIBUTION OF COMPARATIVE INFORMATION.—Each HPPC shall distribute, to eligible individuals and employers, information, in comparative form, on the prices, outcomes, enrollee satisfaction, and other information pertaining to the quality of the different AHPs for which it is offering enrollment. Each HPPC also shall make such information available to other interested persons.

(d) PERIOD OF COVERAGE.—

(1) INITIAL ENROLLMENT PERIOD.—In the case of an eligible individual who enrolls with an AHP through a HPPC during an initial enrollment period, coverage under the plan shall begin on such date (not later than the first day of the first month that begins at least 15 days after the date of enrollment) as the Board shall specify.

(2) GENERAL ENROLLMENT PERIODS.—In the case of an eligible individual who enrolls with an AHP through a HPPC during a general enrollment period, coverage under the plan shall begin on the 1st day of the 1st month beginning at least 15 days after the end of such period.

(3) SPECIAL ENROLLMENT PERIODS.—

(A) IN GENERAL.—In the case of an eligible individual who enrolls with an AHP during a special enrollment period described in subsection (b)(4), coverage under the plan shall begin on such date (not later than the first day of the first month that begins at least 15 days after the date of enrollment) as the Board shall specify, except that coverage of family members shall begin as soon as possible on or after the date of the event that gives rise to the special enrollment period.

(B) TRANSITIONAL SPECIAL ENROLLMENT PERIOD.—In the case of an eligible individual who enrolls with an AHP during the transitional special enrollment period described in subsection (b)(5), coverage under the plan shall begin on January 1, 1995.

(4) MINIMUM PERIOD OF ENROLLMENT.—In order to avoid adverse selection, each HPPC may require, consistent with rules of the National Board, that enrollments with AHPs be for not less than a specified minimum enrollment period (with exceptions permitted for such exceptional circumstances as the Board may recognize).

SEC. 105. RECEIPT OF PREMIUMS.

(a) ENROLLMENT CHARGE.—The amount charged by a HPPC for coverage under an AHP in a HPPC area is equal to the sum of—

(1) the standard premium rate established by the AHP under section 115 for such coverage; and

(2) the HPPC overhead amount established under subsection (b)(3) for enrollment of individuals in the HPPC area.

(b) HPPC OVERHEAD AMOUNT.—

(1) HPPC BUDGET.—Each HPPC shall establish a budget for each year for each HPPC area in accordance with regulations established by the Board.

(2) HPPC OVERHEAD PERCENTAGE.—The HPPC shall compute for each HPPC area an overhead percentage which, when applied to the standard premium amount for individual coverage for each enrollee unit, will provide for revenues equal to the budget for the HPPC area for the year. Such percentage may in no case exceed 5 percentage points.

(3) HPPC OVERHEAD AMOUNT.—The HPPC overhead amount for enrollment, whether on an individual or family basis, in an AHP for a HPPC area for a month is equal to the applicable HPPC overhead percentage (computed under paragraph (2)) multiplied by the standard premium amount for individual coverage under the AHP for the month.

SEC. 106. COORDINATION AMONG HPPCS.

(a) IN GENERAL.—The Board shall establish rules consistent with this section for coordination among HPPCs in cases where small employers are located in one HPPC area and their employees reside in a different HPPC area (and are eligible for enrollment with AHPs located in the other area).

(b) COORDINATION RULES.—Under the rules established under subsection (a)(1)—

(1) HPPC FOR EMPLOYER.—The HPPC for the principal place of business of a small employer shall be responsible—

(A) for providing information to the employer's employees on AHPs for areas in which employees reside;

(B)(i) for enrolling employees under the AHP selected (even if the AHP selected is not in the same HPPC area as the HPPC) and (ii) if the AHP chosen is not in the same HPPC area as the HPPC, for forwarding the enrollment information to the HPPC for the area in which the AHP selected is located; and

(C) in the case of premiums to be paid through payroll deduction, to receive such premiums and forward them to the HPPC for the area in which the AHP selected is located.

(2) HPPC FOR EMPLOYEE RESIDENCE.—The HPPC for the HPPC area in which an employee resides shall be responsible for providing other HPPCs with information concerning AHPs being offered in other HPPC areas within the State.

Subtitle B—Accountable Health Plans (AHPs)

PART 1—REQUIREMENTS FOR ACCOUNTABLE HEALTH PLANS

SEC. 111. REGISTRATION PROCESS; QUALIFICATIONS.

(a) IN GENERAL.—The Board shall provide a process whereby a health plan (as defined in section 2(c)(1)) may be registered with the Board by its sponsor as an accountable health plan.

(b) QUALIFICATIONS.—In order to be eligible to be registered, a plan must—

(1) provide, in accordance with section 112, for coverage of the uniform set of effective benefits specified by the Board;

(2) provide, in accordance with section 113, for the collection and reporting to the Board of certain information regarding its enrollees and provision of services;

(3) not discriminate in enrollment or benefits, as required under section 114;

(4) establish standard premiums for the uniform set of effective benefits, in accordance with section 115;

(5) meet financial solvency requirements, in accordance with section 116;

(6) provide for effective grievance procedures and restrict certain physician incentive plans, in accordance with section 117; and

(7) in the case of an open plan (as defined in section 2(b)(4)(B)), meet certain additional requirements under section 118 (relating to acceptance of enrollees and participation as a plan under the medicare program under the Social Security Act and under the Federal employees health benefits program).

(c) MINIMUM SIZE FOR CLOSED PLANS.—No plan may be registered as a closed AHP under this section unless the plan covers at least a number of employees greater than the applicable number of employees specified in section 2(c)(2).

(d) MEDICARE REQUIREMENT.—No plan may be registered as an AHP under this section unless the plan—

(1) meets the requirement of section 118(c); or

(2) provides for payment of the medicare adjustment amount under section 119.

SEC. 112. SPECIFIED UNIFORM SET OF EFFECTIVE BENEFITS.

(a) BENEFITS.—The Board shall not accept the registration of a health plan as an accountable health plan unless, subject to subsection (b), the plan—

(1) offers only the uniform set of effective benefits, specified by Board under section 132(a);

(2) has entered into arrangements with a sufficient number and variety of providers to provide for its enrollees the uniform set of effective benefits without imposing cost-sharing in excess of the cost-sharing described in paragraph (3);

(3)(A) provides, subject to subsection (c), for imposition of uniform cost-sharing (such as deductibles and copayments), specified under such subsection as part of such set of benefits; and

(B) does not permit providers participating in the plan under paragraph (2) to charge for covered services amounts in excess of such cost-sharing; and

(4) provides, in the case of individuals covered under more than one accountable health plan, for coordination of coverage under such plans in an equitable manner.

(b) TREATMENT OF ADDITIONAL BENEFITS.—

(1) IN GENERAL.—Subject to paragraph (2), subsection (a) shall not be construed as preventing an AHP from offering benefits in addition to the uniform set of effective benefits or for reducing the cost-sharing below the uniform cost-sharing, if such additional benefits or reductions in cost-sharing are offered, and priced, separately from the benefits described in subsection (a).

(2) NO DUPLICATIVE BENEFITS.—An AHP may not offer under paragraph (1) any additional benefits that have the effect of duplicating the benefits required under subsection (a).

SEC. 113. COLLECTION AND PROVISION OF STANDARDIZED INFORMATION.

(a) PROVISION OF INFORMATION.—

(1) IN GENERAL.—Each AHP must provide the Board (at a time, not less frequently than annually, and in an electronic, standardized form and manner specified by the Board) such information as the Board determines to be necessary, consistent with this subsection and section 137, to evaluate the performance of the AHP in providing the uniform set of effective benefits to enrollees.

(2) INFORMATION TO BE INCLUDED.—Subject to paragraph (3), information to be reported under this subsection shall include at least the following:

(A) Information on the characteristics of enrollees that may affect their need for or use of health services.

(B) Information on the types of treatments and outcomes of treatments with respect to the clinical health, functional status, and well-being of enrollees.

(C) Information on enrollee satisfaction, based on standard surveys prescribed by the Board.

(D) Information on health care expenditures, volume and prices of procedures, and use of specialized centers of care (for which information is submitted under section 138).

(E) Information on the flexibility permitted by plans to enrollees in their selection of providers.

(3) SPECIAL TREATMENT.—The Board may waive the provision of such information under paragraph (2), or require such other information, as the Board finds appropriate in the case of newly established AHP for which such information is not available.

(b) CONDITIONING CERTAIN PROVIDER PAYMENTS.—

(1) IN GENERAL.—In order to assure the collection of all information required from the direct providers of services for which benefits are available through an AHP, each AHP may not provide payment for services (other than emergency services) furnished by a provider to meet the uniform set of effective benefits unless the provider has given the AHP (or has given directly to the National Board) standard information (specified by the Board) respecting the services.

(2) FORWARDING INFORMATION.—If information under paragraph (1) is given to the AHP, the AHP is responsible for forwarding the information to the Board.

SEC. 114. PROHIBITION OF DISCRIMINATION BASED ON HEALTH STATUS FOR CERTAIN CONDITIONS; LIMITATION ON PRE-EXISTING CONDITION EXCLUSIONS.

(a) IN GENERAL.—Except as provided under subsection (b), an AHP may not deny, limit, or condition the coverage under (or benefits of) the plan based on the health status, claims experience, receipt of health care, medical history, or lack of evidence of insurability, of an individual.

(b) TREATMENT OF PREEXISTING CONDITION EXCLUSIONS FOR SERVICES.—

(1) IN GENERAL.—Subject to the succeeding provisions of this subsection, an AHP may exclude coverage with respect to services related to treatment of a preexisting condition, but the period of such exclusion may not exceed 6 months beginning on the date of coverage under the plan. The exclusion of coverage shall not apply to services furnished to newborns and to pregnant women.

(2) CREDITING OF PREVIOUS COVERAGE.—

(A) IN GENERAL.—An AHP shall provide that if an enrollee is in a period of continuous coverage (as defined in subparagraph (B)(i)) as of the date of initial coverage under such plan, any period of exclusion of coverage with respect to a preexisting condition for such services or type of services shall be reduced by 1 month for each month in the period of continuous coverage.

(B) DEFINITIONS.—As used in this paragraph:

(i) PERIOD OF CONTINUOUS COVERAGE.—The term "period of continuous coverage" means the period beginning on the date an individual is enrolled under an AHP (or, before July 1, 1994, under any health plan that provides benefits with respect to such services) and ends on the date the individual is not so enrolled for a continuous period of more than 3 months.

(ii) PREEXISTING CONDITION.—The term "preexisting condition" means, with respect to coverage under an AHP, a condition which has been diagnosed or treated during the 3-month period ending on the day before the first date of such coverage (without regard to any waiting period).

(3) LIMITATION.—This subsection shall not apply to treatment which is not within the uniform set of effective benefits.

SEC. 115. USE OF STANDARD PREMIUMS.

(a) STANDARD PREMIUMS FOR OPEN AHPS.—

(1) IN GENERAL.—Subject to subsection (b), each open AHP shall establish a standard premium for the uniform set of effective benefits within each HPPC area in which the plan is offered. The amount of premium applicable for all individuals within a premium class (established under paragraph (2)) is the standard premium amount multiplied by the premium class factor specified by the Board for that class under paragraph (2)(B). Within a HPPC area for individuals within a premium class, the standard premium for all individuals in the class shall be the same.

(2) PREMIUM CLASSES.—

(A) IN GENERAL.—The Board shall establish premium classes—

(i) based on types of enrollment (described in section 2(c)(6)); and

(ii) within each type of enrollment, based on age of principal enrollee.

In carrying out clause (ii), the Board shall establish reasonable age bands within which premium amounts will not vary for a type of enrollment.

(B) PREMIUM CLASS FACTORS.—

(i) IN GENERAL.—For each premium class established under subparagraph (A), the Board shall establish a premium class factor that reflects, subject to clause (ii), the relative actuarial value of benefits for that class compared to the actuarial value of benefits for an average class.

(ii) LIMIT ON VARIATION IN PREMIUM CLASS FACTORS.—The highest premium class factor may not exceed twice the lowest premium class factor and the weighted average of the premium class factors shall be 1.

(3) METHODOLOGY.—Standard premiums are subject to adjustment in accordance with section 102(d)(1).

(b) LIMITATION ON PREMIUM INCREASES.—

(1) BOARD ACTION.—The Board shall establish annual limits on the permissible percentage rate of increase for premiums with respect to AHP's providing the uniform set of effective benefits.

(2) INCREASES.—Annual increases in premiums for an AHP may not exceed the percentage limit established by the Board under paragraph (1).

SEC. 116. FINANCIAL SOLVENCY REQUIREMENTS.

(a) SOLVENCY PROTECTION.—

(1) FOR INSURED PLANS.—In the case of an AHP that is an insured plan (as defined by the Board) and is issued in a State, in order for the plan to be registered under this subtitle the Board must find that the State has established satisfactory protection of enrollees with respect to potential insolvency.

(2) FOR OTHER PLANS.—In the case of an AHP that is not an insured plan, the Board may require the plan to provide for such bond or provide other satisfactory assurances that enrollees under the plan are protected with respect to potential insolvency of the plan.

(b) PROTECTION AGAINST PROVIDER CLAIMS.—In the case of a failure of an AHP to make payments with respect to the uniform set of basic benefits, under standards established by the Board, an individual who is enrolled under the plan is not liable to any health care provider or practitioner with respect to the provision of health services within such uniform set for payments in excess of the amount for which the enrollee would have been liable if the plan were to have made payments in a timely manner.

SEC. 117. GRIEVANCE MECHANISMS; ENROLLEE PROTECTIONS; WRITTEN POLICIES AND PROCEDURES RESPECTING ADVANCE DIRECTIVES; AGENT COMMISSIONS.

(a) EFFECTIVE GRIEVANCE PROCEDURES.—Each AHP shall provide for effective procedures for hearing and resolving grievances between the plan and individuals enrolled under the plan, which procedures meet standards specified by the Board.

(b) RESTRICTION ON CERTAIN PHYSICIAN INCENTIVE PLANS.—

(1) IN GENERAL.—A health plan may not be registered as an AHP if it operates a physician incentive plan (as defined in paragraph (2)) unless the requirements specified in clauses (i) through (iii) of section 1876(i)(8)(A) of the Social Security Act are met (in the same manner as they apply to eligible organizations under section 1876 of such Act).

(2) PHYSICIAN INCENTIVE PLAN DEFINED.—In this subsection, the term "physician incentive plan" means any compensation or other financial arrangement between the AHP and a physician or physician group that may directly or indirectly have the effect of reducing or limiting services provided with respect to individuals enrolled under the plan.

(c) WRITTEN POLICIES AND PROCEDURES RESPECTING ADVANCE DIRECTIVES.—A health plan may not be registered as an AHP unless the plan meets the requirements of section 1866(f) of the Social Security Act (relating to maintaining written policies and procedures respecting advance directives), insofar as such requirements would apply to the plan if the plan were an eligible organization.

(d) PAYMENT OF AGENT COMMISSIONS.—An AHP—

(1) may pay a commission or other remuneration to an agent or broker in marketing the plan to individuals or groups; but

(2) may not vary such remuneration based, directly or indirectly, on the anticipated or actual claims experience associated with the group or individuals to which the plan was sold.

SEC. 118. ADDITIONAL REQUIREMENTS OF OPEN AHPS.

(a) REQUIREMENT OF AGREEMENT WITH HPPC.—In the case of a health plan which is an open plan (as defined in section 2(b)(4)(B)), in order to be registered as an AHP the plan must have in effect an agreement (described in section 102) with each HPPC for each HPPC area in which it is offered.

(b) REQUIREMENT OF OPEN ENROLLMENT.—

(1) IN GENERAL.—In the case of a health plan which is an open health plan, in order to be registered as an AHP the plan must, subject to paragraph (3), not reject the enrollment of any eligible individual whom a HPPC is authorized to enroll under an agreement referred to in subsection (a) if the individual applies for enrollment during an enrollment period.

(2) LIMITATION ON TERMINATION.—Subject to paragraph (3), coverage of eligible individuals under an open AHP may not be refused nor terminated except for—

(A) nonpayment of premiums;

(B) fraud or misrepresentation; or

(C) termination of the plan at the end of a year (after notice and in accordance with standards established by the Board).

(3) TREATMENT OF NETWORK PLANS.—

(A) GEOGRAPHIC LIMITATIONS.—

(i) IN GENERAL.—An AHP which is a network plan (as defined in subparagraph (D)) may deny coverage under the plan to an eligible individual who is located outside a service area of the plan, but only if such denial is applied uniformly, without regard to health status or insurability of individuals.

(ii) SERVICE AREAS.—The Board shall establish standards for the designation by network plans of service areas in order to prevent discrimination based on health status of individuals or their need for health services.

(B) SIZE LIMITS.—Subject to subparagraph (C), an AHP which is a network plan may apply to the Board to cease enrolling eligible individuals under the AHP (or in a service area of the plan) if—

(i) it ceases to enroll any new eligible individuals; and

(ii) it can demonstrate that its financial or administrative capacity to serve previously covered groups or individuals (and additional individuals who will be expected to enroll because of affiliation with such previously covered groups or individuals) will be impaired if it is required to enroll other eligible individuals.

(C) FIRST-COME-FIRST-SERVED.—A network plan is only eligible to exercise the limitations provided for in subparagraphs (A) and (B) if it provides for enrollment of eligible individuals on a first-come-first-served basis.

(D) NETWORK PLAN.—In this paragraph, the term "network plan" means an eligible organization (as defined in section 1876(b) of the Social Security Act) and includes a similar organization, specified in regulations of the Board, as requiring a limitation on enroll-

ment of employer groups or individuals due to the manner in which the organization provides health care services.

(c) REQUIREMENT OF PARTICIPATION IN MEDICARE RISK-BASED CONTRACTING.—

(1) IN GENERAL.—In the case of a health plan which is an open health plan and which is an eligible organization (as defined in section 1876(b) of the Social Security Act), in order to be registered as an AHP the plan must enter into a risk-sharing contract under section 1876 of the Social Security Act for the offering of benefits to medicare beneficiaries in accordance with such section.

(2) EXPANSION OF MEDICARE SELECT PROGRAM.—Subsection (c) of section 4358 of the Omnibus Budget Reconciliation Act of 1990 (104 Stat. 1388-137) is amended by striking "only apply in 15 States" and all that follows through the end and inserting "on and after January 1, 1992.".

(d) PARTICIPATION IN FEHBP.—

(1) IN GENERAL.—In the case of a health plan which is an open health plan, in order to be registered as an AHP the plan must have entered into an agreement with the Office of Personnel Management to offer a health plan to Federal employees and annuitants, and family members, under the Federal Employees Health Benefits Program under chapter 89 of title 5, United States Code, under the same terms and conditions offered by the AHP for enrollment of individuals and small employers through HPPCs.

(2) CHANGE IN CONTRIBUTION AND OTHER FEHBP RULES.—Notwithstanding any other provision of law, effective January 1, 1994—

(A) enrollment shall not be permitted under a health benefits plan under chapter 89 of title 5, United States Code, unless the plan is an AHP, and

(B) the amount of the Federal Government contribution under such chapter—

(i) for any premium class shall be the same for all AHPs in a HPPC area,

(ii) for any premium class shall not exceed the base individual premium (as defined in section 229(c)(3)), and

(iii) in the aggregate for any fiscal year shall be equal to the aggregate amount of Government contributions that would have been made but for this section.

SEC. 119. ADDITIONAL REQUIREMENT OF CERTAIN AHPS.

(a) MEDICARE ADJUSTMENT PAYMENT REQUIRED.—Each AHP which does not meet the requirement of section 148(c) shall provide for payment to the Board of such amounts as may be required as to put the plan in the same financial position as the AHP would be in if it met such requirement.

(b) REDISTRIBUTION OF PAYMENTS TO PLANS.—The Board shall provide for the distribution among AHPs meeting the requirement of section 148(c) of amounts paid under subsection (a) in such manner as reflects the relative financial impact of such requirement among such plans.

PART 2—PREEMPTION OF STATE LAWS FOR ACCOUNTABLE HEALTH PLANS

SEC. 120. PREEMPTION FROM STATE BENEFIT MANDATES.

Effective as of January 1, 1994, no State shall establish or enforce any law or regulation that—

(1) requires the offering, as part of an AHP, of any services, category of care, or services of any class or type of provider that is different from the uniform set of effective benefits;

(2) specifies the individuals to be covered under an AHP or the duration of such coverage; or

(3) requires a right of conversion from a group health plan that is an AHP to an individual health plan.

SEC. 121. PREEMPTION OF STATE LAW RESTRICTIONS ON NETWORK PLANS.

(a) LIMITATION ON RESTRICTIONS ON NETWORK PLANS.—Effective as of January 1, 1994—

(1) A State may not by law or regulation prohibit or unreasonably limit a network plan from including incentives for enrollees to use the services of participating providers.

(2) A State may not prohibit or unreasonably limit a network plan from limiting coverage of services to those provided by a participating provider.

(3)(A) Subject to subparagraph (B), a State may not prohibit or unreasonably limit the negotiation of rates and forms of payments for providers under a network plan.

(B) Subparagraph (A) shall not apply where the amount of payments with respect to a category of services or providers is established under a Statewide system applicable to all non-Federal payors with respect to such services or providers.

(4) A State may not prohibit or unreasonably limit a network plan from limiting the number of participating providers.

(5) A State may not prohibit or unreasonably limit a network plan from requiring that services be provided (or authorized) by a practitioner selected by the enrollee from a list of available participating providers.

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

(1) NETWORK PLAN.—The term "network plan" means an AHP—

(A) which—

(i) limits coverage of the uniform set of basic benefits to those provided by participating providers; or

(ii) provides, with respect to such services provided by persons who are not participating providers, for deductibles or other cost-sharing which are in excess of those permitted under the uniform set of basic benefits for participating providers;

(B) which has a sufficient number and distribution of participating providers to assure that the uniform set of basic benefits is—

(i) available and accessible to each enrollee, within the area served by the plan, with reasonable promptness and in a manner which assures continuity; and

(ii) when medically necessary, available and accessible 24 hours a day and seven days a week; and

(C) which provides benefits for the uniform set of basic benefits not furnished by participating providers if the services are medically necessary and immediately required because of an unforeseen illness, injury, or condition.

(2) PARTICIPATING PROVIDER.—The term "participating provider" means an entity or individual which provides, sells, or leases health care services under a contract with a network plan, which contract does not permit—

(A) cost-sharing in excess of the cost-sharing permitted under the uniform set of basic benefits with respect to basic benefits; and

(B) any enrollee charges (for such services covered under such set) in excess of such cost-sharing.

SEC. 122. PREEMPTION OF STATE LAWS RESTRICTING UTILIZATION REVIEW PROGRAMS.

(a) IN GENERAL.—Effective January 1, 1994, no State law or regulation shall prohibit or regulate activities under a utilization review program (as defined in subsection (b)).

(b) UTILIZATION REVIEW PROGRAM DEFINED.—In this section, the term "utilization review program" means a system of reviewing the medical necessity and appropriateness of patient services (which may include inpatient and outpatient services) using specified guidelines. Such a system may include preadmission certification, the application of practice guidelines, continued stay review, discharge planning, preauthorization of ambulatory procedures, and retrospective review.

Subtitle C—Federal Health Board

SEC. 131. ESTABLISHMENT OF FEDERAL HEALTH BOARD.

(a) IN GENERAL.—There is hereby established a Federal Health Board.

(b) COMPOSITION AND TERMS.—

(1) APPOINTMENT.—The Board shall be composed of 5 members appointed by the President by and with the advice and consent of the Senate. In appointing members to the Board, the President shall provide that all members shall demonstrate experience with and knowledge of the health care system.

(2) CHAIRPERSON.—The President shall designate one of the members to be Chairperson of the Board.

(3) TERMS.—Each member of the Board shall be appointed for a term of 7 years, except that, of the members first appointed, 1 shall each be appointed for terms of 3, 4, 5, 6, and 7 years, as designated by the President at the time of appointment. Members appointed to fill vacancies shall serve for the remainder of the terms of the vacating members.

(4) PARTY AFFILIATION.—Not more than 3 members of the Board shall be of the same political party.

(5) OTHER EMPLOYMENT PROHIBITED.—A member of the Board may not, during the term as a member, engage in any other business, vocation, profession, or employment.

(6) QUORUM.—Three members of the Board shall constitute a quorum, except that 2 members may hold hearings.

(7) MEETINGS.—The Board shall meet at the call of the Chairman or 3 members of the Board.

(8) COMPENSATION.—Each member of the Board shall be entitled to compensation at the rate provided for level II of the Executive Schedule, subject to such amounts as are provided in advance in appropriation Acts.

(c) PERSONNEL.—

(1) IN GENERAL.—The Board shall appoint an Executive Director and such additional officers and employees as it considers necessary to carry out its functions 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.

(2) EXPERTS AND CONSULTANTS.—The Board may procure the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code.

(d) MISCELLANEOUS PROVISIONS.—

(1) GIFTS, BEQUESTS, AND DEVISES.—The Board may accept, use, and dispose of gifts, bequests, or devises of services or property for the purpose of aiding or facilitating its work.

(2) MAILS.—The Board may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

SEC. 132. SPECIFICATION OF UNIFORM SET OF EFFECTIVE BENEFITS.

(a) SPECIFICATION OF UNIFORM SET OF EFFECTIVE BENEFITS.—

(1) IN GENERAL.—The Board shall specify, by not later than October 1 of each year (beginning with 1993), the uniform set of effective benefits to apply under this title for the following year.

(2) SPECIFICATION OF HEALTH CARE CONDITIONS.—

(A) IN GENERAL.—Such benefits shall include the full range of legally authorized treatment for any health condition for which the Board determines a treatment has been shown to reasonably improve or significantly ameliorate the condition. The Board may exclude health conditions the treatment of which do not impact on clinical health or functional status of individuals.

(B) COVERAGE OF CLINICAL PREVENTIVE SERVICES.—Such benefits shall include the full range of effective clinical preventive services (including appropriate screening, counseling, and immunization and chemoprophylaxis), specified by the Board, appropriate to age and other risk factors.

(C) COVERAGE FOR PERSONS WITH SEVERE MENTAL ILLNESS.—The Board shall establish guidelines concerning nondiscrimination towards individuals with severe mental illnesses and coverage for the treatment of severe mental illnesses. Such guidelines shall ensure that coverage of such individuals is equitable and commensurate with the coverage provided to other individuals.

(D) EXCLUSION FOR INEFFECTIVE TREATMENTS.—The Board may exclude from the benefits such treatments as the Board determines, based on clinical information, have not been reasonably shown to improve a health condition or significantly ameliorate a health condition. Except as specifically excluded, the actual specific treatments, procedures, and care (such as the use of particular providers or services) which may be used under a plan or be used with respect to health conditions shall be left up to the plan.

(E) NONDISCRIMINATION.—In determining the uniform set of effective benefits, the Board shall not discriminate against individuals with serious mental illnesses.

(3) DEDUCTIBLES AND COST-SHARING.—

(A) IN GENERAL.—Subject to subparagraph (B), such set shall include uniform deductibles and cost-sharing associated with such benefits.

(B) TREATMENT OF NETWORK PLANS.—In the case of a network plan (as defined in section 121(b)), the plan may provide for charging deductibles and cost-sharing in excess of the uniform deductibles and cost-sharing under subparagraph (A) in the case of services provided by providers that are not participating providers (as defined in such section).

(b) BASIS FOR BENEFITS.—In establishing such set, the Board shall judge medical treatments, procedures, and related health services based on—

(1) their effectiveness in improving the health status of individuals; and

(2) their long-term impact on maintaining and improving health and productivity and on reducing the consumption of health care services.

(c) BASIS FOR COST-SHARING.—In establishing cost-sharing that is part of the uniform set of effective benefits, the Board shall—

(1) include only such cost-sharing as will restrain consumers from seeking unnecessary services;

(2) not impose cost-sharing for covered clinical preventive services;

(3) balance the effect of the cost-sharing in reducing premiums and in affecting utilization of appropriate services; and

(4) limit the total cost-sharing that may be incurred by an individual (or enrollee unit) in a year.

SEC. 133. HEALTH BENEFITS AND DATA STANDARDS BOARD.

(a) ESTABLISHMENT.—The Board shall provide for the initial organization, as a nonprofit corporation in the District of Columbia, of the Health Benefits and Data Standards Board (in this section referred to as the "Benefits and Data Board"), under the direction of a board of directors consisting of 5 directors.

(b) APPOINTMENT OF DIRECTORS.—

(1) SOLICITATION.—The Board shall solicit nominations for the initial board of directors of the Benefits and Data Board from organizations that represent the various groups with an interest in the health care system and the functions of the Board.

(2) CONTINUATION.—The by-laws of the Benefits and Data Board shall provide for the board of directors subsequently to be appointed by the board in a manner that ensures a broad range of representation of through groups with an interest in providing and purchasing health care.

(3) TERMS OF DIRECTORS.—The term of each member of the board of directors shall be for 7 years, except that in order to provide for staggered terms, the terms of the members initially appointed shall be for 3, 4, 5, 6, and 7 years. In the case of a vacancy by death or resignation, the replacement shall be appointed for the remainder of the term. No individual may serve as a director of the board for more than 14 years.

(c) FUNCTIONS.—

(1) IN GENERAL.—The Benefits and Data Board shall make recommendations to the Board concerning each of the following:

(A) The uniform set of effective benefits.

(B) The standards for information collection from AHPs.

(C) Auditing standards to ensure the accuracy of such information.

Before making recommendations concerning the standards described in subparagraph (B), the Benefits and Data Board shall consult with the Agency for Health Care Policy and Research regarding the Agency's need for information in performing its activities.

(2) ASSESSMENTS.—The Benefits and Data Board shall provide the Board with its assessment of—

(A) medical technology;

(B) practice variations;

(C) the effectiveness of medical practices and drug therapies based on research performed by the Agency for Health Care Policy and Research;

(D) information from clinical and epidemiologic studies; and

(E) information provided by AHPs, including AHP-specific information on clinical health, functional status, well-being, and plan satisfaction of enrolled individuals.

(3) NATIONAL HEALTH DATA SYSTEM.—The Benefits and Data Board shall provide the Board with its assistance in the development of the standards for the national data reporting system under section 137.

(d) FUNDING.—

(1) IN GENERAL.—In order to provide funding for the Benefits and Data Board, the National Health Board shall establish an annual registration fee for AHPs which is imposed on a per-covered-individual-basis and is sufficient, in the aggregate, to provide each year for not more than the amount specified in paragraph (2) for the operation of the Benefits and Data Board.

(2) AMOUNT OF FUNDS.—The amount specified in this paragraph for each of fiscal years 1994 and 1995, is $50,000,000, and, for each succeeding fiscal year, is $25,000,000.

SEC. 134. HEALTH PLAN STANDARDS BOARD.

(a) ESTABLISHMENT.—The Board shall provide for the initial organization, as a nonprofit corporation in the District of Columbia, of the Health Plan Standards Board (in this section referred to as the "Plan Standards Board"), under the direction of a board of directors consisting of 5 directors.

(b) APPOINTMENT OF DIRECTORS.—

(1) SOLICITATION.—The Board shall solicit nominations for the initial board of directors of the Plan Standards Board from organizations that represent the various groups with an interest in the health care system and the functions of the Board.

(2) CONTINUATION.—The by-laws of the Plan Standards Board shall provide for the board of directors subsequently to be appointed by the board in a manner that ensures a broad range of representation of through groups with an interest in providing and purchasing health care.

(3) TERMS OF DIRECTORS.—The term of each member of the board of directors shall be for 7 years, except that in order to provide for staggered terms, the terms of the members initially appointed shall be for 3, 4, 5, 6, and 7 years. In the case of a vacancy by death or resignation, the replacement shall be appointed for the remainder of the term. No individual may serve as a director of the board for more than 12 years.

(c) FUNCTIONS.—

(1) IN GENERAL.—The Plan Standards Board shall make recommendations to the Board concerning the standards for AHPs (other than standards relating to the uniform set of effective benefits and the national health data system) and for HPPCs.

(2) ASSESSMENT OF RISK-ADJUSTMENT FACTORS.—The Plan Standards Board shall provide the Board with its assessment of the risk-adjustment factors under section 136.

(d) FUNDING.—In order to provide funding for the Plan Standards Board, the National Health Board shall establish an annual registration fee for AHPs which is imposed on a per-covered-individual-basis and is sufficient, in the aggregate, to provide each year for not more than 60 percent of the amount specified in section 133(d)(2) for the operation of the Plan Standards Board.

SEC. 135. REGISTRATION OF ACCOUNTABLE HEALTH PLANS.

(a) IN GENERAL.—The Board shall register those health plans that meet the standards under subtitle B.

(b) TREATMENT OF STATE CERTIFICATION.—If the Board determines that a State superintendent of insurance, State insurance commissioner, or other State official provides for the imposition of standards that the Board finds are equivalent to the standards established under subtitle B for registration of a health benefit plan as an AHP, the Board may provide for registration as AHPs of health plans that such official certifies as meeting the standards for registration. Nothing in this subsection shall require a health plan to be certified by such an official in order to be registered by the Board.

(c) MEDICAID WAIVER.—The Board shall develop criteria and procedures under which the Secretary may grant a waiver to a State to permit that State to enroll individuals, otherwise eligible for enrollment under title XIX of the Social Security Act, under ACPs through a HPPC. The waiver shall permit the State to use funds made available under such title XIX for the enrollment of medicaid eligible individuals through a HPPC. The State shall ensure that individuals enrolled in a AHP under such a waiver are guaranteed at least those minimum benefits that such individual would have been entitled to under such title XIX.

SEC. 136. SPECIFICATION OF RISK-ADJUSTMENT FACTORS.

(a) IN GENERAL.—The Board shall establish rules for the process of risk-adjustment of

premiums among AHPs by HPPCs under section 102(d).

(b) PROCESS.—

(1) IDENTIFICATION OF RELATIVE RISK.—The Board shall determine risk-adjustment factors that are correlated with increased or diminished risk for consumption of the type of health services included in the uniform set of effective benefits. To the maximum extent practicable, such factors shall be determined without regard to the methodology used by individual AHPs in the provision of such benefits. In determining such factors, with respect to an individual who is identified as having—

(A) a lower-than-average risk for consumption of the services, the factor shall be a number, less than zero, reflecting the degree of such lower risk;

(B) an average risk for consumption of the services, the factor shall be zero; or

(C) a higher-than-average risk for consumption of the services, the factor shall be a number, greater than zero, reflecting the degree of such higher risk.

(2) ADJUSTMENT OF FACTORS.—In applying under section 102(d)(1)(B) the risk-adjustment factors determined under paragraph (1), each HPPC shall adjust such factors, in accordance with a methodology established by the Board, so that the sum of such factors is zero for all enrollee units in each HPPC area for which a premium payment is forwarded under section 102(d) for each premium payment period.

SEC. 137. NATIONAL HEALTH DATA SYSTEM.

(a) STANDARDIZATION OF INFORMATION.—

(1) IN GENERAL.—The Board shall establish standards for the periodic reporting by AHPs of information under section 113(a).

(2) PATIENT CONFIDENTIALITY.—The standards shall be established in a manner that protects the confidentiality of individual enrollees, but may provide for the disclosure of information which discloses particular providers within an AHP.

(b) ANALYSIS OF INFORMATION.—The Board shall analyze the information reported in order to distribute it in a form consistent with subsection (a)(2), that—

(1) reports, on a national, State, and community basis, the levels and trends of health care expenditures, the rates and trends in the provision of individual procedures, and the price levels and rates of price change for such procedures; and

(2) permits the direct comparison of different AHPs on the basis of the ability of the AHPs to maintain and improve clinical health, functional status, and well-being and to satisfy enrolled individuals.

The reports under paragraph (1) shall include both aggregate and per capita measures for areas and shall include comparative data of different areas. The comparison under paragraph (2) may also be made to show changes in the performance of AHPs over time.

(c) DISTRIBUTION OF INFORMATION.—

(1) IN GENERAL.—The Board shall provide, through the HPPCs and directly to AHPs, for the distribution of its analysis on individual AHPs. Such distribution shall occur at least annually before each general enrollment period.

(2) ANNUAL REPORT ON EXPENDITURES.—The Board shall publish annually (beginning with 1996) a report on expenditures on, and volumes and prices of, procedures. Such report shall be distributed to each AHP, each HPPC, each Governor, and each State legislature.

(3) ANNUAL REPORTS.—The Board shall also publish an annual report, based on analyses under this section, that identifies—

(A) procedures for which, as reflected in variations in use or rates of increase, there appear to be the greatest need to develop valid clinical protocols for clinical decision-making and review;

(B) procedures for which, as reflected in price variations and price inflation, there appear to be the greatest need for strengthening competitive purchasing; and

(C) States and localities for which, as reflected in expenditure levels and rates of increase, there appear to be the greatest need for additional cost control measures.

(4) SPECIAL DISTRIBUTIONS.—The Board may, whenever it deems appropriate, provide for the distribution—

(A) to an AHP of such information relating to the plan as may be appropriate in order to encourage the plan to improve its delivery of care; and

(B) to business, consumer, and other groups and individuals of such information as may improve their ability to effect improvements in the outcomes, quality, and efficiency of health services.

(5) ACCESS BY AGENCY FOR HEALTH CARE POLICY AND RESEARCH.—The Board shall make available to the Agency for Health Care Policy and Research information obtained under section 113(a) in a manner consistent with subsection (a)(2).

(d) STANDARDIZED FORMS.—Not later than October 1, 1994, the Board, in consultation with representatives of local governments, insurers, health care providers, and consumers shall develop a plan to accelerate electronic billing and computerization of medical records and shall develop standardized claim forms and billing procedures for use by all AHPs under this title.

SEC. 138. MEASURES OF QUALITY OF CARE OF SPECIALIZED CENTERS OF CARE.

(a) COLLECTION OF INFORMATION.—The Board shall provide a process whereby a specialized center of care (as defined in subsection (c)) may submit to the Board such clinical and other information bearing on the quality of care provided with respect to the uniform set of effective benefits at the center as the Board may specify. Such information shall include sufficient information to take into account outcomes and the risk factors associated with individuals receiving care through the center. Such information shall be provided at such frequency (not less often than annually) as the Board specifies.

(b) MEASURES OF QUALITY.—Using information submitted under subsection (a) and information reported under section 137, the Board shall—

(1) analyze the performance of such centers with respect to the quality of care provided;

(2) rate the performance of such a center with respect to a class of services relative to the performance of other specialized centers of care and relative to the performance of AHPs generally; and

(3) publish such ratings.

(c) USE OF SERVICE MARK FOR SPECIALIZED CENTERS OF CARE.—The Board may establish a service mark for specialized centers of care the performance of which has been rated under subsection (b). Such service mark shall be registrable under the Trademark Act of 1946, and the Board shall apply for the registration of such service mark under such Act. For purposes of such Act, such service mark shall be deemed to be used in commerce. For purposes of this subsection, the "Trademark Act of 1946" refers to the Act entitled "An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of international conventions, and for other purposes", approved July 5, 1946 (15 U.S.C. 1051 et seq.).

(d) SPECIALIZED CENTER OF CARE DEFINED.—In this section, the term "specialized center of care" means an institution or other organized system for the provision of specific services, which need not be multi-disciplinary, and does not include (except as the Board may provide) individual practitioners.

SEC. 139. REPORT ON IMPACT OF ADVERSE SELECTION; RECOMMENDATIONS ON MANDATED PURCHASE OF COVERAGE.

(a) STUDY.—The Board shall study—

(1) the extent to which those eligible individuals (as defined in subsection (c)) who enroll with AHPs have significantly greater needs for health care services than the population of eligible individuals as a whole; and

(2) methods for reducing adverse impacts that may result from such adverse selection.

(b) REPORT.—By not later than January 1, 1996, the Board shall submit to Congress a report on the study under subsection (a) and on appropriate methods for reducing adverse impacts that may result from adverse selection in enrollment. The report shall specifically include—

(1) an examination of the impact of establishing a requirement that all eligible individuals obtain health coverage through enrollment with an AHP; and

(2) a recommendation as to whether (and, if so, how) to impose such a requirement.

(c) ELIGIBLE INDIVIDUAL DEFINED.—In this section, the term "eligible individual"—

(1) includes individuals who would be eligible individuals but for section 2(a)(4)(B), but

(2) does not include individuals eligible to enroll for benefits under part B of title XVIII of the Social Security Act.

TITLE II—PRIMARY AND PREVENTIVE CARE SERVICES

SEC. 201. MATERNAL AND INFANT CARE COORDINATION.

(a) PURPOSE.—It is the purpose of this section to assist States in the development and implementation of coordinated, multidisciplinary, and comprehensive primary health care and social services, and health and nutrition education programs, designed to improve maternal and child health.

(b) GRANTS FOR IMPLEMENTATION OF PROGRAMS.—

(1) AUTHORITY.—The Secretary of Health and Human Services (hereafter referred to in this section as the "Secretary") is authorized to award grants to States to enable such States to plan and implement coordinated, multidisciplinary, and comprehensive primary health care and social service programs targeted to pregnant women and infants.

(2) ELIGIBILITY.—To be eligible to receive a grant under this section, a State shall—

(A) prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require;

(B) provide assurances that under the program established with amounts received under a grant, individuals will have access (without any barriers) to comprehensive family planning counseling, pregnancy testing, prenatal care, delivery, intrapartum and postpartum care, pediatric care for infants, and social services as appropriate, including outreach activities, home visits, child care, transportation, risk assessment, nutrition counseling, dental care, mental health services, substance abuse services, services relating to HIV infection, and prevention counseling;

(C) provide assurances that under the program individuals will have access, without

any barriers, to the full range of pediatric services provided by pediatric nurse practitioners and clinical nurse specialists, including in-home services for low birth weight babies;

(D) as part of the State application, submit a plan for providing incentive payments of up to $500 to pregnant women who—

(i) have not attained age 20;

(ii) are at risk of having low birth weight babies;

(iii) agree to attend not less than 5 prenatal visits and 1 postnatal visit; and

(iv) agree to attend a requisite number of prenatal care and parenting classes, as determined by the State;

(E) as part of the State application, submit a plan for the coordination and maximization of existing and proposed Federal and State resources, including amounts provided under the medicaid program under title XIX of the Social Security Act, the special supplemental food program under section 17 of the Child Nutrition Act of 1966, family planning programs, substance abuse programs, State maternal and child health programs funded under title V of the Social Security Act, community and migrant health center programs under the Public Health Service Act, and other publicly, or where practicable, privately supported programs;

(F) demonstrate that the major service providers to be involved, including private nonprofit entities committed to improving maternal and infant health, are committed to and involved in the program to be funded with amounts received under the grant;

(G) with respect to States with high infant mortality rates among minority populations, demonstrate the involvement of major health, multiservice, professional, or civic group representatives of such minority groups in the planning and implementation of the State program; and

(H) demonstrate that health promotion and outreach activities under the State program are targeted to women of childbearing age, particularly those at risk for having low birth weight babies.

(3) TERM OF GRANT.—A grant awarded under this subsection shall be for a period of 5 years.

(4) USE OF AMOUNTS.—Amounts received by a State under a grant awarded under this subsection shall be used to establish a State program to provide coordinated, multidisciplinary, and comprehensive primary health care and social services, and health and nutrition education program services, that are designed to improve maternal and child health.

(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection, $100,000,000 for fiscal year 1994, $300,000,000 for fiscal year 1995, and $500,000,000 for each of the fiscal years 1996 through 1998.

(c) MODEL HEALTH AND NUTRITION EDUCATION CURRICULA.—

(1) AUTHORITY.—The Secretary, in conjunction with the Secretary of Education and the Secretary of Agriculture, is authorized to award grants, on a competitive basis, to public or nonprofit private entities to enable such entities to develop model health and nutrition education curricula for children in grades kindergarten through twelfth.

(2) APPLICATION.—To be eligible to receive a grant under paragraph (1), an entity shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

(3) CURRICULA.—Curricula developed under paragraph (1) should be consistent with the goals of "Healthy People 2000: National Health Promotion and Disease Prevention Objectives", published by the Department of Health and Human Services in September 1990, and shall address the cultural and lifestyle realities of racial and ethnic minority populations.

(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection, $10,000,000 for fiscal year 1994.

SEC. 202. REAUTHORIZATION OF CERTAIN PROGRAMS PROVIDING PRIMARY AND PREVENTIVE CARE.

(a) IMMUNIZATION PROGRAMS.—Section 317(j)(1)(A) of the Public Health Service Act (42 U.S.C. 247b(j)(1)(A)) is amended—

(1) by striking "and such sums" and inserting "such sums"; and

(2) by striking "each of the fiscal years 1992 through 1995" and inserting "each of the fiscal years 1992 and 1993, $380,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998".

(b) TUBERCULOSIS PREVENTION GRANTS.—Section 317(j)(2) of the Public Health Service Act (42 U.S.C. 247b(j)(2)) is amended—

(1) by striking "and such sums" and inserting "such sums"; and

(2) by striking "each of the fiscal years 1992 through 1995" and inserting "each of the fiscal years 1992 and 1993, $30,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998".

(c) SEXUALLY TRANSMITTED DISEASES.—Section 318(d)(1) of the Public Health Service Act (42 U.S.C. 247c(d)(1)) is amended—

(1) by striking "and such sums" and inserting "such sums"; and

(2) by inserting before the first period the following: "$125,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998".

(d) MIGRANT HEALTH CENTERS.—Section 329(h)(1)(A) of the Public Health Service Act (42 U.S.C. 254b(h)(1)(A)) is amended by striking "and 1991, and such sums as may be necessary for each of the fiscal years 1992 through 1994" and inserting "through 1993, $80,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998".

(e) COMMUNITY HEALTH CENTERS.—Section 330(g)(1)(A) of the Public Health Service Act (42 U.S.C. 254c(g)(1)(A)) is amended by striking "and 1991, and such sums as may be necessary for each of the fiscal years 1992 through 1994" and inserting "through 1993, $700,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998".

(f) HEALTH CARE SERVICES FOR THE HOMELESS.—Section 340(q)(1) of the Public Health Service Act (42 U.S.C. 256(q)(1)) is amended by striking "and such sums" and all that follows through the period and inserting "$90,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998.".

(g) FAMILY PLANNING PROJECT GRANTS.—Section 1001(d) of the Public Health Service Act (42 U.S.C. 300(d)) is amended—

(1) by striking "and $158,400,000" and inserting "$158,400,000"; and

(2) by inserting before the period the following: ", $200,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998".

(h) BREAST AND CERVICAL CANCER PREVENTION.—Section 1509(a) of the Public Health Service Act (42 U.S.C. 300n-5(a)) is amended—

(1) by striking "and such sums" and inserting "such sums"; and

(2) by striking "for each of the fiscal years 1992 and 1993" and inserting "for each of the fiscal years 1992 and 1993, $100,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998".

(i) PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT.—Section 1901(a) of the Public Health Service Act (42 U.S.C. 300w(a)) is amended by striking "$205,000,000" and inserting "$235,000,000".

(j) HIV EARLY INTERVENTION.—Section 2655 of the Public Health Service Act (42 U.S.C. 300ff-55) is amended—

(1) by striking "and such sums" and inserting "such sums"; and

(2) by striking "each of the fiscal years 1992 through 1995" and inserting "each of fiscal years 1992 and 1993, $310,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998".

(k) MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT.—Section 501(a) of the Social Security Act (42 U.S.C. 701(a)) is amended by striking "$686,000,000 for fiscal year 1990 and each fiscal year thereafter" and inserting "$800,000,000 for fiscal year 1994, and such sums as may be necessary in each of the fiscal years 1995 through 1998".

SEC. 203. COMPREHENSIVE SCHOOL HEALTH EDUCATION PROGRAM.

Section 4605 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 3155) is amended to read as follows:

"SEC. 4605. COMPREHENSIVE SCHOOL HEALTH EDUCATION PROGRAMS.

"(a) PURPOSE.—It is the purpose of this section to establish a comprehensive school health education and prevention program for elementary and secondary school students.

"(b) PROGRAM AUTHORIZED.—The Secretary, through the Office of Comprehensive School Health Education established in subsection (e), shall award grants to States from allotments under subsection (c) to enable such States to—

"(1) award grants to local or intermediate educational agencies, and consortia thereof, to enable such agencies or consortia to establish, operate and improve local programs of comprehensive health education and prevention, early health intervention, and health education, in elementary and secondary schools (including preschool, kindergarten, intermediate, and junior high schools); and

"(2) develop training, technical assistance and coordination activities for the programs assisted pursuant to paragraph (1).

"(c) RESERVATIONS AND STATE ALLOTMENTS.—

"(1) RESERVATIONS.—From the sums appropriated pursuant to the authority of subsection (f) for any fiscal year, the Secretary shall reserve—

"(A) 1 percent for payments to Guam, American Samoa, the Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, the Northern Mariana Islands, and the Republic of Palau, to be allotted in accordance with their respective needs; and

"(B) 1 percent for payments to the Bureau of Indian Affairs.

"(2) STATE ALLOTMENTS.—From the remainder of the sums not reserved under paragraph (1), the Secretary shall allot to each State an amount which bears the same ratio to the amount of such remainder as the school-age population of the State bears to the school-age population of all States, except that no State shall be allotted less than an amount equal to 0.5 percent of such remainder.

"(3) REALLOTMENT.—The Secretary may reallot any amount of any allotment to a State to the extent that the Secretary determines that the State will not be able to obligate such amount within 2 years of allotment. Any such reallotment shall be made on the same basis as an allotment under paragraph (2).

"(d) USE OF FUNDS.—Grant funds provided to local or intermediate educational agencies, or consortia thereof, under this section may be used to improve elementary and secondary education in the areas of—

"(1) personal health and fitness;

"(2) prevention of chronic diseases;

"(3) prevention and control of communicable diseases;

"(4) nutrition;

"(5) substance use and abuse;

"(6) accident prevention and safety;

"(7) community and environmental health;

"(8) mental and emotional health;

"(9) parenting and the challenges of raising children; and

"(10) the effective use of the health services delivery system.

"(e) OFFICE OF COMPREHENSIVE SCHOOL HEALTH EDUCATION.—The Secretary shall establish within the Office of the Secretary an Office of Comprehensive School Health Education which shall have the following responsibilities:

"(1) To recommend mechanisms for the coordination of school health education programs conducted by the various departments and agencies of the Federal Government.

"(2) To advise the Secretary on formulation of school health education policy within the Department of Education.

"(3) To disseminate information on the benefits to health education of utilizing a comprehensive health curriculum in schools.

"(f) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There are authorized to be appropriated $50,000,000 for fiscal year 1994 and such sums as may be necessary for each of the fiscal years 1995 and 1996 to carry out this section.

"(2) AVAILABILITY.—Funds appropriated pursuant to the authority of paragraph (1) in any fiscal year shall remain available for obligation and expenditure until the end of the fiscal year succeeding the fiscal year for which such funds were appropriated.".

SEC. 204. COMPREHENSIVE EARLY CHILDHOOD HEALTH EDUCATION PROGRAM.

(a) PURPOSE.—It is the purpose of this section to establish a comprehensive early childhood health education program.

(b) PROGRAM.—The Secretary of Health and Human Services shall conduct a program of awarding grants to agencies conducting Head Start training to enable such agencies to provide training and technical assistance to Head Start teachers and other child care providers. Such program shall—

(1) establish a training system through the Head Start agencies and organizations conducting Head Start training for the purpose of enhancing teacher skills and providing comprehensive early childhood health education curriculum;

(2) enable such agencies and organizations to provide training to day care providers in order to strengthen the skills of the early childhood workforce in providing health education;

(3) provide technical support for health education programs and curricula; and

(4) provide cooperation with other early childhood providers to ensure coordination of such programs and the transition of students into the public school environment.

(c) USE OF FUNDS.—Grant funds under this section may be used to provide training and technical assistance in the areas of—

(1) personal health and fitness;

(2) prevention of chronic diseases;

(3) prevention and control of communicable diseases;

(4) dental health;

(5) nutrition;

(6) substance use and abuse;

(7) accident prevention and safety;

(8) community and environmental health;

(9) mental and emotional health; and

(10) strengthening the role of parent involvement.

(d) RESERVATION FOR INNOVATIVE PROGRAMS.—The Secretary shall reserve 5 percent of the funds appropriated pursuant to the authority of subsection (e) in each fiscal year for the development of innovative model health education programs or curricula.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $40,000,000 for fiscal year 1994 and such sums as may be necessary for each of the fiscal years 1995 and 1996 to carry out this section.

SEC. 205. DISEASE PREVENTION AND HEALTH PROMOTION PROGRAMS TREATED AS MEDICAL CARE.

(a) IN GENERAL.—For purposes of section 213(d)(1) of the Internal Revenue Code of 1986 (defining medical care), qualified expenditures (as defined by the Secretary of Health and Human Services) for disease prevention and health promotion programs shall be considered amounts paid for medical care.

(b) EFFECTIVE DATE.—Subsection (a) shall apply to amounts paid in taxable years beginning after December 31, 1992.

SEC. 206. WORKSITE WELLNESS GRANT PROGRAM.

(a) GRANTS.—The Secretary of Health and Human Services (hereafter referred to as the "Secretary") shall award grants to States (through State health departments or other State agencies working in consultation with the State health agency) to enable such States to provide assistance to businesses with not to exceed 100 employees for the establishment and operation of worksite wellness programs for their employees.

(b) APPLICATION.—To be eligible for a grant under subsection (a), a State shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, including—

(1) a description of the manner in which the State intends to use amounts received under the grant; and

(2) assurances that the State will only use amounts provided under such grant to provide assistance to businesses that can demonstrate that they are in compliance with minimum program characteristics (relative to scope and regularity of services offered) that are developed by the Secretary in consultation with experts in public health and representatives of small business.

Grants shall be distributed to States based on the population of individuals employed by small businesses.

(c) PROGRAM CHARACTERISTICS.—In developing minimum program characteristics under subsection (b)(2), the Secretary shall ensure that all activities established or enhanced under a grant under this section have clearly defined goals and objectives and demonstrate how receipt of such assistance will help to achieve established State or local health objectives based on the National Health Promotion and Disease Prevention Objectives.

(d) USE OF FUNDS.—Amounts received under a grant awarded under subsection (a) shall be used by a State to provide grants to businesses (as described in subsection (a)), nonprofit organizations, or public authorities, or to operate State-run worksite wellness programs.

(e) SPECIAL EMPHASIS.—In funding business worksite wellness projects under this section, a State shall give special emphasis to—

(1) the development of joint wellness programs between employers;

(2) the development of employee assistance programs dealing with substance abuse;

(3) maximizing the use and coordination with existing community resources such as nonprofit health organizations; and

(4) encourage participation of dependents of employees and retirees in wellness programs.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, such sums as may be necessary in each of the fiscal years 1994 through 1998.

TITLE III—TAX INCENTIVES TO INCREASE HEALTH CARE ACCESS

SEC. 301. CREDIT FOR ACCOUNTABLE HEALTH PLAN COSTS.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable personal credits) is amended by inserting after section 34 the following new section:

"SEC. 34A. ACCOUNTABLE HEALTH PLAN COSTS.

"(a) ALLOWANCE OF CREDIT.—

"(1) IN GENERAL.—In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the applicable percentage of the accountable health plan costs paid by such individual during the taxable year.

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the term 'applicable percentage' means 60 percent reduced (but not below zero) by 10 percentage points for each $1,000 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds the applicable dollar amount.

"(3) APPLICABLE DOLLAR AMOUNT.—For purposes of this subsection, the term 'applicable dollar amount' means—

"(A) in the case of a taxpayer filing a joint return, $28,000,

"(B) in the case of any other taxpayer (other than a married individual filing a separate return), $18,000, and

"(C) in the case of a married individual filing a separate return, zero.

For purposes of this subsection, the rule of section 219(g)(4) shall apply.

"(b) ACCOUNTABLE HEALTH PLAN COSTS.—For purposes of this section—

"(1) IN GENERAL.—The term 'accountable health plan costs' means amounts paid during the taxable year for insurance which constitutes medical care (within the meaning of section 213(g)). For purposes of the preceding sentence, the rules of section 213(d)(6) shall apply.

"(2) DOLLAR LIMIT ON ACCOUNTABLE HEALTH PLAN COSTS.—The amount of the accountable health care costs paid during any taxable year which may be taken into account under subsection (a)(1) shall not exceed the reference premium amount for the taxable year.

"(3) ELECTION NOT TO TAKE CREDIT.—A taxpayer may elect for any taxable year to have amounts described in paragraph (1) not treated as accountable health plan costs.

"(4) DEFINITION.—As used in paragraph (2), the term 'reference premium rate amount'

means, with respect to an individual in a HPPC area, the lowest premium established by an open accountable health plan and offered in the area for the premium class applicable to such individual (including, if appropriate, the HPPC overhead amount established under section 105(b)(3)) of this Act applied for the taxable year period involved.

"(c) ELIGIBLE INDIVIDUAL.—For purposes of this section, the term 'eligible individual' means, with respect to any period, an individual who is not covered during such period by a health plan maintained by an employer of such individual or such individual's spouse.

"(d) SPECIAL RULES.—For purposes of this section—

"(1) COORDINATION WITH ADVANCE PAYMENT AND MINIMUM TAX.—Rules similar to the rules of subsections (g) and (h) of section 32 shall apply to any credit to which this section applies.

"(2) MEDICARE-ELIGIBLE INDIVIDUALS.—No expense shall be treated as an accountable health plan cost if it is an amount paid for insurance for an individual for any period with respect to which such individual is entitled (or, on application without the payment of an additional premium, would be entitled to) benefits under part A of title XVIII of the Social Security Act.

"(3) SUBSIDIZED EXPENSES.—No expense shall be treated as an accountable health plan cost to the extent—

"(A) such expense is paid, reimbursed, or subsidized (whether by being disregarded for purposes of another program or otherwise) by the Federal Government, a State or local government, or any agency or instrumentality thereof, and

"(B) the payment, reimbursement, or subsidy of such expense is not includible in the gross income of the recipient.

"(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.".

(b) ADVANCE PAYMENT OF CREDIT.—

(1) IN GENERAL.—Chapter 25 of the Internal Revenue Code of 1986 is amended by inserting after section 3507 the following new section:

"SEC. 3507A. ADVANCE PAYMENT OF ACCOUNTABLE HEALTH PLAN COSTS.

"(a) GENERAL RULE.—Except as otherwise provided in this section, every employer making payment of wages with respect to whom an accountable health plan costs eligibility certificate is in effect shall, at the time of paying such wages, make an additional payment equal to such employee's accountable health plan costs advance amount.

"(b) ACCOUNTABLE HEALTH PLAN COSTS ELIGIBILITY CERTIFICATE.—For purposes of this title, an accountable health plan costs eligibility certificate is a statement furnished by an employee to the employer which—

"(1) certifies that the employee will be eligible to receive the credit provided by section 34A for the taxable year,

"(2) certifies that the employee does not have an accountable health plan costs eligibility certificate in effect for the calendar year with respect to the payment of wages by another employer,

"(3) states whether or not the employee's spouse has an accountable health plan costs eligibility certificate in effect, and

"(4) estimates the amount of accountable health plan costs (as defined in section 34A(b)) for the calendar year.

For purposes of this section, a certificate shall be treated as being in effect with respect to a spouse if such a certificate will be in effect on the first status determination date following the date on which the employee furnishes the statement in question.

"(c) ACCOUNTABLE HEALTH PLAN COSTS ADVANCE AMOUNT.—

"(1) IN GENERAL.—For purposes of this title, the term 'accountable health plan costs advance amount' means, with respect to any payroll period, the amount determined—

"(A) on the basis of the employee's wages from the employer for such period,

"(B) on the basis of the employee's estimated accountable health plan costs included in the accountable health plan costs eligibility certificate, and

"(C) in accordance with tables provided by the Secretary.

"(2) ADVANCE AMOUNT TABLES.—The tables referred to in paragraph (1)(D) shall be similar in form to the tables prescribed under section 3402 and, to the maximum extent feasible, shall be coordinated with such tables and the tables prescribed under section 3507(c).

"(d) OTHER RULES.—For purposes of this section, rules similar to the rules of subsections (d) and (e) of section 3507 shall apply.

"(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.".

(2) CONFORMING AMENDMENT.—The table of sections for chapter 25 of such Code is amended by adding after the item relating to section 3507 the following new item:

"Sec. 3507A. Advance payment of accountable health plan costs credit.".

(c) COORDINATION WITH DEDUCTIONS FOR HEALTH INSURANCE EXPENSES.—

(1) SELF-EMPLOYED INDIVIDUALS.—Section 162(l) of the Internal Revenue Code of 1986, as amended by section 303, is further amended by adding after paragraph (5) the following new paragraph:

"(6) COORDINATION WITH HEALTH INSURANCE PREMIUM CREDIT.—Paragraph (1) shall not apply to any amount taken into account in computing the amount of the credit allowed under section 34A.".

(2) MEDICAL, DENTAL, ETC., EXPENSES.—Subsection (e) of section 213 of such Code is amended by inserting "or section 34A" after "section 21".

(d) TERMINATION OF HEALTH INSURANCE CREDIT.—Section 32 of the Internal Revenue Code of 1986 (relating to earned income credit) is amended by adding at the end thereof the following new subsection:

"(d) TERMINATION OF HEALTH INSURANCE CREDIT.—In the case of taxable years beginning after December 31, 1991, the health insurance credit percentage shall be equal to 0 percent."

(e) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 34 the following new item:

"Sec. 34A. Accountable health plan costs.".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993.

SEC. 302. NO DEDUCTION FOR EMPLOYER HEALTH PLAN EXPENSES IN EXCESS OF ACCOUNTABLE HEALTH PLAN COSTS.

(a) IN GENERAL.—Section 162 of the Internal Revenue Code of 1986 (relating to trade or business expenses) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

"(m) GENERAL RULE.—

"(1) LIMITATION ON DEDUCTION.—No deduction shall be allowed under this section for the excess health plan expenses of any employer.

"(2) EXCESS HEALTH PLAN EXPENSES.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'excess health plan expenses' means health plan expenses paid or incurred by the employer for any month with respect to any covered individual to the extent such expenses do not meet the requirements of subparagraphs (B), (C), and (D).

"(B) LIMIT TO ACCOUNTABLE HEALTH PLANS.—Health plan expenses meet the requirements of this subparagraph only if the expenses are attributable to—

"(i) coverage of the covered individual under an accountable health plan, or

"(ii) in the case of a small employer, payment to a health plan purchasing cooperative for coverage under an accountable health plan.

"(C) LIMIT ON PER EMPLOYEE CONTRIBUTION.—

"(i) IN GENERAL.—Health plan expenses with respect to any employee meet the requirements of this subparagraph for any month only to the extent that the amount of such expenses does not exceed the reference premium rate amount for the month.

"(ii) TREATMENT OF HEALTH PLANS OUTSIDE THE UNITED STATES.—For purposes of clause (i), in the case of an employee residing outside the United States, there shall be substituted for the reference premium rate such reasonable amounts as the Federal Health Board determines to be comparable to the limit imposed under clause (i).

"(iii) DEFINITION.—As used in clause (i), the term 'reference premium rate amount' means, with respect to an individual in a HPPC area, the lowest premium established by an open accountable health plan and offered in the area for the premium class applicable to such individual (including, if appropriate, the HPPC overhead amount established under section 105(b)(3) of this Act.

"(D) REQUIREMENT OF LEVEL CONTRIBUTION.—Health plan expenses meet the requirements of this subparagraph for any month only if the amount of the employer contribution (for a premium class) does not vary based on the accountable health plan selected.

"(3) EXCEPTION FOR MEDICARE-ELIGIBLE RETIREES.—Paragraphs (1) and (2) shall not apply to health plan expenses with respect to an individual who is eligible for benefits under part A of title XVIII of the Social Security Act if such expenses are for a health plan that is not a primary payor under section 1862(b) of such Act.

"(4) SPECIAL RULES.—

"(A) TREATMENT OF SELF-INSURED PLANS.—In the case of a self-insured health plan, the amount of contributions per employee shall be determined for purposes of paragraph (2)(C) in accordance with rules established by the Federal Health Board which are based on the principles of section 4980B(f)(4)(B) (as in effect before the date of the enactment of this subsection).

"(B) CONTRIBUTIONS TO CAFETERIA PLANS.—Contributions under a cafeteria plan on behalf of an employee that may be used for a group health plan coverage shall be treated for purposes of this section as health plan expenses paid or incurred by the employer.

"(5) EMPLOYEES HELD HARMLESS.—Nothing in this section shall be construed as affecting the exclusion from gross income of an employee under section 106.

"(6) OTHER DEFINITIONS.—For purposes of this subsection—

"(A) COVERED INDIVIDUAL.—The term 'covered individual' means any beneficiary of a group health plan.

"(B) GROUP HEALTH PLAN.—The term 'group health plan' has the meaning given such term by section 5000(b)(1).

"(C) HEALTH PLAN EXPENSES.—

"(i) IN GENERAL.—The term 'health plan expenses' means employer expenses for any group health plan, including expenses for premiums as well as payment of deductibles and coinsurance that would otherwise be applicable.

"(ii) EXCLUSION OF CERTAIN DIRECT EXPENSES.—Such term does not include expenses for direct services which are determined by the Federal Health Board to be primarily aimed at workplace health care and health promotion or related population-based preventive health activities.

"(D) ACCOUNTABLE HEALTH PLAN.—The term 'accountable health plan' has the meaning given such term by section 2(b)(1) of this Act.

"(E) SMALL EMPLOYER.—The term 'small employer' means, for a taxable year, an employer that is a small employer (within the meaning of section 2(c)(2) of this Act for the most recent calendar year ending before the end of the taxable year.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to expenses incurred for the provision of health services for periods after December 31, 1993.

(2) TRANSITION FOR COLLECTIVE BARGAINING AGREEMENTS.—The amendments made by this section shall not apply to employers with respect to their employees, insofar as such employees are covered under a collective bargaining agreement ratified before the date of the enactment of this Act, earlier than the date of termination of such agreement (determined without regard to any extension thereof agreed to after the date of the enactment of this Act), or January 1, 1996, whichever is earlier.

SEC. 303. INCREASE IN DEDUCTION FOR HEALTH PLAN PREMIUM EXPENSES OF SELF-EMPLOYED INDIVIDUALS.

(a) INCREASING DEDUCTION TO 100 PERCENT.—Paragraph (1) of section 162(l) of the Internal Revenue Code of 1986 (relating to special rules for health insurance costs of self-employed individuals) is amended by striking "25 percent of".

(b) MAKING PROVISION PERMANENT.—Section 162(l) of such Code is amended by striking paragraph (6).

(c) LIMITATION TO ACCOUNTABLE HEALTH PLANS.—Paragraph (2) of section 162(l) of such Code is amended by adding at the end thereof the following new subparagraph:

"(C) DEDUCTION LIMITED TO ACCOUNTABLE HEALTH PLAN COSTS.—No deduction shall be allowed under this section for any amount which would be excess health plan expenses (as defined in subsection (m)(2), determined without regard to subparagraph (D) thereof) if the taxpayer were an employer.".

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 1993.

(2) EXCEPTION.—The amendment made by subsection (c) shall apply to expenses for periods of coverage beginning on or after January 1, 1994.

SEC. 304. DEDUCTION FOR HEALTH PLAN PREMIUM EXPENSES OF INDIVIDUALS.

(a) IN GENERAL.—Section 213 of the Internal Revenue Code of 1986 (relating to medical, dental, etc., expenses) amended by adding at the end the following new subsection:

"(g) SPECIAL RULES FOR HEALTH PLAN PREMIUM EXPENSES.—

"(1) IN GENERAL.—The deduction under subsection (a) shall be determined without regard to the limitation based on adjusted gross income with respect to amounts paid for premiums for coverage under an accountable health plan.

"(2) LIMIT.—The amount allowed as a deduction under paragraph (1) with respect to the cost of providing coverage for any individual shall not exceed the applicable limit specified in section 162(m)(2)(C) reduced by the aggregate amount paid by all other entities (including any employer or any level of government) for coverage of such individual under any health plan.

"(3) DEDUCTION ALLOWED AGAINST GROSS INCOME.—The deduction under this subsection shall be taken into account in determining adjusted gross income under section 62(a).

"(4) TREATMENT OF MEDICARE PROGRAM.—Coverage under part A or part B of title XVIII of the Social Security Act shall not be considered for purposes of this subsection to be coverage under an accountable health plan.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1993.

SEC. 305. EXCLUSION FROM GROSS INCOME FOR EMPLOYER CONTRIBUTIONS TO ACCOUNTABLE HEALTH PLANS.

(a) IN GENERAL.—Section 106 of the Internal Revenue Code of 1986 (relating to contributions by employers to accident and health plans) is amended to read as follows:

"Gross income of an employee does not include employer-provided basic coverage under an accountable health plan (as defined in section 162(m)(2)(B)).".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993.

TITLE IV—DISCLOSURE OF CERTAIN INFORMATION TO BENEFICIARIES UNDER THE MEDICARE AND MEDICAID PROGRAMS

SEC. 401. REGULATIONS REQUIRING DISCLOSURE OF CERTAIN INFORMATION TO BENEFICIARIES UNDER THE MEDICARE AND MEDICAID PROGRAMS.

Part A 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:

"DISCLOSURE OF CERTAIN INFORMATION TO BENEFICIARIES UNDER THE MEDICARE AND MEDICAID PROGRAMS

"SEC. 1144. (a) ANNUAL REPORTS.—

"(1) INSTITUTIONAL HEALTH CARE PROVIDERS.—

"(A) IN GENERAL.—The Secretary shall issue regulations requiring that each institutional health care provider receiving payment for services provided under title XVIII or XIX shall make an annual report available to the recipients of services under such title.

"(B) CONTENTS OF REPORT.—The annual report referred to in subparagraph (A) shall include—

"(i) mortality rates relating to services provided to individuals, including incidence and outcomes of surgical and other invasive procedures;

"(ii) nosocomial infection rates;

"(iii) a list of routine preoperative tests and other frequently performed medical tests, including blood tests, chest x-rays, magnetic resonance imaging, computerized axial tomography, urinalysis, and heart catherizations, and the cost of such tests;

"(iv) the number and types of malpractice claims against the provider decided or settled for the year; and

"(v) such other information as the Secretary shall require.

"(2) NONINSTITUTIONAL HEALTH CARE PROVIDERS.—

"(A) IN GENERAL.—The Secretary shall issue regulations requiring that each noninstitutional provider receiving payment for services provided under title XVIII or XIX shall make an annual report available to the recipients of services under such title.

"(B) CONTENTS OF REPORT.—The report referred to in subparagraph (A) shall include—

"(i) information regarding the provider's education, experience, qualifications, board certification, and license to provide health care services, including a list of the States in which such provider is licensed and any limitations on such provider's license;

"(ii) any disciplinary actions taken against the provider by any health care facility, State medical agency, or medical organization which result in a finding of improper conduct;

"(iii) any malpractice action against the provider decided or settled;

"(iv) a disclosure of any ownership interest the provider may have in any health care facility, laboratory, or health care supply company; and

"(v) such other information as the Secretary shall require.

"(b) DISCLOSURE OF INFORMATION REGARDING HEALTH CARE PROCEDURES AND FORMS.—

"(1) INFORMATION REGARDING HEALTH CARE PROCEDURES AND FORMS.—The Secretary shall issue regulations requiring that each institutional and noninstitutional health care provider receiving payment for services under title XVIII or XIX shall make available any forms required in connection with the receipt of services under such title which consist of any diagnostic, surgical, or other invasive procedure, prior to the performance of such procedure.

"(2) INFORMATION PROVIDED BEFORE PERFORMANCE OF PROCEDURE.—The Secretary shall issue regulations requiring each institutional and noninstitutional health care provider receiving payment for services provided under title XVIII or XIX to disclose to any individual receiving any surgical, palliative, or other health care procedure or any drug therapy or other treatment, the following information prior to the performance of such procedure or treatment:

"(A) The nature of the procedure or treatment.

"(B) A description of the procedure or treatment.

"(C) The risk and benefits associated with the procedure or treatment.

"(D) The success rate for the procedure or treatment generally, and for the provider.

"(E) The provider's cost range for the procedure or treatment.

"(F) Any alternative treatment which may be available to such individual.

"(G) Any known side effects of any medications required in connection with the procedure or treatment.

"(H) The interactive effect of the complete regimen of medications associated with the procedure.

"(I) The availability of the information under this subsection and under subsections (a) and (c).

"(J) Such other information as the Secretary shall require.

"(3) EMERGENCIES.—The Secretary shall issue regulations with respect to the waiver of any requirement established under paragraphs (1) and (2) in a case where emergency health care is needed.

"(c) PATIENT'S RIGHT TO REFUSE INFORMATION AND TREATMENT.—The Secretary shall issue regulations requiring each institutional and noninstitutional health care provider receiving payment for services provided under title XVIII or XIX to inform any individual receiving services under such title of such individual's right—

"(1) to refuse any information which is available to such individual under the regulations described in subsections (a) and (b);

"(2) to refuse any procedure or treatment;

"(3) to refuse attendance by any such provider; or

"(4) to leave the premises of any such provider.

"(d) DEFINITIONS.—As used in this section—

"(1) INSTITUTIONAL HEALTH CARE PROVIDER.—The term 'institutional health care provider' means any hospital, clinic, skilled nursing facility, comprehensive outpatient rehabilitation facility, home health agency, hospice program, or other facility receiving payment for services provided under title XVIII or XIX, as determined by the Secretary.

"(2) NONINSTITUTIONAL HEALTH CARE PROVIDER.—The term 'noninstitutional health care provider' means any physician, physician assistant, nurse practitioner, certified nurse midwife, certified registered nurse anesthetist, or other individual receiving payment for services provided under title XVIII or XIX, as determined by the Secretary.

"(e) COMPLIANCE.—

"(1) PENALTIES FOR FAILURE TO COMPLY.—The Secretary shall issue regulations establishing appropriate penalties for any failure to comply with the regulations issued under this section.

"(2) WAIVER OF COMPLIANCE.—The Secretary may waive any of the requirements under the regulations issued under this section if a health care provider demonstrates that such requirements will result in an undue burden on such provider.".

SEC. 402. OUTREACH ACTIVITIES.

(a) MEDICARE PROGRAM.—

(1) GRANTS TO NONPROFIT PRIVATE ENTITIES FOR OUTREACH ACTIVITIES.—

(A) AUTHORITY.—The Secretary of Health and Human Services (hereafter referred to in this paragraph as the "Secretary"), is authorized to award grants, on a competitive basis, to nonprofit private entities to enable such entities to develop outreach activities to inform beneficiaries under title XVIII of the Social Security Act of the information available to such beneficiaries pursuant to regulations issued by the Secretary under section 1144 of the Social Security Act as added by section 301 of this Act.

(B) APPLICATION.—To be eligible to receive a grant under subparagraph (A), an entity shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

(C) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $5,000,000 for fiscal year 1994, $5,000,000 for fiscal year 1995, and $5,000,000 for fiscal year 1996.

(2) OUTREACH THROUGH NOTICE OF MEDICARE BENEFITS.—Section 1804 of the Social Security Act (42 U.S.C. 1395b-2) is amended—

(A) in paragraph (2), by striking ", and" and inserting a comma,

(B) in paragraph (3), by striking the period and inserting ", and", and

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

"(4) a description of the information available to beneficiaries under this title pursuant to regulations issued by the Secretary under section 1144.".

(b) MEDICAID PROGRAM.—

(1) IN GENERAL.—Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)), is amended—

(A) by striking "and" at the end of paragraph (54),

(B) by striking the period at the end of paragraph (58) (as added by section 4751(a)(1)(C) of the Omnibus Budget Reconciliation Act of 1990) and inserting a semicolon,

(C) by redesignating the second paragraph (58) (as added by section 4752(c)(1)(C) of the Omnibus Budget Reconciliation Act of 1990) as paragraph (59) and by striking the period at the end and inserting "; and", and

(D) by adding at the end the following new paragraph:

"(60) provide for an outreach program informing individuals who receive medical assistance under this title of the information available to such individuals pursuant to regulations issued by the Secretary under section 1144.".

(2) EFFECTIVE DATE.—

(A) IN GENERAL.—Paragraph (1) shall apply to calendar quarters beginning on or after January 1, 1994.

(B) GENERAL RULE.—In the case of a State which the Secretary determines requires State legislation (other than legislation authorizing or appropriating funds) in order to comply with paragraph (1), the State shall not be regarded as failing to comply with such paragraph solely on the basis of its failure to meet the requirements of such paragraph before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

TITLE V—COOPERATIVE AGREEMENTS BETWEEN HOSPITALS

SEC. 501. PURPOSE.

It is the purpose of this title to encourage cooperation between hospitals in order to contain costs and achieve a more efficient health care delivery system through the elimination of unnecessary duplication and proliferation of expensive medical or high technology services or equipment.

SEC. 502. HOSPITAL TECHNOLOGY AND SERVICES SHARING PROGRAM.

Part D of title VI of the Public Health Service Act (42 U.S.C. 291k et seq.) is amended by adding at the end thereof the following new section:

"SEC. 647. HOSPITAL TECHNOLOGY AND SERVICES SHARING DEMONSTRATION PROGRAM.

"(a) WAIVER.—The Attorney General, acting through the Secretary, may grant a waiver of the anti-trust laws, to permit two or more hospitals to enter into a voluntary cooperative agreement under which such hospitals provide for the sharing of medical technology and services.

"(b) ELIGIBLE APPLICANTS.—

"(1) IN GENERAL.—To be eligible to receive a waiver under subsection (a), an entity shall be a hospital and shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, including—

"(A) a statement that such hospital desires to negotiate and enter into a voluntary cooperative agreement with at least one other hospital operating in the State or region of the applicant hospital for the sharing of medical technology or services;

"(B) a description of the nature and scope of the activities contemplated under the cooperative agreement and any consideration that may pass under such agreement to any other hospital that may elect to become a party to the agreement; and

"(C) any other information determined appropriate by the Secretary.

"(2) DEVELOPMENT OF EVALUATION GUIDELINES.—Not later than 90 days after the date of enactment of this section, the Administrator of the Agency for Health Care Policy and Research shall develop evaluation guidelines with respect to applications submitted under paragraph (1).

"(3) EVALUATIONS OF APPLICATIONS.—The Secretary, in consultation with the Administrator of the Agency for Health Care Policy and Research, shall evaluate applications submitted under paragraph (1). In determining which applications to approve for purposes of granting waivers under subsection (a), the Secretary shall consider whether the cooperative agreement described in each such application is likely to result in—

"(A) a reduction of costs and an increase in access to care;

"(B) the enhancement of the quality of hospital or hospital-related care;

"(C) the preservation of hospital facilities in geographical proximity to the communities traditionally served by such facilities;

"(D) improvements in the cost-effectiveness of high-technology services by the hospitals involved;

"(E) improvements in the efficient utilization of hospital resources and capital equipment; or

"(F) the avoidance of duplication of hospital resources.

"(c) MEDICAL TECHNOLOGY AND SERVICES.—

"(1) IN GENERAL.—Cooperative agreements facilitated under this section shall provide for the sharing of medical or high technology equipment or services among the hospitals which are parties to such agreements.

"(2) MEDICAL TECHNOLOGY.—For purposes of this section, the term 'medical technology' shall include the drugs, devices, and medical and surgical procedures utilized in medical care, and the organizational and support systems within which such care is provided.

"(3) ELIGIBLE SERVICES.—With respect to services that may be shared under an agreement entered into under this section, such services shall—

"(A) either have high capital costs or extremely high annual operating costs; and

"(B) be services with respect to which there is a reasonable expectation that shared ownership will avoid a significant degree of the potential excess capacity of such services in the community or region to be served under such agreement.

Such services may include mobile clinic services.

"(d) REPORT.—Not later than 5 years after the date of enactment of this section, the Secretary shall prepare and submit to the appropriate committees of Congress, a report concerning the potential for cooperative agreements of the type entered into under this section to—

"(1) contain health care costs;

"(2) increase the access of individuals to medical services; and

"(3) improve the quality of health care.

Such report shall also contain the recommendations of the Secretary with respect

to future programs to facilitate cooperative agreements.

"(e) DEFINITION.—For purposes of this section, the term 'antitrust laws' means—

"(1) the Act entitled 'An Act to protect trade and commerce against unlawful restraints and monopolies', approved July 2, 1890, commonly known as the 'Sherman Act' (26 Stat. 209; chapter 647; 15 U.S.C. 1 et seq.);

"(2) the Federal Trade Commission Act, approved September 26, 1914 (38 Stat. 717; chapter 311; 15 U.S.C. 41 et seq.);

"(3) the Act entitled 'An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes', approved October 15, 1914, commonly known as the 'Clayton Act' (38 Stat. 730; chapter 323; 15 U.S.C. 12 et seq.; 18 U.S.C. 402, 660, 3285, 3691; 29 U.S.C. 52, 53); and

"(4) any State antitrust laws that would prohibit the activities described in subsection (a).".

TITLE VI—PATIENT'S RIGHT TO DECLINE MEDICAL TREATMENT

SEC. 601. RIGHT TO DECLINE MEDICAL TREATMENT.

(a) RIGHTS OF COMPETENT ADULTS.—

(1) IN GENERAL.—Except as provided in paragraph (2), a State may not restrict the right of a competent adult to consent to, or to decline, medical treatment.

(2) LIMITATIONS.—

(A) EFFECT ON THIRD PARTIES.—A State may impose limitations on the right of a competent adult to decline treatment if such limitations protect third parties (including minor children) from harm.

(B) TREATMENT WHICH IS NOT MEDICALLY INDICATED.—Nothing in this section shall be construed to require that any individual be offered, or that any individual may demand, medical treatment which the health care provider does not have available, or which is futile, or which is otherwise not medically indicated.

(b) RIGHTS OF INCAPACITATED ADULTS.—

(1) IN GENERAL.—Notwithstanding incapacity, each adult has a right to consent to, or to decline, medical treatment. Except as provided in subsection (a)(2)(A), States may not restrict the right to consent to, or to decline, medical treatment as exercised by an adult through the documents specified in this subsection, or through similar documents or other written methods of directive which clearly and convincingly evidence the adult's treatment choices.

(2) ADVANCE DIRECTIVES AND POWERS OF ATTORNEY.—

(A) IN GENERAL.—In order to facilitate the communication, despite incapacity, of an adult's treatment choices, the Secretary of Health and Human Services (hereafter in this title referred to as the "Secretary"), in consultation with the Attorney General, shall develop a national advance directive form that—

(i) shall not limit or otherwise restrict, except as provided in subsection (a)(2)(A), an adult's right to consent to, or to decline, medical treatment; and

(ii) shall, at minimum—

(I) provide the means for an adult to declare such adult's own treatment choices in the event of a terminal condition;

(II) provide the means for an adult to declare, at such adult's option, treatment choices in the event of other conditions (such as persistent vegetative state) which are chronic and debilitating, which are medically incurable, and from which such adult likely will not recover; and

(III) provide the means by which an adult may, at such adult's option, declare such adult's wishes with respect to all forms of medical treatment, including forms of medical treatment such as the provision of nutrition and hydration by artificial means which may be, in some circumstances, relatively nonburdensome.

(B) NATIONAL DURABLE POWER OF ATTORNEY FORM.—The Secretary, in consultation with the Attorney General, shall develop a national durable power of attorney form for health care decisionmaking. The form shall provide a means for any adult to designate another adult or adults to exercise the same decisionmaking powers which would, under State law, otherwise be exercised by next of kin.

(C) HONORED BY ALL HEALTH CARE PROVIDERS.—The national advance directive and durable power of attorney forms developed by the Secretary shall be honored by all health care providers.

(D) LIMITATIONS.—No individual shall be required to execute an advance directive. This title makes no presumption concerning the intention of an individual who has not executed an advance directive. An advance directive shall be sufficient, but not necessary, proof of an adult's treatment choices with respect to the circumstances addressed in the advance directive.

(3) DEFINITION.—For purposes of this subsection, the term "incapacity" means the inability to understand the nature and consequences of health care decisions (including the intended benefits and foreseeable risks of, and alternatives to, proposed treatment options), and to reach informed decisions concerning health care. Individuals who are incapacitated include adjudicated incompetents and individuals who have not been adjudicated incompetent but who, nonetheless, lack the capacity to formulate or communicate decisions concerning health care.

(c) HEALTH CARE PROVIDERS.—

(1) IN GENERAL.—No health care provider may provide treatment to an adult contrary to the adult's wishes as expressed personally, by an advance directive as provided for in subsection (b)(2), or by a similar written advance directive form or another written method of directive which clearly and convincingly evidence the adult's treatment choices. A health provider who acts in good faith pursuant to the preceding sentence shall be immune from criminal or civil liability or discipline for professional misconduct.

(2) HEALTH CARE PROVIDERS UNDER THE MEDICARE AND MEDICAID PROGRAMS.—Any health care provider who knowingly provides services to an adult contrary to the adult's wishes as expressed personally, by an advance directive as provided for in subsection (b)(2), or by a similar written advance directive form or another written method of directive which clearly and convincingly evidence the adult's treatment choices, shall be denied payment for such services under titles XVIII and XIX of the Social Security Act.

(3) TRANSFERS.—Health care providers who object to the provision of medical care in accordance with an adult's wishes shall transfer the adult to the care of another health care provider.

(d) DEFINITION.—For purposes of this section, the term "adult" means an individual who is 18 years of age or older.

SEC. 602. FEDERAL RIGHT ENFORCEABLE IN FEDERAL COURTS.

The rights recognized in this title may be enforced by filing a civil action in an appropriate district court of the United States.

SEC. 603. SUICIDE AND HOMICIDE.

Nothing in this title shall be construed to permit, condone, authorize, or approve suicide or mercy killing, or any affirmative act to end a human life.

SEC. 604. RIGHTS GRANTED BY STATES.

Nothing in this title shall impair or supersede rights granted by State law which exceed the rights recognized by this title.

SEC. 605. EFFECT ON OTHER LAWS.

(a) IN GENERAL.—Except as specified in subsection (b), written policies and written information adopted by health care providers pursuant to sections 4206 and 4751 of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508), shall be modified within 6 months of enactment of this title to conform to the provisions of this title.

(b) DELAY PERIOD FOR UNIFORM FORMS.—Health care providers shall modify any written forms distributed as written information under sections 4206 and 4751 of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508) not later than 6 months after promulgation of the forms referred to in subparagraphs (A) and (B) of section 601(b)(2) by the Secretary.

SEC. 606. INFORMATION PROVIDED TO CERTAIN INDIVIDUALS.

The Secretary shall provide on a periodic basis written information regarding an individual's right to consent to, or to decline, medical treatment as provided in this title to individuals who are beneficiaries under titles II, XVI, XVIII, and XIX of the Social Security Act.

SEC. 607. RECOMMENDATIONS TO THE CONGRESS ON ISSUES RELATING TO A PATIENT'S RIGHT OF SELF-DETERMINATION.

Not later than 180 days after the date of the enactment of this Act the Secretary shall provide recommendations to the Congress concerning the medical, legal, ethical, social, and educational issues related to this title. In developing recommendations under this section the Secretary shall address the following issues:

(1) the contents of the forms referred to in subparagraphs (A) and (B) of section 601(b)(2);

(2) issues pertaining to the education and training of health care professionals concerning patients' self-determination rights;

(3) issues pertaining to health care professionals' duties with respect to patients' rights, and health care professionals' roles in identifying, assessing, and presenting for patient consideration medically indicated treatment options; and

(4) such other issues as the Secretary may identify.

SEC. 608. EFFECTIVE DATE.

This title shall take effect on the date that is 6 months after the date of enactment of this Act.

TITLE VII—INSURANCE ADMINISTRATION SIMPLIFICATION

SEC. 701. QUALIFIED HEALTH INSURANCE PLANS.

(a) REQUIREMENT.—The Social Security Act (42 U.S.C. 301 et seq.) is amended by adding at the end thereof the following new title:

"TITLE XXI—HEALTH INSURANCE

"PART A—GENERAL PROVISIONS

"SEC. 2101. DEFINITIONS.

"As used in this title:

"(1) APPLICABLE REGULATORY AUTHORITY.—The term 'applicable regulatory authority' means—

"(A) in the case of a health insurance plan offered in a State with a program meeting the requirements of this title, the State

commissioner or superintendent of insurance or other State authority responsible for regulation of health insurance; or

"(B) in the case of a health insurance plan certified by the Secretary under section 2121(a)(2), the Secretary.

"(2) COMMISSION.—The term 'Commission' means the Health Insurance Standards Commission established under section 2111.

"(3) ELIGIBLE EMPLOYEE.—The term 'eligible employee' means, with respect to an employer, an employee who normally performs on a monthly basis at least 30 hours of service per week for that employer.

"(4) HEALTH INSURANCE PLAN.—The term 'health insurance plan' means any hospital or medical expense incurred policy or certificate, hospital or medical service plan contract or health maintenance organization group contract, multiple employer welfare arrangement, or any other health insurance arrangement, including an employment-related reinsurance plan. Such term does not include any of the following that is offered by an insurer—

"(i) accident only, dental only, or disability income only insurance;

"(ii) coverage issued as a supplement to liability insurance;

"(iii) worker's compensation or similar insurance; or

"(iv) automobile medical-payment insurance.

"(5) HEALTH MAINTENANCE ORGANIZATION.—The term 'health maintenance organization' has the meaning given the term 'eligible organization' in section 1876(b) of this Act.

"(6) INSURER.—The term 'insurer' means any person that offers a health insurance plan.

"(7) QUALIFIED HEALTH INSURANCE PLAN.—The term 'qualified health insurance plan' means a health insurance benefit plan that—

"(A) meets the Federal standards and guidelines described in part C; and

"(B) is accredited by the appropriate State insurance commission for the State involved according to standards promulgated by the Secretary under part B.

"PART B—HEALTH INSURANCE STANDARDS COMMISSION

"SEC. 2111. ESTABLISHMENT OF HEALTH INSURANCE STANDARDS COMMISSION.

"(a) IN GENERAL.—The Secretary shall establish a commission, to be known as the 'Health Insurance Standards Commission', to carry out the activities described in section 2112.

"(b) COMPOSITION.—

"(1) IN GENERAL.—The Commission shall be composed of 15 members to be appointed by the Secretary not later than June 1, 1992, in accordance with this subsection. The members of the Commission shall annually elect a member to serve as the chairperson of the Commission.

"(2) MEMBERS.—Individuals appointed by the Secretary under paragraph (1) shall be appropriately qualified independent experts with respect to the provision and financing of health care, and shall include physicians, registered nurses, registered pharmacists, consumers of health care, employers, third party payors, a representative from the American Standards Committee (ASCX 12) of the American National Standards Institute, individuals skilled in the conduct and interpretation of health economics research, and individuals having expertise in the research and development of technological and scientific advances in health care.

"(3) NOMINATIONS.—In determining those individuals to appoint to the Commission under paragraph (1), the Secretary shall seek nominations from a wide range of groups including—

"(A) national organizations representing physicians, including medical specialty organizations and registered professional nurses, registered pharmacists and other skilled health professionals;

"(B) national organizations representing hospitals, including teaching hospitals;

"(C) national organizations representing the manufacture of health care products;

"(D) national organizations representing the business community, health benefit programs, labor and the elderly;

"(E) national organizations for standards development; and

"(F) consumer organizations.

"(4) TERMS.—Individuals shall be appointed to the Commission for a term of three years, except that the Secretary shall, with respect to the initial members of the Commission, provide for the appointment of such initial members for shorter terms in a manner to insure that, on a continuing basis, the terms of not more than seven members expire in any one year.

"(5) COMPENSATION.—While serving on the business of the Commission (including travel time) a member of the Commission shall be entitled to compensation at the per diem equivalent of the rate provided for individuals under level IV of the Executive Schedule under section 5315 of title 5, United States Code, and while so serving away from the home or regular place of business of the member, a member may be allowed travel expenses, as authorized by the Chairperson of the Commission.

"(c) ADMINISTRATIVE POWERS.—Subject to such review as the Secretary determines necessary to assure the efficient administration of the Commission, the Commission may—

"(1) employ and fix the compensation of such personnel (not to exceed 25 individuals) as may be necessary to enable the Commission to carry out its duties;

"(2) seek such assistance and support as may be required in the performance of its duties from appropriate Federal departments and agencies and from experts from the private sector;

"(3) enter into contracts or make other arrangements, as may be necessary for the conduct of the work of the Commission;

"(4) make advance, progress, and other payments which relate to the work of the Commission;

"(5) provide transportation and subsistence for persons serving without compensation; and

"(6) prescribe such rules and regulations as the Commission determines necessary with respect to the internal organization and operation of the Commission.

"SEC. 2112. DUTIES AND ACTIVITIES OF COMMISSION.

"(a) RECOMMENDATION FOR IMPLEMENTATION OF TITLE.—

"(1) IN GENERAL.—Not later than September 30, 1992, the Commission shall prepare and submit to the Secretary a report containing the recommendations of the Commission concerning regulations for the implementation of the requirements of this title, including the long-term plan and uniform standards described in subsection (b)(1).

"(2) PUBLICATION OF REVISIONS.—The Secretary shall, not later than 60 days before the promulgation of final regulations under this title, cause to have published for public comment in the Federal Register the recommendations of the Commission under paragraph (1).

"(b) UNIFORM COMPUTERIZED BILLING SYSTEM AND STANDARDS FOR ELECTRONIC DATA INTERCHANGE.—

"(1) IN GENERAL.—The Commission shall develop a long-term plan for the implementation of computerized billing, eligibility, and any other activity that the Commission determines to be appropriate and uniform standards for electronic data interchange, to be applied as provided for in paragraph (6). Such long-term plan and standards shall include—

"(A) online communications standards;

"(B) specific designs for a standardized electronic uniform claim form;

"(C) the standards and plan for electronic data interchange and other measure derived from the Secretary's Work Group on Electronic Data Interchange;

"(D) any other standards or requirements determined appropriate by the Secretary; and

"(E) a plan to incorporate all insurance plans into the computerized system and standards including self-insured plans.

"(2) ELECTRONIC DATA INTERCHANGE.—The Commission shall acquire from the American National Standards Institute reports concerning the progress of such Institute in developing electronic data interchange. Based on such reports, the Commission shall, on an annual basis, adopt additional electronic data interchange standards, if necessary, and incorporate such additional standards into the implementation plan referred to in paragraph (1).

"(3) RECOMMENDATIONS.—Not later than 1 year after the date of enactment of this title, the Commission shall make recommendations to the Secretary concerning components of the long-term implementation plan and uniform standards for electronic data interchange developed under paragraph (1), based on the feasibility of health insurance plans to be able to comply as a qualified health insurance plan under part C.

"(4) REVIEW.—Taking into consideration the recommendations of the Commission, the Secretary shall review the proposed requirements of the Commission under paragraph (3) and determine the appropriate requirements necessary for the implementation of efficient, cost effective computerization under paragraph (1) and for requiring that a health insurance plan meet such requirements in order to be a qualified health insurance plan under this part.

"(5) PUBLICATION OF REQUIREMENTS.—The Secretary shall cause to be published for public comment in the Federal Register, not later than—

"(A) three months after receiving recommendations from the Commission under paragraph (2), the proposed requirements of the Secretary with respect to the computerization and standards for electronic data interchange and the proposed requirements of a qualified health insurance plan; and

"(B) six months after receiving recommendations from the Commission under paragraph (2), and after such consideration of public comment on the proposals under subparagraph (A) as is feasible in the time available, the final determinations of the Secretary with respect to the requirements for computerization and standards for electronic data interchange and the requirements of a qualified health insurance plan.

"(6) REQUIREMENTS.—A system established under this section should—

"(A) use online communication for health providers to access in determining a patient's eligibility for benefits under the patient's health insurance plan;

"(B) provide each member covered under a qualified health insurance plan with a plastic card or other similar form of identification that shall serve as the mechanism to supply health insurance identification numbers and other information as the Secretary may determine appropriate to the health provider; and

"(C) not be a mandatory requirement with respect to a health provider whose place of business is located in a whole-county nonmetropolitan Health Professional Shortage Area as defined in section 332 as a condition of such provider's participation in a qualified health insurance plan.

"(7) MEDICARE AND MEDICAID.—A system established under this section shall apply with respect to participants under titles XVIII and XIX.

"(c) RECOMMENDATION FOR REVISIONS IN STANDARDS.—

"(1) IN GENERAL.—The Commission shall annually recommend to the Secretary revisions that should be made in the standards and requirements that a health insurance plan must meet, in addition to those described in part C, to be accredited as a qualified health insurance plan under this part, revisions that should be made in the long-term plan for implementation and uniform standards for electronic data interchange, and changes in the requirements for qualified health insurance plans with respect to additional components of the long-term plan for implementation and uniform standards for electronic data interchange that should be required of such plans based on the feasibility of such plans to comply. In making such recommendations, the Commission shall take into consideration the need to maintain broad coverage of quality medical services, the need to implement effective long-term management practices with respect to health care costs including the ability to manage the price, utilization and quality of health care services, the need to reduce administrative costs to insurers and health providers, and the need to reduce billing fraud. Such recommendations shall include any measures necessary to further reduce the administrative costs of health care, where feasible, by requiring—

"(A) additional efforts to reduce the costs of claims processing and billing through the standardization and automation, including the use of smart cards or other technology; and

"(B) simplified utilization review by processes that may include the implementation of the use of a uniform clinical data set.

"(2) ANNUAL REVIEW BY SECRETARY.—Taking into consideration the recommendations of the Commission under paragraph (1), the Secretary shall annually review the requirements with respect to qualified health insurance plans and determine appropriate revisions in such requirements necessary to maintain the efficient and effective delivery of medically appropriate and necessary care that is of high quality and the reductions in administrative costs. Such standards may not include the setting of minimum benefits.

"(3) PUBLICATION OF REVISIONS.—The Secretary shall cause to have published for public comment in the Federal Register, not later than—

"(A) May 15 of each fiscal year referred to in paragraph (1), the proposed revisions of the Secretary in the standards or requirements with respect to qualified health insurance plans for such fiscal year, including, the report of the Commission under paragraph (1); and

"(B) July 15 of each fiscal year referred to in paragraph (1), and after the consideration of the public comment under subparagraph (A) as is feasible in the time available, the final determinations of the Secretary with respect to such revisions.

"(d) COLLECTION AND REVIEW OF INFORMATION.—

"(1) APPROPRIATE USES OF HEALTH RESOURCES.—In order to identify patterns of medically appropriate uses of health resources, the Commission shall collect and review information concerning medical and surgical procedures and services, including regional variations, giving special attention to treatment patterns for conditions that appear to involve excessively costly or inappropriate services not adding to the quality of care provided.

"(2) EFFECTIVENESS OF COMPUTERIZED BILLING.—The Commission shall collect and review data concerning the effectiveness and efficiency of the current health insurance claims billing system and the proposed computerized billing under subsection (b).

"(3) COST-CONTAINMENT METHODS.—The Commission shall collect and review data concerning methods of health care cost-containment that maintain high quality care and the right of the patient to choose their doctor or hospital.

"(4) ADMINISTRATIVE REQUIREMENTS.—In collecting and assessing information under this subsection, the Commission shall—

"(A) utilize existing information, both published and unpublished, where possible, collected and reviewed either by its staff or under other arrangements made in accordance with this paragraph;

"(B) carry out, or award grants or contracts for, original research and experimentation and demonstration projects, including clinical research, where existing information is inadequate for the development and use and valid guidelines for the Commission; and

"(C) adopt procedures permitting any interested party to submit information with respect to unnecessary administrative burdens on business, hospitals, physicians or consumers arising from health care administration, medical and surgical procedures and services (including new practices, such as the use of new technologies and treatment modalities) and information on proposed methods of health care cost-containment that maintain high quality care and the right of the patient to choose their own doctor or hospital, which information the Commission shall consider in making reports and recommendations to the Secretary and Congress.

"(5) ACCESS TO INFORMATION.—The Commission shall have access to such relevant information and data as may be available from appropriate Federal agencies.

"(j) ADMINISTRATION.—

"(1) ANNUAL REPORT.—The Secretary shall annually prepare and submit to the appropriate committees of Congress, a report concerning the functioning and progress of the Commission and the status of the Commission's work.

"(2) ACCESS.—The Secretary shall have unrestricted access to all deliberations, records, and data of the Commission, immediately upon its request.

"(3) EXPENSES.—In order to carry out its duties under this part, the Commission is authorized to expend reasonable and necessary funds as mutually agreed upon by the Secretary and the Commission. The Secretary shall be reimbursed for such funds by the Commission from the appropriations made with respect to the Commission.

"(4) AUDIT.—The Commission shall be subject to periodic audit by the General Accounting Office.

TITLE VIII—CHILDREN'S HEALTH CARE

SEC. 801. ESTABLISHMENT OF PROGRAM.

(a) IN GENERAL.—The Secretary of Education, in consultation with the Secretary of Health and Human Services, shall establish a program under which local educational agencies (as such term is defined in section 1471(12) of the Elementary and Secondary Education Act of 1965) shall offer basic health insurance coverage to eligible students in such schools.

(b) REQUIREMENTS.—

(1) APPLICABILITY.—The provisions of this section shall apply to each local education agency that receives Federal educational assistance.

(2) STATE EDUCATION DEPARTMENTS.—

(A) POLICIES.—The department of education for a State shall determine the types of health insurance policies that should be offered under this section by local education agencies of such State. In making such determination, the department shall ensure that coverage under a fee-for-service plan and a managed care plan is available to the local educational agencies in the State.

(B) ANNUAL REPORTS.—The department of education for a State shall annually prepare and submit to the Secretary of Education a report that describes the health insurance policies offered under this section in the public schools in such State.

(3) HEALTH INSURANCE COVERAGE.—The Secretary of Health and Human Services, shall determine the minimum requirements that any health insurance plan offered under this section must meet, including—

(A) the primary, preventative, medical, emergency and surgical care services and benefits to be covered under such plan; and

(B) any other matter determined appropriate by such Secretary.

(4) LOCAL ADMINISTRATION.—The department of education for a State shall administer the requirements of this section through the local educational agencies.

(c) ELIGIBLE STUDENTS.—To be eligible to be covered under a health insurance plan offered by a local educational agency, an individual shall—

(1) not be more than 18 years of age and reside in the school district;

(2) be uninsured for a period of not less than 6 months prior to the date on which coverage under the plan offered by such school would commence;

(3) not be covered or enrolled under title XIX of the Social Security Act or under any other public health insurance program; and

(4) meet any other requirements determined appropriate by the State department of education or the Secretary of Education.

(d) ENFORCEMENT.—If the Secretary determines that a local educational agency is not in compliance with the requirements of this section, the Secretary may withhold, or request a remittance, of not to exceed 10 percent of the total amount of Federal educational assistance to be made available, or previously made available, to such local educational agency for the fiscal year during which such noncompliance is occurring.

(f) CONSTRUCTION.—This section shall not be construed as requiring the purchase of policies under this section.

(g) ADMINISTRATIVE SUPPORT.—The Secretary may provide assistance to local educational agencies to assist such agencies in off-setting the additional administrative costs to such agencies in complying with this section.

(h) REGULATIONS.—Not later than 180 days after the date of enactment of this Act, the Secretary of Education shall promulgate

regulations necessary to carry out this section.

SEC. 802. REFUNDABLE TAX CREDIT FOR CHILDREN'S HEALTH INSURANCE EXPENSES.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable personal credits) is amended by inserting after section 34 the following new section:

"SEC. 34A. CHILDREN'S HEALTH INSURANCE EXPENSES.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the qualified health insurance expenses paid by such individual during the taxable year.

"(b) QUALIFIED HEALTH INSURANCE EXPENSES.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified health insurance expenses' means amounts paid during the taxable year for medical care (within the meaning of section 213(d)(1)(C)) with respect to insurance policies issued pursuant to any program approved under section 101 of the Children's Health Care Improvement Act. For purposes of the preceding sentence, the rules of section 213(d)(6) shall apply.

"(2) DOLLAR LIMIT ON QUALIFIED HEALTH INSURANCE EXPENSES.—The amount of the qualified health insurance expenses paid during any taxable year which may be taken into account under subsection (a) shall not exceed $1,000 per qualifying child adjusted under regulations promulgated by the Secretary to reflect any increase in the consumer price index.

"(3) PHASEOUT.—In the case of any taxpayer whose adjusted gross income exceeds 100 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) applicable to a family of the size involved, the dollar amount under paragraph (2) shall be reduced (but not below zero) by the percentage by which such income exceeds such poverty line.

"(4) ELECTION NOT TO TAKE CREDIT.—A taxpayer may elect for any taxable year to have amounts described in paragraph (1) not treated as qualified health insurance expenses.

"(5) COORDINATION WITH HEALTH INSURANCE PREMIUM CREDIT.—Paragraph (1) shall not apply to any amount taken into account in computing the amount of the credit allowed under section 32.

"(6) SUBSIDIZED EXPENSES.—No expense shall be treated as a qualified health insurance expense if—

"(A) such expense is paid, reimbursed, or subsidized (whether by being disregarded for purposes of another program or otherwise) by the Federal Government, a State or local government, or any agency or instrumentality thereof under title XIX of the Social Security Act, and

"(B) the payment, reimbursement, or subsidy of such expense is not includible in the gross income of the recipient.

"(c) QUALIFYING CHILD.—For purposes of this section, the term 'qualifying child' has the meaning given to such term by section 32(c)(3) (determined without regard to subparagraph (A)(iii)).

"(d) COORDINATION WITH ADVANCE PAYMENTS OF CREDIT.—

"(1) RECAPTURE OF EXCESS ADVANCE PAYMENTS.—If any payment in excess of the amount of the credit allowable under this section is made to the individual under section 7524 during any calendar year, then the tax imposed by this chapter for the individual's last taxable year beginning in such calendar year shall be increased by the aggregate amount of such payments.

"(2) RECONCILIATION OF PAYMENTS ADVANCED AND CREDIT ALLOWED.—Any increase in tax under paragraph (1) shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit (other than the credit allowed by subsection (a)) allowable under this subpart.

"(f) REDUCTION OF CREDIT TO TAXPAYERS SUBJECT TO ALTERNATIVE MINIMUM TAX.—The credit allowed under this section for the taxable year shall be reduced by the amount of tax imposed by section 55 (relating to alternative minimum tax) with respect to such taxpayer for such taxable year.

"(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section."

(b) ADVANCE PAYMENT OF CREDIT.—

(1) IN GENERAL.—Chapter 77 of the Internal Revenue Code of 1986 (relating to miscellaneous provisions) is amended by inserting after section 7523 the following new section:

"SEC. 7524. ADVANCE PAYMENT OF CREDIT FOR CHILDREN'S HEALTH INSURANCE EXPENSES.

"(a) GENERAL RULE.—The Secretary of the Treasury shall make advance payments of refunds to which eligible taxpayers are entitled by reason of section 34A.

"(b) ELIGIBLE TAXPAYER.—For purposes of this section, the term 'eligible taxpayer' means, with respect to any taxable year, any taxpayer if the taxpayer furnishes, at such time and in such manner as the Secretary may prescribe, to the Secretary such information as the Secretary may require in order to—

"(1) determine if the individual will be eligible to receive the credit provided by section 34A for the taxable year, and

"(2) estimate the amount of qualified health insurance expenses (as defined in section 34A(b)) for the calendar year.

"(c) PAYMENTS.—The Secretary shall make payment of the amount determined under subsection (b)(2) upon receipt of the information described in subsection (b).

"(d) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section."

(c) CONFORMING AMENDMENT.—Section 213 of the Internal Revenue Code of 1986 (relating to deduction for medical, dental, etc., expenses) is amended by adding the following new subsection:

"(g) COORDINATION WITH HEALTH INSURANCE EXPENSES CREDIT UNDER SECTION 34A.—The amount otherwise taken into account under subsection (a) as expenses paid for medical care shall be reduced by the amount (if any) of the children's health insurance expenses credit allowable to the taxpayer for the taxable year under section 34A."

(d) TECHNICAL AMENDMENT.—Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period "or from section 34A of such Code".

(e) CLERICAL AMENDMENTS.—

(1) The table of sections for subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 34 the following new item:

"Sec. 34A. Children's health insurance expenses."

(2) The table of sections for chapter 77 of such Code is amended by inserting after the item relating to section 7523 the following new item:

"Sec. 7524. Advance payment of credit for children's health insurance expenses."

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 803.—WIC PROGRAM, MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT PROGRAM, AND MEDICAID.

(a) UNIFORM MODEL APPLICATION FORM AND PROCESS.—The Secretary of Health and Human Services (hereafter referred to in this title as the "Secretary"), working in consultation with the Secretary of Agriculture, shall develop a single model uniform application form and process to be utilized in applying for and obtaining benefits under the Special Supplemental Food Program under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), the Maternal and Child Health Services Block Grant Program under title V of the Social Security Act (42 U.S.C. 701 et seq.), and the medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.). The Secretary of Health and Human Services shall provide any waivers necessary to carry out this section.

(b) AVAILABILITY OF FORM AND PROCESS.—The single model uniform application form and process shall be made available to States electing to adopt such form and process for use in applying for and obtaining benefits under such programs.

(c) OUTREACH PROGRAM.—The Secretary, working in consultation with the Secretary of Agriculture, shall provide an outreach program for States electing to adopt the single model uniform application form and process. The outreach program shall be designed to inform recipients and potential recipients of benefits under the Special Supplemental Food Program under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), the Maternal and Child Health Services Block Grant Program under title V of the Social Security Act (42 U.S.C. 701 et seq.), and the medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) of the option to apply for benefits under those programs using the single model uniform application form and process.

(a) IN GENERAL.—The Secretary shall make grants to not more than five States to enable such States to conduct demonstration projects for the purpose of encouraging women to obtain prenatal and well-baby care under the Special Supplemental Food Program under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), the Maternal and Child Health Services Block Grant Program under title V of the Social Security Act (42 U.S.C. 701 et seq.), and the medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

(b) APPLICATION.—

(1) SUBMISSION OF APPLICATION.—To be eligible to receive a grant under this section a State shall prepare and submit to the Secretary an application at such time, in such form, and containing such information as the Secretary may require.

(2) REVIEW AND APPROVAL OF APPLICATION.—The Secretary shall review and approve each application submitted pursuant to paragraph (1) in accordance with such criteria as the Secretary finds appropriate.

(c) AMOUNT OF GRANT.—The amount of a grant to a State under this section shall be an amount that the Secretary finds reasonable and necessary for the development and

implementation of the State's demonstration program.

There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

TITLE IX—IMPROVED ACCESS TO HEALTH CARE FOR RURAL AND UNDERSERVED AREAS

Subtitle A—Revenue Incentives for Practice in Rural Areas

SEC. 901. REVENUE INCENTIVES FOR PRACTICE IN RURAL AREAS.

(a) NONREFUNDABLE CREDIT FOR CERTAIN PRIMARY HEALTH SERVICES PROVIDERS.—

(1) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 25 the following new section:

"SEC. 25A. PRIMARY HEALTH SERVICES PROVIDERS.

"(a) ALLOWANCE OF CREDIT.—In the case of a qualified primary health services provider, there is allowed as a credit against the tax imposed by this chapter for any taxable year in a mandatory service period an amount equal to the product of—

"(1) the lesser of—

"(A) the number of months of such period occurring in such taxable year, or

"(B) 36 months, reduced by the number of months taken into account under this paragraph with respect to such provider for all preceding taxable years (whether or not in the same mandatory service period), multiplied by

"(2) $1,000 ($500 in the case of a qualified health services provider who is a physician assistant or a nurse practitioner).

"(b) QUALIFIED PRIMARY HEALTH SERVICES PROVIDER.—For purposes of this section, the term 'qualified primary health services provider' means any physician, physician assistant, or nurse practitioner who for any month during a mandatory service period is certified by the Bureau to be a primary health services provider who—

"(1) is providing primary health services—

"(A) full time, and

"(B) to individuals at least 80 percent of whom reside in a rural health professional shortage area,

"(2) is not receiving during such year a scholarship under the National Health Service Corps Scholarship Program or a loan repayment under the National Health Service Corps Loan Repayment Program,

"(3) is not fulfilling service obligations under such Programs, and

"(4) has not defaulted on such obligations.

"(c) MANDATORY SERVICE PERIOD.—For purposes of this section, the term 'mandatory service period' means the period of 60 consecutive calendar months beginning with the first month the taxpayer is a qualified primary health services provider.

"(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) BUREAU.—The term 'Bureau' means the Bureau of Health Care Delivery and Assistance, Health Resources and Services Administration of the United States Public Health Service.

"(2) PHYSICIAN.—The term 'physician' has the meaning given to such term by section 1861(r) of the Social Security Act.

"(3) PHYSICIAN ASSISTANT; NURSE PRACTITIONER.—The terms 'physician assistant' and 'nurse practitioner' have the meanings given to such terms by section 1861(aa)(3) of the Social Security Act.

"(4) PRIMARY HEALTH SERVICES PROVIDER.—The term 'primary health services provider' means a provider of primary health services (as defined in section 330(b)(1) of the Public Health Service Act).

"(5) RURAL HEALTH PROFESSIONAL SHORTAGE AREA.—The term 'rural health professional shortage area' means—

"(A) a class 1 or class 2 health professional shortage area (as defined in section 332(a)(1)(A) of the Public Health Service Act) in a rural area (as determined under section 1886(d)(2)(D) of the Social Security Act), or

"(B) an area which is determined by the Secretary of Health and Human Services as equivalent to an area described in subparagraph (A) and which is designated by the Bureau of the Census as not urbanized.

"(e) RECAPTURE OF CREDIT.—

"(1) IN GENERAL.—If, during any taxable year, there is a recapture event, then the tax of the taxpayer under this chapter for such taxable year shall be increased by an amount equal to the product of—

"(A) the applicable percentage, and

"(B) the aggregate unrecaptured credits allowed to such taxpayer under this section for all prior taxable years.

"(2) APPLICABLE RECAPTURE PERCENTAGE.—

"(A) IN GENERAL.—For purposes of this subsection, the applicable recapture percentage shall be determined from the following table:

"If the recapture event occurs during:	The applicable recapture percentage is:
Months 1–24	100
Months 25–36	75
Months 37–48	50
Months 49–60	25
Months 61 and thereafter	0.

"(B) TIMING.—For purposes of subparagraph (A), month 1 shall begin on the first day of the mandatory service period.

"(3) RECAPTURE EVENT DEFINED.—

"(A) IN GENERAL.—For purposes of this subsection, the term 'recapture event' means the failure of the taxpayer to be a qualified primary health services provider for any month during any mandatory service period.

"(B) CESSATION OF DESIGNATION.—The cessation of the designation of any area as a rural health professional shortage area after the beginning of the mandatory service period for any taxpayer shall not constitute a recapture event.

"(C) SECRETARIAL WAIVER.—The Secretary may waive any recapture event caused by extraordinary circumstances.

"(4) NO CREDITS AGAINST TAX.—Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any credit under subpart A, B, or D of this part.".

(2) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 25 the following new item:

"Sec. 25A. Primary health services providers.".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 1993.

(b) NATIONAL HEALTH SERVICE CORPS LOAN REPAYMENTS EXCLUDED FROM GROSS INCOME.—

(1) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to items specifically excluded from gross income) is amended by redesignating section 136 as section 137 and by inserting after section 135 the following new section:

"SEC. 136. NATIONAL HEALTH SERVICE CORPS LOAN REPAYMENTS.

"(a) GENERAL RULE.—Gross income shall not include any qualified loan repayment.

"(b) QUALIFIED LOAN REPAYMENT.—For purposes of this section, the term 'qualified loan repayment' means any payment made on behalf of the taxpayer by the National Health Service Corps Loan Repayment Program under section 338B(g) of the Public Health Service Act.".

(2) CONFORMING AMENDMENT.—Paragraph (3) of section 338B(g) of the Public Health Service Act is amended by striking "Federal, State, or local" and inserting "State or local".

(3) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the item relating to section 136 and inserting the following:

"Sec. 136. National Health Service Corps loan repayments.

"Sec. 137. Cross references to other Acts.".

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to payments made under section 338B(g) of the Public Health Service Act after the date of the enactment of this Act.

(c) EXPENSING OF MEDICAL EQUIPMENT.—

(1) IN GENERAL.—Section 179 of the Internal Revenue Code of 1986 (relating to election to expense certain depreciable business assets) is amended—

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

"(1) DOLLAR LIMITATION.—

"(A) GENERAL RULE.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed $10,000.

"(B) RURAL HEALTH CARE PROPERTY.—In the case of rural health care property, the aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed $25,000, reduced by the amount otherwise taken into account under subsection (a) for such year."; and

(B) by adding at the end of subsection (d) the following new paragraph:

"(11) RURAL HEALTH CARE PROPERTY.—For purposes of this section, the term 'rural health care property' means section 179 property used by a physician (as defined in section 1861(r) of the Social Security Act) in the active conduct of such physician's full-time trade or business of providing primary health services (as defined in section 330(b)(1) of the Public Health Service Act) in a rural health professional shortage area (as defined in section 25A(d)(5)).".

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to property placed in service after December 31, 1993, in taxable years ending after such date.

(d) DEDUCTION FOR STUDENT LOAN PAYMENTS BY MEDICAL PROFESSIONALS PRACTICING IN RURAL AREAS.—

(1) INTEREST ON STUDENT LOANS NOT TREATED AS PERSONAL INTEREST.—Section 163(h)(2) of the Internal Revenue Code of 1986 (defining personal interest) is amended by striking "and" at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting ", and", and by adding at the end thereof the following new subparagraph:

"(F) any qualified medical education interest (within the meaning of subsection (k)).".

(2) QUALIFIED MEDICAL EDUCATION INTEREST DEFINED.—Section 163 of such Code (relating to interest expenses) is amended by redesignating subsection (k) as subsection (l) and by

inserting after subsection (j) the following new subsection:

"(k) QUALIFIED MEDICAL EDUCATION INTEREST OF MEDICAL PROFESSIONALS PRACTICING IN RURAL AREAS.—

"(1) IN GENERAL.—For purposes of subsection (h)(2)(F), the term 'qualified medical education interest' means an amount which bears the same ratio to the interest paid on qualified educational loans during the taxable year by an individual performing services under a qualified rural medical practice agreement as—

"(A) the number of months during the taxable year during which such services were performed, bears to

"(B) the number of months in the taxable year.

"(2) DOLLAR LIMITATION.—The aggregate amount which may be treated as qualified medical education interest for any taxable year with respect to any individual shall not exceed $5,000.

"(3) QUALIFIED RURAL MEDICAL PRACTICE AGREEMENT.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'qualified rural medical practice agreement' means a written agreement between an individual and an applicable rural community under which the individual agrees—

"(i) in the case of a medical doctor, upon completion of the individual's residency (or internship if no residency is required), or

"(ii) in the case of a registered nurse, nurse practitioner, or physician's assistant, upon completion of the education to which the qualified education loan relates,

to perform full-time services as such a medical professional in the applicable rural community for a period of 24 consecutive months. An individual and an applicable rural community may elect to have the agreement apply for 36 consecutive months rather than 24 months.

"(B) SPECIAL RULE FOR COMPUTING PERIODS.—An individual shall be treated as meeting the 24 or 36 consecutive month requirement under subparagraph (A) if, during each 12-consecutive month period within either such period, the individual performs full-time services as a medical doctor, registered nurse, nurse practitioner, or physician's assistant, whichever applies, in the applicable rural community during 9 of the months in such 12-consecutive month period. For purposes of this subsection, an individual meeting the requirements of the preceding sentence shall be treated as performing services during the entire 12-month period.

"(C) APPLICABLE RURAL COMMUNITY.—The term 'applicable rural community' means—

"(i) any political subdivision of a State which—

"(I) has a population of 5,000 or less, and

"(II) has a per capita income of $15,000 or less, or

"(ii) an Indian reservation which has a per capita income of $15,000 or less.

"(4) QUALIFIED EDUCATIONAL LOAN.—The term 'qualified educational loan' means any indebtedness to pay qualified tuition and related expenses (within the meaning of section 117(b)) and reasonable living expenses—

"(A) which are paid or incurred—

"(i) as a candidate for a degree as a medical doctor at an educational institution described in section 170(b)(1)(A)(ii), or

"(ii) in connection with courses of instruction at such an institution necessary for certification as a registered nurse, nurse practitioner, or physician's assistant, and

"(B) which are paid or incurred within a reasonable time before or after such indebtedness is incurred.

"(5) RECAPTURE.—If an individual fails to carry out a qualified rural medical practice agreement during any taxable year, then—

"(A) no deduction with respect to such agreement shall be allowable by reason of subsection (h)(2)(F) for such taxable year and any subsequent taxable year, and

"(B) there shall be included in gross income for such taxable year the aggregate amount of the deductions allowable under this section (by reason of subsection (h)(2)(F)) for all preceding taxable years.

"(6) DEFINITIONS.—For purposes of this subsection, the terms 'registered nurse', 'nurse practitioner', and 'physician's assistant' have the meaning given such terms by section 1861 of the Social Security Act.".

(3) DEDUCTION ALLOWED IN COMPUTING ADJUSTED GROSS INCOME.—Section 62(a) of such Code is amended by inserting after paragraph (13) the following new paragraph:

"(14) INTEREST ON STUDENT LOANS OF RURAL HEALTH PROFESSIONALS.—The deduction allowable by reason of section 163(h)(2)(F) (relating to student loan payments of medical professionals practicing in rural areas).".

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 1993.

Subtitle B—Public Health Service Act Provisions

SEC. 911. NATIONAL HEALTH SERVICE CORPS.

Section 338H(b) of the Public Health Service Act (42 U.S.C. 254q(b)) is amended—

(1) in paragraph (1), by striking "and such sums" and all that follows through the end thereof and inserting "$118,900,000 for each of the fiscal years 1993 through 1996."; and

(2) in paragraph (2)—

(A) by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively; and

(B) by inserting before subparagraph (B) (as so redesignated) the following new subparagraph:

"(A) IN GENERAL.—Of the amount appropriated under paragraph (1) for each fiscal year, the Secretary shall utilize 25 percent of such amount to carry out section 338A and 75 percent of such amount to carry out section 338B.".

SEC. 912. ESTABLISHMENT OF GRANT PROGRAM.

Subpart I of part D of title III of the Public Health Service Act (42 U.S.C. 254b et seq.) is amended by adding at the end thereof the following new section:

"SEC. 330A. COMMUNITY BASED PRIMARY HEALTH CARE GRANT PROGRAM.

"(a) ESTABLISHMENT.—The Secretary shall establish and administer a program to provide allotments to States to enable such States to provide grants for the creation or enhancement of community based primary health care entities that provide services to pregnant women and children up to age three.

"(b) ALLOTMENTS TO STATES.—

"(1) IN GENERAL.—From the amounts available for allotment under subsection (h) for a fiscal year, the Secretary shall allot to each State an amount equal to the product of the grant share of the State (as determined under paragraph (2)) multiplied by the amount available for allotment for such fiscal year.

"(2) GRANT SHARE.—

"(A) IN GENERAL.—For purposes of paragraph (1), the grant share of a State shall be the product of the need-adjusted population of the State (as determined under subparagraph (B)) multiplied by the Federal matching percentage of the State (as determined under subparagraph (C)), expressed as a percentage of the sum of the products of such factors for all States.

"(B) NEED-ADJUSTED POPULATION.—

"(i) IN GENERAL.—For purposes of subparagraph (A), the need-adjusted population of a State shall be the product of the total population of the State (as estimated by the Secretary of Commerce) multiplied by the need index of the State (as determined under clause (ii)).

"(ii) NEED INDEX.—For purposes of clause (i), the need index of a State shall be the ratio of—

"(I) the weighted sum of the geographic percentage of the State (as determined under clause (iii)), the poverty percentage of the State (as determined under clause (iv)), and the multiple grant percentage of the State (as determined under clause (v)); to

"(II) the general population percentage of the State (as determined under clause (vi)).

"(iii) GEOGRAPHIC PERCENTAGE.—

"(I) IN GENERAL.—For purposes of clause (ii)(I), the geographic percentage of the State shall be the estimated population of the State that is residing in nonurbanized areas (as determined under subclause (II)) expressed as a percentage of the total nonurbanized population of all States.

"(II) NONURBANIZED POPULATION.—For purposes of subclause (I), the estimated population of the State that is residing in non-urbanized areas shall be one minus the urbanized population of the State (as determined using the most recent decennial census), expressed as a percentage of the total population of the State (as determined using the most recent decennial census), multiplied by the current estimated population of the State.

"(iv) POVERTY PERCENTAGE.—For purposes of clause (ii)(I), the poverty percentage of the State shall be the estimated number of people residing in the State with incomes below 200 percent of the income official poverty line (as determined by the Office of Management and Budget) expressed as a percentage of the total number of such people residing in all States.

"(v) MULTIPLE GRANT PERCENTAGE.—For purposes of clause (ii)(I), the multiple grant percentage of the State shall be the amount of Federal funding received by the State under grants awarded under sections 329, 330 and 340, expressed as a percentage of the total amounts received under such grants by all States. With respect to a State, such amount shall not exceed twice the general population percentage of the State under clause (vi) or be less than one half of the States general population percentage.

"(vi) GENERAL POPULATION PERCENTAGE.—For purposes of clause (ii)(II), the general population percentage of the State shall be the total population of the State (as determined by the Secretary of Commerce) expressed as a percentage of the total population of all States.

"(C) FEDERAL MATCHING PERCENTAGE.—

"(i) IN GENERAL.—For purposes of subparagraph (A), the Federal matching percentage of the State shall be equal to one less the State matching percentage (as determined under clause (ii)).

"(ii) STATE MATCHING PERCENTAGE.—For purposes of clause (ii), the State matching percentage of the State shall be 0.25 multiplied by the ratio of the total taxable resource percentage (as determined under clause (iii)) to the need-adjusted population of the State (as determined under subparagraph (B)).

"(iii) TOTAL TAXABLE RESOURCE PERCENTAGE.—For purposes of clause (ii), the total taxable resources percentage of the State shall be the total taxable resources of a State (as determined by the Secretary of the Treasury) expressed as a percentage of the sum of the total taxable resources of all States.

"(3) ANNUAL ESTIMATES.—

"(A) IN GENERAL.—If the Secretary of Commerce does not produce the annual estimates required under paragraph (2)(B)(iv), such estimates shall be determined by multiplying the percentage of the population of the State that is below 200 percent of the income official poverty line as determined using the most recent decennial census by the most recent estimate of the total population of the State. Except as provided in subparagraph (B), the calculations required under this subparagraph shall be made based on the most recent 3 year average of the total taxable resources of individuals within the State.

"(B) DISTRICT OF COLUMBIA.—Notwithstanding subparagraph (A), the calculations required under such subparagraph with respect to the District of Columbia shall be based on the most recent 3 year average of the personal income of individuals residing within the District as a percentage of the personal income for all individuals residing within the District, as determined by the Secretary of Commerce.

"(4) MATCHING REQUIREMENT.—A State that receives an allotment under this section shall make available State resources (either directly or indirectly) to carry out this section in an amount that shall equal the State matching percentage for the State (as determined under paragraph (2)(C)(II)) divided by the Federal matching percentage (as determined under paragraph (2)(C)).

"(c) APPLICATION.—

"(1) IN GENERAL.—To be eligible to receive an allotment under this section, a State shall prepare and submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may by regulation require.

"(2) ASSURANCES.—A State application submitted under paragraph (1) shall contain an assurance that—

"(A) the State will use amounts received under it's allotment consistent with the requirements of this section; and

"(B) the State will provide, from non-Federal sources, the amounts required under subsection (b)(4).

"(d) USE OF FUNDS.—

"(1) IN GENERAL.—The State shall use amounts received under this section to award grants to eligible public and nonprofit private entities, or consortia of such entities, within the State to enable such entities or consortia to provide services of the type described in paragraph (2) of section 329(h) to pregnant women and children up to age three.

"(2) ELIGIBILITY.—To be eligible to receive a grant under paragraph (1), an entity or consortium shall—

"(A) prepare and submit to the administering entity of the State, an application at such time, in such manner and containing such information as such administering entity may require, including a plan for the provision of services;

"(B) provide assurances that services will be provided under the grant at fee rates established or determined in accordance with section 330(e)(3)(F); and

"(C) provide assurances that in the case of services provided to individuals with health insurance, such insurance shall be used as the primary source of payment for such services.

"(3) TARGET POPULATIONS.—Entities or consortia receiving grants under paragraph (1) shall, in providing the services described in paragraph (3), substantially target populations of pregnant women and children within the State who—

"(A) lack the health care coverage, or ability to pay, for primary or supplemental health care services; or

"(B) reside in medically underserved or health professional shortage areas, areas certified as underserved under the rural health clinic program, or other areas determined appropriate by the State, within the State.

"(4) PRIORITY.—In awarding grants under paragraph (1), the State shall—

"(A) give priority to entities or consortia that can demonstrate through the plan submitted under paragraph (2) that—

"(i) the services provided under the grant will expand the availability of primary care services to the maximum number of pregnant women and children who have no access to such care on the date of the grant award; and

"(ii) the delivery of services under the grant will be cost-effective; and

"(B) ensure that an equitable distribution of funds is achieved among urban and rural entities or consortia.

"(e) REPORTS AND AUDITS.—Each State shall prepare and submit to the Secretary annual reports concerning the State's activities under this section which shall be in such form and contain such information as the Secretary determines appropriate. Each such State shall establish fiscal control and fund accounting procedures as may be necessary to assure that amounts received under this section are being disbursed properly and are accounted for, and include the results of audits conducted under such procedures in the reports submitted under this subsection.

"(f) PAYMENTS.—

"(1) ENTITLEMENT.—Each State for which an application has been approved by the Secretary under this section shall be entitled to payments under this section for each fiscal year in an amount not to exceed the State's allotment under subsection (b) to be expended by the State in accordance with the terms of the application for the fiscal year for which the allotment is to be made.

"(2) METHOD OF PAYMENTS.—The Secretary may make payments to a State in installments, and in advance or, by way of reimbursement, with necessary adjustments on account of overpayments or underpayments, as the Secretary may determine.

"(3) STATE SPENDING OF PAYMENTS.—Payments to a State from the allotment under subsection (b) for any fiscal year must be expended by the State in that fiscal year or in the succeeding fiscal year.

"(g) DEFINITION.—As used in this section, the term 'administering entity of the State' means the agency or official designated by the chief executive officer of the State to administer the amounts provided to the State under this section.

"(h) FUNDING.—Notwithstanding any other provision of law, the Secretary shall use 50 percent of the amounts that the Secretary is required to utilize under section 330B(h) in each fiscal year to carry out this section.".

SEC. 913. ESTABLISHMENT OF NEW PROGRAM TO PROVIDE FUNDS TO ALLOW FEDERALLY QUALIFIED HEALTH CENTERS AND OTHER ENTITIES OR ORGANIZATIONS TO PROVIDE EXPANDED SERVICES TO MEDICALLY UNDERSERVED INDIVIDUALS.

(a) IN GENERAL.—Subpart I of part D of title III of the Public Health Service Act (42 U.S.C. 254b et seq.) (as amended by section 912) is further amended by adding at the end thereof the following new section:

"SEC. 330B. ESTABLISHMENT OF NEW PROGRAM TO PROVIDE FUNDS TO ALLOW FEDERALLY QUALIFIED HEALTH CENTERS AND OTHER ENTITIES OR ORGANIZATIONS TO PROVIDE EXPANDED SERVICES TO MEDICALLY UNDERSERVED INDIVIDUALS.

"(a) ESTABLISHMENT OF HEALTH SERVICES ACCESS PROGRAM.—From amounts appropriated under this section, the Secretary shall, acting through the Bureau of Health Care Delivery Assistance, award grants under this section to federally qualified health centers (hereinafter referred to in this section as 'FQHC's') and other entities and organizations submitting applications under this section (as described in subsection (c)) for the purpose of providing access to services for medically underserved populations (as defined in section 330(b)(3)) or in high impact areas (as defined in section 329(a)(5)) not currently being served by a FQHC.

"(b) ELIGIBILITY FOR GRANTS.—

"(1) IN GENERAL.—The Secretary shall award grants under this section to entities or organizations described in this paragraph and paragraph (2) which have submitted a proposal to the Secretary to expand such entities or organizations operations (including expansions to new sites (as determined necessary by the Secretary)) to serve medically underserved populations or high impact areas not currently served by a FQHC and which—

"(A) have as of January 1, 1992, been certified by the Secretary as a FQHC under section 1905(l)(2)(B) of the Social Security Act; or

"(B) have submitted applications to the Secretary to qualify as FQHC's under such section 1905(l)(2)(B); or

"(C) have submitted a plan to the Secretary which provides that the entity will meet the requirements to qualify as a FQHC when operational.

"(2) NON FQHC ENTITIES.—

"(A) ELIGIBILITY.—The Secretary shall also make grants under this section to public or private nonprofit agencies, health care entities or organizations which meet the requirements necessary to qualify as a FQHC except, the requirement that such entity have a consumer majority governing board and which have submitted a proposal to the Secretary to provide those services provided by a FQHC as defined in section 1905(l)(2)(B) of the Social Security Act and which are designed to promote access to primary care services or to reduce reliance on hospital emergency rooms or other high cost providers of primary health care services, provided such proposal is developed by the entity or organizations (or such entities or organizations acting in a consortium in a community) with the review and approval of the Governor of the State in which such entity or organization is located.

"(B) LIMITATION.—The Secretary shall provide in making grants to entities or organizations described in this paragraph that no more than 10 percent of the funds provided for grants under this section shall be made available for grants to such entities or organizations.

"(c) APPLICATION REQUIREMENTS.—

"(1) IN GENERAL.—In order to be eligible to receive a grant under this section, a FQHC or other entity or organization must submit an application in such form and at such time as the Secretary shall prescribe and which meets the requirements of this subsection.

"(2) REQUIREMENTS.—An application submitted under this section must provide—

"(A)(i) for a schedule of fees or payments for the provision of the services provided by the entity designed to cover its reasonable costs of operations; and

"(ii) for a corresponding schedule of discounts to be applied to such fees or payments, based upon the patient's ability to pay (determined by using a sliding scale formula based on the income of the patient);

"(B) assurances that the entity or organization provides services to persons who are eligible for benefits under title XVIII of the Social Security Act, for medical assistance under title XIX of such Act or for assistance for medical expenses under any other public assistance program or private health insurance program; and

"(C) assurances that the entity or organization has made and will continue to make every reasonable effort to collect reimbursement for services—

"(i) from persons eligible for assistance under any of the programs described in subparagraph (B); and

"(ii) from patients not entitled to benefits under any such programs.

"(d) LIMITATIONS ON USE OF FUNDS.—

"(1) IN GENERAL.—From the amounts awarded to an entity or organization under this section, funds may be used for purposes of planning but may only be expended for the costs of—

"(A) assessing the needs of the populations or proposed areas to be served;

"(B) preparing a description of how the needs identified will be met;

"(C) development of an implementation plan that addresses—

"(i) recruitment and training of personnel; and

"(ii) activities necessary to achieve operational status in order to meet FQHC requirements under section 1905(l)(2)(B) of the Social Security Act.

"(2) RECRUITING, TRAINING AND COMPENSATION OF STAFF.—From the amounts awarded to an entity or organization under this section, funds may be used for the purposes of paying for the costs of recruiting, training and compensating staff (clinical and associated administrative personnel (to the extent such costs are not already reimbursed under title XIX of the Social Security Act or any other State or Federal program)) to the extent necessary to allow the entity to operate at new or expanded existing sites.

"(3) FACILITIES AND EQUIPMENT.—From the amounts awarded to an entity or organization under this section, funds may be expended for the purposes of acquiring facilities and equipment but only for the costs of—

"(A) construction of new buildings (to the extent that new construction is found to be the most cost-efficient approach by the Secretary);

"(B) acquiring, expanding, or modernizing of existing facilities;

"(C) purchasing essential (as determined by the Secretary) equipment; and

"(D) amortization of principal and payment of interest on loans obtained for purposes of site construction, acquisition, modernization, or expansion, as well as necessary equipment.

"(4) SERVICES.—From the amounts awarded to an entity or organization under this section, funds may be expended for the payment of services but only for the costs of—

"(A) providing or arranging for the provision of all services through the entity necessary to qualify such entity as a FQHC under section 1905(l)(2)(B) of the Social Security Act;

"(B) providing or arranging for any other service that a FQHC may provide and be reimbursed for under title XIX of such Act; and

"(C) providing any unreimbursed costs of providing services as described in section 330(a) to patients.

"(e) PRIORITIES IN THE AWARDING OF GRANTS.—

"(1) CERTIFIED FQHC'S.—The Secretary shall give priority in awarding grants under this section to entities which have, as of January 1, 1992, been certified as a FQHC under section 1905(l)(2)(B) of the Social Security Act and which have submitted a proposal to the Secretary to expand their operations (including expansion to new sites) to serve medically underserved populations for high impact areas not currently served by a FQHC. The Secretary shall give first priority in awarding grants under this section to those FQHCs or other entities which propose to serve populations with the highest degree of unmet need, and which can demonstrate the ability to expand their operations in the most efficient manner.

"(2) QUALIFIED FQHC'S.—The Secretary shall give second priority in awarding grants to entities which have submitted applications to the Secretary which demonstrate that the entity will qualify as a FQHC under section 1905(l)(2)(B) of the Social Security Act before it provides or arranges for the provision of services supported by funds awarded under this section, and which are serving or proposing to serve medically underserved populations or high impact areas which are not currently served (or proposed to be served) by a FQHC.

"(3) EXPANDED SERVICES AND PROJECTS.—The Secretary shall give third priority in awarding grants in subsequent years to those FQHCs or other entities which have provided for expanded services and project and are able to demonstrate that such entity will incur significant unreimbursed costs in providing such expanded services.

"(f) RETURN OF FUNDS TO SECRETARY FOR COSTS REIMBURSED FROM OTHER SOURCES.—To the extent that an entity or organization receiving funds under this section is reimbursed from another source for the provision of services to an individual, and does not use such increased reimbursement to expand services furnished, areas served, to compensate for costs of unreimbursed services provided to patients, or to promote recruitment, training, or retention of personnel, such excess revenues shall be returned to the Secretary.

"(g) TERMINATION OF GRANTS.—

"(1) FAILURE TO MEET FQHC REQUIREMENTS.—

"(A) IN GENERAL.—With respect to any entity that is receiving funds awarded under this section and which subsequently fails to meet the requirements to qualify as a FQHC under section 1905(l)(2)(B) or is an entity that is not required to meet the requirements to qualify as a FQHC under section 1905(l)(2)(B) of the Social Security Act but fails to meet the requirements of this section, the Secretary shall terminate the award of funds under this section to such entity.

"(B) NOTICE.—Prior to any termination of funds under this section to an entity, the entities shall be entitled to 60 days prior notice of termination and, as provided by the Secretary in regulations, an opportunity to correct any deficiencies in order to allow the entity to continue to receive funds under this section.

"(2) REQUIREMENTS.—Upon any termination of funding under this section, the Secretary may (to the extent practicable)—

"(A) sell any property (including equipment) acquired or constructed by the entity using funds made available under this section or transfer such property to another FQHC, provided, that the Secretary shall reimburse any costs which were incurred by the entity in acquiring or constructing such property (including equipment) which were not supported by grants under this section; and

"(B) recoup any funds provided to an entity terminated under this section.

"(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $400,000,000 for fiscal year 1993, $800,000,000 for fiscal year 1994, $1,200,000,000 for fiscal year 1995, $1,600,000,000 for fiscal year 1996, and $1,600,000,000 for fiscal year 1997.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall become effective with respect to services furnished by a federally qualified health center or other qualifying entity described in this section beginning on or after October 1, 1993.

(c) STUDY AND REPORT ON SERVICES PROVIDED BY COMMUNITY HEALTH CENTERS AND HOSPITALS.—

(1) IN GENERAL.—The Secretary of Health and Human Services (hereinafter referred to in this subsection as the "Secretary") shall provide for a study to examine the relationship and interaction between community health centers and hospitals in providing services to individuals residing in medically underserved areas. The Secretary shall ensure that the National Rural Research Centers participate in such study.

(2) REPORT.—The Secretary shall provide to the appropriate committees of Congress a report summarizing the findings of the study within 90 days of the end of each project year and shall include in such report recommendations on methods to improve the coordination of and provision of services in medically underserved areas by community health centers and hospitals.

(3) AUTHORIZATION.—There are authorized to be appropriated to carry out the study provided for in this subsection $150,000 for each of fiscal years 1993 and 1994.

SEC. 914. RURAL MENTAL HEALTH OUTREACH GRANTS.

Part D of title V of the Public Health Service Act (42 U.S.C. 290dd et seq.) is amended by adding at the end thereof the following new section:

"SEC. 544. RURAL MENTAL HEALTH OUTREACH GRANTS.

"(a) IN GENERAL.—The Secretary may award competitive grants to eligible entities to enable such entities to develop and implement a plan for mental health outreach programs in rural areas.

"(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under subsection (a) an entity shall—

"(1) prepare and submit to the Secretary an application at such time, in such form and containing such information as the Secretary may require, including a description of the activities that the entity intends to undertake using grant funds; and

"(2) meet such other requirements as the Secretary determines appropriate.

"(c) PRIORITY.—In awarding grants under subsection (a), the Secretary shall give priority to applications that place emphasis on mental health services for the elderly or children. Priority shall also be given to applications that involve relationships between

the applicant and rural managed care cooperatives.

"(d) MATCHING REQUIREMENT.—An entity that receives a grant under subsection (a) shall make available (directly or through donations from public or private entities), non-Federal contributions toward the costs of the operations of the network in an amount equal to the amount of the grant.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $5,000,000 for each of the fiscal years 1993 through 1997.".

SEC. 915. HEALTH PROFESSIONS TRAINING.

(a) MEDICALLY UNDERSERVED AREA TRAINING INCENTIVES.—Subsection (a) of section 791 of the Public Health Service Act (42 U.S.C. 292 et seq.) is amended to read as follows:

"(a) PRIORITIES IN AWARDING OF GRANTS.—

"(1) ALLOCATION OF COMPETITIVE GRANT FUNDS.—In awarding competitive grants under this title or title VIII, the Secretary shall, among applicants that meet the eligibility requirements under such titles, give priority to entities submitting applications that—

"(A) can demonstrate that such entities—

"(i) have a high permanent rate for placing graduates in practice settings which serve residents of medically underserved communities; and

"(ii) have a curriculum that includes—

"(I) the rotation of medical students and residents to clinical settings the focus of which is to serve medically underserved communities;

"(II) the appointment of health professionals whose practices serve medically underserved communities to act as preceptors to supervise training in such settings;

"(III) classroom instruction on practice opportunities involving medically underserved communities;

"(IV) service contingent scholarship or loan repayment programs for students and residents to encourage practice in or service to underserved communities;

"(V) the recruitment of students who are most likely to elect to practice in or provide service to medically underserved communities;

"(VI) other training methodologies that demonstrate a significant commitment to the expansion of the proportion of graduates that elect to practice in or serve the needs of medically underserved communities; or

"(B) contain an organized plan for the expeditious development of the placement rate and curriculum described in subparagraph (A).

"(2) SERVICE IN MEDICALLY UNDERSERVED COMMUNITIES.—Not less than 50 percent of the amounts appropriated for fiscal year 1996, and for each subsequent fiscal year, for competitive grants under this title or title VIII, shall be used to award grants to institutions that are otherwise eligible for grants under such titles, and that can demonstrate that—

"(A) not less than 15 percent of the graduates of such institutions during the preceding 2-year period are engaged in full-time practice serving the needs of medically underserved communities; or

"(B) the number of the graduates of such institutions that are practicing in a medically underserved community has increased by not less than 50 percent over that proportion of such graduates for the previous 2-year period.

"(3) WAIVERS.—A health professions school may petition the Secretary for a temporary waiver of the priorities of this subsection. Such waiver shall be approved if the health professions school demonstrates that the State in which such school is located is not suffering from a shortage of primary care providers, as determined by the Secretary. Such waiver shall not be for a period in excess of 2 years.

"(4) DEFINITIONS.—As used in this subsection:

"(A) GRADUATE.—The term 'graduate' means, unless otherwise specified, an individual who has successfully completed all training and residency requirements necessary for full certification in the health professions discipline that such individual has selected.

"(B) MEDICALLY UNDERSERVED COMMUNITY.—The term 'medically underserved community' means—

"(i) an area designated under section 332 as a health professional shortage area;

"(ii) an area designated as a medically underserved area under this Act;

"(iii) populations served by migrant health centers under section 329, community health centers under section 330, or Federally qualified health centers under section 1905(l)(2)(B) of the Social Security Act;

"(iv) a community that is certified as underserved by the Secretary for purposes of participation in the rural health clinic program under title XVIII of the Social Security Act; or

"(v) a community that meets the criteria for the designation described in subparagraph (A) or (B) but that has not been so designated.".

(b) MEDICALLY UNDERSERVED AREA TRAINING GRANTS.—Part E of title VII of such Act is amended by adding at the end thereof the following new section:

"SEC. 779. MEDICALLY UNDERSERVED AREA TRAINING GRANT PROGRAM.

"(a) GRANTS.—The Secretary shall award grants to health professions institutions to expand training programs that are targeted at those individuals desiring to practice in or serve the needs of medically underserved communities.

"(b) PLAN.—As part of an application submitted for a grant under this section, the applicant shall prepare and submit a plan that describes the proposed use of funds that may be provided to the applicant under the grant.

"(c) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to applicants that demonstrate the greatest likelihood of expanding the proportion of graduates who choose to practice in or serve the needs of medically underserved areas.

"(d) USE OF FUNDS.—An institution that receives a grant under this section shall use amounts received under such grant to establish or enhance procedures or efforts to—

"(1) rotate health professions students from such institution to clinical settings the focus of which is to serve the residents of medically underserved communities;

"(2) appoint health professionals whose practices serve medically underserved areas to serve as preceptors to supervise training in such settings;

"(3) provide classroom instruction on practice opportunities involving medically underserved communities;

"(4) provide service contingent scholarship or loan repayment programs for students and residents to encourage practice in or service to underserved communities;

"(5) recruit students who are most likely to elect to practice in or provide service to medically underserved communities; or

"(6) provide other training methodologies that demonstrate a significant commitment to the expansion of the proportion of graduates that elect to practice in or serve the needs of medically underserved communities.

"(e) ADMINISTRATION.—

"(1) REQUIRED CONTRIBUTION.—An institution that receives a grant under this section shall contribute, from non-Federal sources, either in cash or in-kind, an amount equal to the amount of the grant to the activities to be undertaken with the grant funds.

"(2) LIMITATION.—An institution that receives a grant under this section, shall use amounts received under such grant to supplement, not supplant, amounts made available by such institution for activities of the type described in subsection (d) in the fiscal year preceding the year for which the grant is received.

"(f) DEFINITIONS.—As used in this section:

"(1) GRADUATE.—The term 'graduate' means, unless otherwise specified, an individual who has successfully completed all training and residency requirements necessary for full certification in the health professions discipline that such individual has selected.

"(2) MEDICALLY UNDERSERVED COMMUNITY.—The term 'medically underserved community' means—

"(A) an area designated under section 332 as a health professional shortage area;

"(B) an area designated as a medically underserved area under this Act;

"(C) populations served by migrant health centers under section 329, community health centers under section 330, or Federally qualified health centers under section 1905(l)(2)(B) of the Social Security Act;

"(D) a community that is certified as underserved by the Secretary for purposes of participation in the rural health clinic program under title XVIII of the Social Security Act; or

"(E) a community that meets the criteria for the designation described in subparagraph (A) or (B) but that has not been so designated.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $15,000,000 for each of the fiscal years 1993 and 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1997.".

(c) HEALTH PROFESSIONS TRAINING GRANTS.—Part E of title VII of such Act (as amended by subsection (b)) is further amended by adding at the end thereof the following new section:

"SEC. 780. HEALTH PROFESSIONS INTEGRATION GRANT PROGRAM.

"(a) GRANTS.—The Secretary shall award grants to eligible regional consortia to enhance and expand coordination among various health professions programs, particularly in medically underserved rural areas.

"(b) ELIGIBLE REGIONAL CONSORTIUM.—

"(1) IN GENERAL.—To be eligible to receive a grant under subsection (a), an entity must—

"(A) be a regional consortium consisting of at least one medical school and at least one other health professions school that is not a medical school; and

"(B) prepare and submit an application containing a plan of the type described in paragraph (2).

"(2) PLAN.—As part of the application submitted by a consortium under paragraph (1)(B), the consortium shall prepare and submit a plan that describes the proposed use of funds that may be provided to the consortium under the grant.

"(c) USE OF FUNDS.—A consortium that receives a grant under this section shall use

amounts received under such grant to establish or enhance—

"(1) strategies for better clinical cooperation among different types of health professionals;

"(2) classroom instruction on integrated practice opportunities, particularly targeted toward rural areas;

"(3) integrated clinical clerkship programs that make use of students in differing health professions schools; or

"(4) other training methodologies that demonstrate a significant commitment to the expansion of clinical cooperation among different types of health professionals, particularly in underserved rural areas.

"(d) LIMITATION.—A consortium that receives a grant under this section, shall use amounts received under such grant to supplement, not supplant, amounts made available by such institution for activities of the type described in subsection (c) in the fiscal year preceding the year for which the grant is received.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $7,000,000 for each of the fiscal years 1993 and 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1997.".

SEC. 916. RURAL HEALTH EXTENSION NETWORKS.

Title XVII of the Public Health Service Act (42 U.S.C. 300u et seq.) is amended by adding at the end thereof the following new section:

"SEC. 1709. RURAL HEALTH EXTENSION NETWORKS.

"(a) GRANTS.—The Secretary, acting through the Health Resources and Services Administration, may award competitive grants to eligible entities to enable such entities to facilitate the development of networks among rural and urban health care providers to preserve and share health care resources and enhance the quality and availability of health care in rural areas. Such networks may be statewide or regionalized in focus.

"(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under subsection (a) an entity shall—

"(1) be a rural health extension network that meets the requirements of subsection (c);

"(2) prepare and submit to the Secretary an application at such time, in such form and containing such information as the Secretary may require; and

"(3) meets such other requirements as the Secretary determines appropriate.

"(c) NETWORKS.—For purposes of subsection (b)(1), a rural health extension network shall be an association or consortium of three or more rural health care providers, and may include one or more urban health care provider, for the purposes of applying for a grant under this section and using amounts received under such grant to provide the services described in subsection (d).

"(d) SERVICES.—

"(1) IN GENERAL.—An entity that receives a grant under subsection (a) shall use amounts received under such grant to—

"(A) provide education and community decision-making support for health care providers in the rural areas served by the network;

"(B) utilize existing health care provider education programs, including but not limited to, the program for area health education centers under section 746, to provide educational services to health care providers in the areas served by the network;

"(C) make appropriately trained facilitators available to health care providers located in the areas served by the network to assist such providers in developing cooperative approaches to health care in such area;

"(D) facilitate linkage building through the organization of discussion and planning groups and the dissemination of information concerning the health care resources where available, within the area served by the network;

"(E) support telecommunications and consultative projects to link rural hospitals and other health care providers, and urban or tertiary hospitals in the areas served by the network; or

"(F) carry out any other activity determined appropriate by the Secretary.

"(2) EDUCATION.—In carrying out activities under paragraph (1)(B), an entity shall support the development of an information and resource sharing system, including elements targeted towards high risk populations and focusing on health promotion, to facilitate the ability of rural health care providers to have access to needed health care information. Such activities may include the provision of training to enable individuals to serve as coordinators of health education programs in rural areas.

"(3) COLLECTION AND DISSEMINATION OF DATA.—The chief executive officer of a State shall designate a State agency that shall be responsible for collecting and regularly disseminating information concerning the activities of the rural health extension networks in that State.

"(e) MATCHING REQUIREMENT.—An entity that receives a grant under subsection (a) shall make available (directly or through donations from public or private entities), non-Federal contributions towards the costs of the operations of the network in an amount equal to the amount of the grant.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $10,000,000 for each of the fiscal years 1993 through 1997.

"(g) DEFINITION.—As used in this section and section 1710, the term 'rural health care providers' means health care professionals and hospitals located in rural areas. The Secretary shall ensure that for purposes of this definition, rural areas shall include any area that meets any applicable Federal or State definition of rural area.".

SEC. 917. RURAL MANAGED CARE COOPERATIVES.

Title XVII of the Public Health Service Act (42 U.S.C. 300u et seq.) as amended by section 916 is further amended by adding at the end thereof the following new section:

"SEC. 1710. RURAL MANAGED CARE COOPERATIVES.

"(a) GRANTS.—The Secretary, acting through the Health Resources and Services Administration, may award competitive grants to eligible entities to enable such entities to develop and administer cooperatives in rural areas that will establish an effective case management and reimbursement system designed to support the economic viability of essential public or private health services, facilities, health care systems and health care resources in such rural areas.

"(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under subsection (a) an entity shall—

"(1) prepare and submit to the Secretary an application at such time, in such form and containing such information as the Secretary may require, including a description of the cooperative that the entity intends to develop and operate using grant funds; and

"(2) meet such other requirements as the Secretary determines appropriate.

"(c) COOPERATIVES.—

"(1) IN GENERAL.—Amounts provided under a grant awarded under subsection (a) shall be used to establish and operate a cooperative made up of all types of health care providers, hospitals, primary access hospitals, other alternate rural health care facilities, physicians, rural health clinics, rural nurse practitioners and physician assistant practitioners, public health departments and others located in, but not restricted to, the rural areas to be served by the cooperative.

"(2) BOARD OF DIRECTORS.—A cooperative established under paragraph (1) shall be administered by a board of directors elected by the members of the cooperative, a majority of whom shall represent rural providers from the local community and include representatives from the local community. Such directors shall serve at the pleasure of such members.

"(3) EXECUTIVE DIRECTOR.—The members of a cooperative established under paragraph (1) shall elect an executive director who shall serve as the chief operating officer of the cooperative. The executive director shall be responsible for conducting the day to day operation of the cooperative including—

"(A) maintaining an accounting system for the cooperative;

"(B) maintaining the business records of the cooperative;

"(C) negotiating contracts with provider members of the cooperative; and

"(D) coordinating the membership and programs of the cooperative.

"(4) REIMBURSEMENTS.—

"(A) NEGOTIATIONS.—A cooperative established under paragraph (1) shall facilitate negotiations among member health care providers and third party payers concerning the rates at which such providers will be reimbursed for services provided to individuals for which such payers may be liable.

"(B) AGREEMENTS.—Agreements reached under subparagraph (A) shall be binding on the members of the cooperative.

"(C) EMPLOYERS.—Employer entities may become members of a cooperative established under paragraph (a) in order to provide, through a member third party payer, health insurance coverage for employees of such entities. Deductibles shall only be charged to employees covered under such insurance if such employees receive health care services from a provider that is not a member of the cooperative if similar services would have been available from a member provider.

"(D) MALPRACTICE INSURANCE.—A cooperative established under subsection (a) shall be responsible for identifying and implementing a malpractice insurance program that shall include a requirement that such cooperative assume responsibility for the payment of a portion of the malpractice insurance premium of providers members.

"(5) MANAGED CARE AND PRACTICE STANDARDS.—A cooperative established under paragraph (1) shall establish joint case management and patient care practice standards programs that health care providers that are members of such cooperative must meet to be eligible to participate in agreements entered into under paragraph (4). Such standards shall be developed by such provider members and shall be subject to the approval of a majority of the board of directors. Such programs shall include cost and quality of care guidelines including a requirement that such providers make available preadmission screening, selective case management serv-

ices, joint patient care practice standards development and compliance and joint utilization review.

"(6) CONFIDENTIALITY.—Patients records, records of peer review, utilization review, and quality assurance proceedings conducted by the cooperative should be considered confidential and protected from release outside of the cooperative. The provider members of the cooperative shall be indemnified by the cooperative for the good faith participation by such members in such the required activities.

"(d) LINKAGES.—A cooperative shall create linkages among member health care providers, employers, and payers for the joint consultation and formulation of the types, rates, costs, and quality of health care provided in rural areas served by the cooperative.

"(e) MATCHING REQUIREMENT.—An entity that receives a grant under subsection (a) shall make available (directly or through donations from public or private entities), non-Federal contributions towards the costs of the operations of the network in an amount equal to the amount of the grant.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $15,000,000 for each of the fiscal years 1993 through 1997.".

TITLE X—PRIMARY AND PREVENTIVE CARE PROVIDERS

SEC. 1001. INCREASING PAYMENTS TO CERTAIN NONPHYSICIAN PROVIDERS UNDER THE MEDICARE PROGRAM.

(a) INCREASE IN PAYMENTS TO NURSE PRACTITIONERS, CLINICAL NURSE SPECIALISTS, CERTIFIED NURSE MIDWIVES, AND PHYSICIAN ASSISTANTS.—

(1) IN GENERAL.—Section 1833(a)(1) of the Social Security Act (42 U.S.C. 1395l(a)(1)) is amended—

(A) in subparagraph (K), by striking "80 percent" and all that follows through "physician)" and inserting "97 percent of the fee schedule amount provided under section 1848 for the same service performed by a physician";

(B) by redesignating subparagraph (M) the second place it appears and subparagraph (N), as subparagraphs (N) and (O), respectively; and

(C) by amending subparagraph (N), as redesignated, to read as follows: "(N) with respect to services described in section 1861(s)(2)(K) (relating to services provided by a nurse practitioner, clinical nurse specialist, or physician assistant) the amounts paid shall be 97 percent of the fee schedule amount provided under section 1848 for the same service performed by a physician,".

(2) NURSE PRACTITIONERS AND PHYSICIAN ASSISTANTS.—Section 1842(b)(12) of such Act (42 U.S.C. 1395u(b)(12)) is amended to read as follows:

"(12) With respect to services described in clauses (i), (ii), or (iv) of section 1861(s)(2)(K) (relating to physician assistants and nurse practitioners)—

"(A) payment under this part may only be made on an assignment-related basis; and

"(B) the prevailing charges determined under paragraph (3) shall not exceed—

"(i) in the case of services performed as an assistant at surgery, 97 percent of the amount that would otherwise be recognized if performed by a physician who is serving as an assistant at surgery, or

"(ii) in other cases, 97 percent of the fee schedule amount specified in section 1848 for such services performed by physicians who are not specialists.".

(3) DIRECT PAYMENT FOR ALL NURSE PRACTITIONERS OR CLINICAL NURSE SPECIALISTS.—Section 1832(a)(2)(B)(iv) of such Act (42 U.S.C. 1395k(a)(2)(B)(iv)) is amended by striking "provided in a rural area (as defined in section 1886(d)(2)(D))".

(4) REMOVAL OF RESTRICTIONS ON SETTINGS.—Section 1861(s)(2)(K) of such Act (42 U.S.C. 1395x(s)(2)(K)) is amended—

(A) in clause (i), by striking "(I) in a hospital" and all that follows through "professional shortage area,";

(B) in clause (ii), by striking "in a skilled" and all that follows through "1919(a)"; and

(C) in clause (iii), by striking "in a rural" and all that follows through "(d)(2)(D))".

(b) BONUS PAYMENT FOR SERVICES PROVIDED IN HEALTH PROFESSIONAL SHORTAGE AREAS.—Section 1833(m) of the Social Security Act (42 U.S.C. 1395l(m)) is amended—

(1) by inserting "(1)" after "(m)"; and

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

"(2) In the case of services of a nurse practitioner, clinical nurse specialist, physician assistant, certified nurse midwife, or certified registered nurse anesthetist furnished to an individual described in paragraph (1) in an area that is a health professional shortage area as described in such paragraph, in addition to the amount otherwise paid under this part, there shall also be paid to such service provider (or to an employer in the cases described in subparagraph (C) of section 1842(b)(6)) (on a monthly or quarterly basis) from the Federal Supplementary Medical Trust Fund an amount equal to 10 percent of the payment amount for such services under this part.".

SEC. 1002. REQUIRING COVERAGE OF CERTAIN NONPHYSICIAN PROVIDERS UNDER THE MEDICAID PROGRAM.

Section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)) is amended—

(1) in paragraph (21), by striking "; and" and inserting a semicolon;

(2) in paragraph (24), by striking the period at the end and inserting a semicolon;

(3) by redesignating paragraphs (22), (23), and (24) as paragraphs (25), (22), and (23), respectively;

(4) by inserting after paragraph (23) the following new paragraph:

"(24) services furnished by a physician assistant, nurse practitioner, clinical nurse specialist (as defined in section 1861(aa)(5)), and certified registered nurse anesthetist (as defined in section 1861(bb)(2)); and";

(5) by striking the semicolon at the end of paragraph (25), as redesignated, and inserting a period; and

(6) by transferring and inserting paragraph (25), as redesignated, after paragraph (24).

SEC. 1003. MEDICAL STUDENT TUTORIAL PROGRAM GRANTS.

Part C of title VII of the Public Health Service Act is amended by adding at the end thereof the following new section:

"SEC. 753. MEDICAL STUDENT TUTORIAL PROGRAM GRANTS.

"(a) ESTABLISHMENT.—The Secretary shall establish a program to award grants to eligible schools of medicine or osteopathic medicine to enable such schools to provide medical students for tutorial programs or as participants in clinics designed to interest high school or college students in careers in general medical practice.

"(b) APPLICATION.—To be eligible to receive a grant under this section, a school of medicine or osteopathic medicine shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, including assurances that the school will use amounts received under the grant in accordance with subsection (c).

"(c) USE OF FUNDS.—

"(1) IN GENERAL.—Amounts received under a grant awarded under this section shall be used to—

"(A) fund programs under which students of the grantee are provided as tutors for high school and college students in the areas of math, science, health promotion and prevention, first aide, nutrition and prenatal care;

"(B) fund programs under which students of the grantee are provided as participants in clinics and seminars in the areas described in paragraph (1); and

"(C) conduct summer institutes for high school and college students to promote careers in medicine.

"(2) DESIGN OF PROGRAMS.—The programs, institutes and other activities conducted by grantees under paragraph (1) shall be designed to—

"(A) give medical students desiring to practice general medicine access to the local community;

"(B) provide information to high school and college students concerning medical school and the general practice of medicine; and

"(C) promote careers in general medicine.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $5,000,000 for fiscal year 1994, and such sums as may be necessary for fiscal year 1995.".

SEC. 1004. GENERAL MEDICAL PRACTICE GRANTS.

Part C of title VII of the Public Health Service Act (as amended by section 503) is further amended by adding at the end thereof the following new section:

"SEC. 754. GENERAL MEDICAL PRACTICE GRANTS.

"(a) ESTABLISHMENT.—The Secretary shall establish a program to award grants to eligible public or private nonprofit schools of medicine or osteopathic medicine, hospitals, residency programs in family medicine or pediatrics, or to a consortium of such entities, to enable such entities to develop effective strategies for recruiting medical students interested in the practice of general medicine and placing such students into general practice positions upon graduation.

"(b) APPLICATION.—To be eligible to receive a grant under this section, an entity of the type described in subsection (a) shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, including assurances that the entity will use amounts received under the grant in accordance with subsection (c).

"(c) USE OF FUNDS.—Amounts received under a grant awarded under this section shall be used to fund programs under which effective strategies are developed and implemented for recruiting medical students interested in the practice of general medicine and placing such students into general practice positions upon graduation.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $25,000,000 for each of the fiscal years 1994 through 1998, and such sums as may be necessary for fiscal years thereafter.".

SEC. 1005. PAYMENTS FOR DIRECT AND INDIRECT GRADUATE MEDICAL EDUCATION COSTS.

(a) DIRECT MEDICAL EDUCATION COSTS.—Section 1886(h) of the Social Security Act (42 U.S.C. 1395ww(h)) is amended—

(1) in paragraph (1)—

(A) by striking "hospitals for direct medical education costs" and inserting "hospitals

and public and private nonprofit entities with approved medical residency training programs for direct medical education costs"; and

(B) by striking "hospitals associated" and inserting "hospitals and public and private nonprofit entities with approved medical residency training programs associated";

(2) in paragraph (2)—

(A) in the matter preceding subparagraph (A) by striking "each hospital" and inserting "each hospital or public or private nonprofit entity";

(B) in subparagraph (A)—

(i) in the heading, by striking "HOSPITAL'S";

(ii) by striking "the hospital's" and inserting "the hospital's or entity's"; and

(iii) by striking "the hospital" and inserting "the hospital or entity";

(C) in clause (ii) of subparagraph (B), by striking "a hospital if the hospital's" and inserting "a hospital or entity if the hospital's or entity's";

(D) in subparagraph (C), by striking "the hospital" each place it appears and inserting "the hospital or the entity";

(E) in subparagraph (D), by striking "the hospital" and inserting "the hospital or the entity"; and

(F) in subparagraph (E), by striking "a hospital" and inserting "a hospital or entity";

(3) in paragraph (3)—

(A) in the heading, by striking "HOSPITAL";

(B) in subparagraph (A),

(i) in the matter preceding clause (i), by striking "hospital cost reporting period" and inserting "cost reporting period of a hospital or a public or private nonprofit entity"; and

(ii) in clause (ii), by striking "the hospital's" and inserting "the hospital's or entity's";

(C) in subparagraph (B),

(i) in the matter preceding clause (i), by striking "hospital cost reporting period" and inserting "cost reporting period of a hospital or a public or private nonprofit entity"; and

(ii) in clauses (i) and (ii), by striking "hospital's" each place it appears and inserting "hospital's or entity's"; and

(D) in subparagraph (C), by striking "hospital's cost reporting period" and inserting "cost reporting period of a hospital or a public or private nonprofit entity"; and

(4) in paragraph (4)—

(A) in subparagraph (B), by striking "hospital" each place it appears and inserting "hospital or public or private nonprofit entity"; and

(B) in subparagraph (E), by striking "hospital" and inserting "hospital or public or private nonprofit entity".

(b) INDIRECT MEDICAL EDUCATION COSTS.—

(1) IN GENERAL.—Section 1848 of such Act (42 U.S.C. 1395w-4) is amended—

(A) by redesignating subsection (j) as subsection (k); and

(B) by inserting after subsection (i) the following new subsection:

"(j) PAYMENTS FOR INDIRECT GRADUATE MEDICAL EDUCATION COSTS.—

"(1) IN GENERAL.—The Secretary shall provide for an additional payment for indirect costs of medical education in an amount equal to the product of—

"(A) the amount determined under subsection (a)(1) for qualified physician's services (as defined in paragraph (2)), and

"(B) the indirect teaching adjustment factor determined in accordance with section 1886(d)(5)(B)(ii) with 'r' equal to .2.

"(2) QUALIFIED PHYSICIAN'S SERVICES.—

"(A) IN GENERAL.—For purposes of paragraph (1), the term 'qualified physician's services' means physician's services (as defined in subsection (k)(3)) that are—

"(i) provided during the course of clinical training by medical residents in the initial 3 years of postgraduate medical training in approved medical residency training programs in the fields of family medicine (as defined by the Secretary), general internal medicine (as defined by the Secretary), and general pediatrics (as defined by the Secretary), and

"(ii) provided at clinical training sites affiliated with approved medical residency training programs in family medicine, general internal medicine, and general pediatrics.

"(B) CERTAIN SERVICES EXCLUDED.—For purposes of paragraph (1), the term 'qualified physician's services' shall not include services provided during an inpatient hospital stay for which payment is made under part A of this title.".

(2) CONFORMING AMENDMENTS.—Section 1848 of such Act (42 U.S.C. 1395w-4) is amended—

(A) in subsection (a)(1), by striking "subsection (j)(3)" and inserting "subsection (k)(3)";

(B) in subsection (b)(1), by striking "subsection (j)(2)" and inserting "(k)(2)"; and

(C) in subparagraphs (C) and (D) of subsection (d)(2), by striking "subsection (j)(1)" and inserting "subsection (k)(1)".

(c) SUBSECTION (d) HOSPITALS.—Section 1886(d)(5)(B) of such Act (42 U.S.C. 1395ww(d)(5)(B)) is amended by adding at the end the following new clause:

"(v) In determining such adjustment the Secretary shall count only those interns and residents who are in the initial 3 years of postgraduate medical training.".

(d) EFFECTIVE DATE.—The amendments made by this section shall be effective for cost reporting periods beginning on or after October 1, 1993.

TITLE XI—MALPRACTICE REFORM

SEC. 1101. PRELITIGATION SCREENING PANEL GRANTS.

Part B of title IX of the Public Health Service Act (42 U.S.C. 299b et seq.) is amended by adding at the end the following new section:

"SEC. 915. PRELITIGATION SCREENING PANEL GRANTS.

"(a) ESTABLISHMENT.—The Assistant Secretary, acting through the Administrator, shall establish a program of grants to assist States in establishing prelitigation panels.

"(b) USE OF FUNDS.—A State may use a grant awarded under subsection (a) to establish prelitigation panels that—

"(1) identify claims of professional negligence that merit compensation;

"(2) encourage early resolution of meritorious claims prior to commencement of a lawsuit; and

"(3) encourage early withdrawal or dismissal of nonmeritorious claims.

"(c) AWARD OF GRANTS.—The Secretary shall allocate grants under this section in accordance with criteria issued by the Secretary.

"(d) APPLICATION.—To be eligible to receive a grant under this section, a State, acting through the appropriate State health authority, shall submit an application at such time, in such manner, and containing such agreements, assurances, and information as the Assistant Secretary determines to be necessary to carry out this section.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of the 1994 through 1997 fiscal years.".

TITLE XII—MEDICARE PREFERRED PROVIDER DEMONSTRATION PROJECTS

SEC. 1201. ESTABLISHMENT OF MEDICARE PRIMARY AND SPECIALTY PREFERRED PROVIDER ORGANIZATION DEMONSTRATION PROJECTS.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act the Secretary of Health and Human Services (hereafter referred to in this section as the "Secretary") shall provide for up to 10 demonstration projects to test the effectiveness of providing payment under the medicare program under title XVIII of the Social Security Act for primary and specialty procedures and services (as determined appropriate by the Secretary) furnished by preferred provider organizations. The demonstration projects provided for under this section by the Secretary shall—

(1) test the cost-effectiveness of preferred provider organizations furnishing primary and specialty services in controlling the volume of such services performed or ordered by physicians, and nonphysician providers such as nurse practitioners, clinical nurse specialists, certified nurse midwives, certified registered nurse anesthetists, and physician assistants, for which payment is made under title XVIII of the Social Security Act;

(2) gather information on factors which may encourage medicare beneficiaries to participate in a preferred provider organizational network;

(3) examine the efficacy of permanently establishing managed care networks of primary and specialty service providers; and

(4) examine the factors necessary to increase the quality and efficiency of primary and specialty services furnished by preferred provider networks in order to realize increased savings under the medicare program and to increase medicare beneficiary participation in such networks.

(b) WAIVER OF MEDICARE REQUIREMENTS.—The Secretary may waive such requirements of title XVIII of the Social Security Act as the Secretary determines necessary in conducting demonstration programs under this section, including—

(1) coinsurance requirements;

(2) provider payment arrangements;

(3) beneficiary deductibles; and

(4) reimbursement for nonphysician providers.

(c) DURATION OF PROJECTS.—The demonstration projects provided for under this section shall be conducted for a period not to exceed 3 years from the date of the enactment of this Act.

(d) REPORT.—Not later than 180 days after the date of expiration of the demonstration projects conducted under this section the Secretary shall report to the Congress on the results of the demonstration projects including recommendations for modifications in the medicare program to increase the utilization of preferred provider organizations in providing primary and specialty services under such program.

TITLE XIII—TREATMENT AND OUTCOMES RESEARCH

SEC. 1301. NEW DRUG CLINICAL TRIALS PROGRAM.

Part B of title IV of the Public Health Service Act (42 U.S.C. 284 et seq.) is amended by adding at the end the following new section:

"SEC. 409A. NEW DRUG CLINICAL TRIALS PROGRAM.

"(a) IN GENERAL.—The Director of the National Institutes of Health (hereafter referred to in this section as the 'Director') is authorized to establish and implement a pro-

gram for the conduct of clinical trials with respect to new drugs and disease treatments determined to be promising by the Director. In determining the drugs and disease treatments that are to be the subject of such clinical trials, the Director shall give priority to those drugs and disease treatments targeted toward the diseases determined—

"(1) to be the most costly to treat;

"(2) to have the highest mortality; or

"(3) to affect the greatest number of individuals.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $120,000,000 for fiscal year 1994, and such sums as may be necessary in each of the fiscal years 1995 through 1998.".

SEC. 1302. MEDICAL TREATMENT EFFECTIVENESS.

(a) RESEARCH ON COST-EFFECTIVE METHODS OF HEALTH CARE.—Section 926 of the Public Health Service Act (42 U.S.C. 299c-5) is amended—

(1) in subsection (a), by striking "and $115,000,000 for fiscal year 1993" and inserting "$115,000,000 for fiscal year 1993, and such sums as may be necessary for each of the fiscal years 1994 through 1997"; and

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

"(f) USE OF ADDITIONAL APPROPRIATIONS.—Within amounts appropriated under subsection (a) for each of the fiscal years 1993 through 1996 that are in excess of the amounts appropriated under such subsection for fiscal year 1992, the Secretary shall give priority to expanding research conducted to determine the most cost-effective methods of health care and for developing and disseminating new practice guidelines related to such methods. In utilizing such amounts, the Secretary shall give priority to diseases and disorders that the Secretary determines are the most costly to the United States and evidence a wide variation in current medical practice.".

(b) RESEARCH ON MEDICAL TREATMENT OUTCOMES.—

(1) IMPOSITION OF TAX ON HEALTH INSURANCE POLICIES.—

(A) IN GENERAL.—Chapter 36 of the Internal Revenue Code of 1986 (relating to certain other excise taxes) is amended by adding at the end thereof the following new subchapter:

"Subchapter G—Tax on Health Insurance Policies

"Sec. 4501. Imposition of tax.

"Sec. 4502. Liability for tax.

"SEC. 4501. IMPOSITION OF TAX.

"(a) GENERAL RULE.—There is hereby imposed a tax equal to .001 cent on each dollar, or fractional part thereof, of the premium paid on a policy of health insurance.

"(b) DEFINITION.—For purposes of subsection (a), the term 'policy of health insurance' means any policy or other instrument by whatever name called whereby a contract of insurance is made, continued, or renewed with respect to the health of an individual or group of individuals.

"SEC. 4502. LIABILITY FOR TAX.

"The tax imposed by this subchapter shall be paid, on the basis of a return, by any person who makes, signs, issues, or sells any of the documents and instruments subject to the tax, or for whose use or benefit the same are made, signed, issued or sold. The United States or any agency or instrumentality thereof shall not be liable for the tax.".

(B) CONFORMING AMENDMENT.—The table of subchapters for chapter 36 of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new item:

"SUBCHAPTER G. Tax on health insurance policies.".

(2) ESTABLISHMENT OF TRUST FUND.—

(A) IN GENERAL.—Subchapter A of chapter 98 of such Code (relating to trust fund code) is amended by adding at the end thereof the following new section:

"SEC. 9512. TRUST FUND FOR MEDICAL TREATMENT OUTCOMES RESEARCH.

"(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Trust Fund for Medical Treatment Outcomes Research' (hereafter referred to in this section as the 'Trust Fund'), consisting of such amounts as may be appropriated or credited to the Trust Fund as provided in this section or section 9602(b).

"(b) TRANSFERS TO TRUST FUND.—There is hereby appropriated to the Trust Fund an amount equivalent to the taxes received in the Treasury under section 4501 (relating to tax on health insurance policies).

"(c) DISTRIBUTION OF AMOUNTS IN TRUST FUND.—On an annual basis the Secretary shall distribute the amounts in the Trust Fund to the Secretary of Health and Human Services. Such amounts shall be available to the Secretary of Health and Human Services to pay for research activities related to medical treatment outcomes.".

(B) CONFORMING AMENDMENT.—The table of sections for subchapter A of chapter 98 of such Code is amended by adding at the end thereof the following new item:

"Sec. 9512. Trust Fund for Medical Treatment Outcomes Research.".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to policies issued after December 31, 1993.

SEC. 1303. TREATMENT PRACTICE GUIDELINES AS A LEGAL STANDARD.

Section 912 of the Public Health Service Act (42 U.S.C. 299b-1) is amended by adding at the end thereof the following new subsection:

"(g) TREATMENT PRACTICE GUIDELINES AS A LEGAL STANDARD.—

"(1) IN GENERAL.—Except as provided in paragraph (2) and notwithstanding any other provision of law, guidelines established under this section may not be introduced in evidence or used in any action brought in a Federal or State court arising from the provision of a health care service to an individual.

"(2) PROVISION OF HEALTH CARE UNDER GUIDELINES.—Notwithstanding any other provision of law, in any action brought in a Federal or State court arising from the provision of a health care service to an individual, if the service was provided to the individual in accordance with guidelines established under this section, the guidelines—

"(A) may be introduced by a provider who is a party to the action; and

"(B) if introduced, shall establish a rebuttable presumption that the service prescribed by the guidelines is the appropriate standard of medical care.".

TITLE XIV—LONG-TERM CARE

Subtitle A—Tax Treatment of Qualified Long-Term Care Insurance Policies

SEC. 1401. AMENDMENT OF 1986 CODE.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 1402. DEFINITIONS OF QUALIFIED LONG-TERM CARE INSURANCE AND PREMIUMS.

(a) IN GENERAL.—Chapter 79 (relating to definitions) is amended by adding at the end the following new section:

"SEC. 7705. QUALIFIED LONG-TERM CARE INSURANCE AND PREMIUMS.

"(a) QUALIFIED LONG-TERM CARE INSURANCE.—

"(1) IN GENERAL.—For purposes of this title, the term 'qualified long-term care insurance' means insurance under a policy or rider, issued by a qualified issuer, which—

"(A) provides coverage for not less than 12 consecutive months for each covered person,

"(B) provides benefits on an expense incurred, indemnity, disability, prepaid, capitation, or other basis,

"(C) provides benefits for—

"(i) medically necessary diagnostic, preventive, therapeutic, rehabilitation, or maintenance services,

"(ii) personal care services necessitated by physical disability, or

"(iii) preventive, therapeutic, rehabilitation, maintenance, or personal care services necessitated by cognitive impairment or the loss of functional capacity,

when provided in a nursing home, a respite care facility, the home of the covered individual, or any other setting which is not an acute care unit of a hospital or a medical clinic, and

"(D) provides coverage for care described in subparagraph (C) (other than nursing home care) equal to not less than 47.5 percent of the national median cost of nursing care coverage, as determined by the Secretary.

"(2) QUALIFIED ISSUER.—For purposes of paragraph (1), the term 'qualified issuer' means any of the following, if subject to the jurisdiction and regulation of at least 1 State insurance department:

"(A) Private insurance company.

"(B) Fraternal benefit society.

"(C) Nonprofit health corporation.

"(D) Nonprofit hospital corporation.

"(E) Nonprofit medical service corporation.

"(F) Prepaid health plan.

"(b) QUALIFIED LONG-TERM CARE PREMIUMS.—

"(1) IN GENERAL.—For purposes of this title, the term 'qualified long-term care premiums' means the amount paid during a taxable year for qualified long-term care insurance covering an individual, to the extent such amount does not exceed the limitation determined under the following table:

"In the case of an individual with an attained age before the close of the taxable year of:	The limitation is:
40 or less	$200
More than 40 but not more than 50	375
More than 50 but not more than 60	750
More than 60 but not more than 70	1,600
More than 70	2,000.

"(2) INDEXING.—

"(A) IN GENERAL.—In the case of any taxable year beginning after December 31, 1993, each dollar amount contained in paragraph (1) shall be increased by the medical care cost adjustment for such taxable year. If any increase determined under the preceding sentence is not a multiple of $10, such increase shall be rounded to the nearest multiple of $10.

"(B) MEDICAL CARE COST ADJUSTMENT.—For purposes of subparagraph (A), the medical care cost adjustment for any taxable year is the percentage (if any) by which—

"(i) the medical care component of the Consumer Price Index (as defined in section 1(f)(5)) for August of the calendar year preceding the calendar year in which the taxable year begins, exceeds

"(ii) such component for August of 1992.".

(b) CLERICAL AMENDMENT.—The table of sections for chapter 79 is amended by inserting after the item relating to section 7704 the following new item:

"Sec. 7705. Qualified long-term care insurance and premiums.".

SEC. 1403. TREATMENT OF QUALIFIED LONG-TERM CARE INSURANCE AS ACCIDENT AND HEALTH INSURANCE FOR PURPOSES OF TAXATION OF INSURANCE COMPANIES.

(a) IN GENERAL.—Section 818 (relating to other definitions and special rules) is amended by adding at the end the following new subsection:

"(g) QUALIFIED LONG-TERM CARE INSURANCE TREATED AS ACCIDENT OR HEALTH INSURANCE.—For purposes of this subchapter, any reference to noncancellable accident or health insurance contracts shall be treated as including a reference to qualified long-term care insurance.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 1404. TREATMENT OF ACCELERATED DEATH BENEFITS UNDER LIFE INSURANCE CONTRACTS.

(a) EXCLUSION OF AMOUNTS RECEIVED.—Section 101 (relating to certain death benefits) is amended by adding at the end the following new subsection:

"(g) TREATMENT OF CERTAIN ACCELERATED DEATH BENEFITS.—

"(1) IN GENERAL.—For purposes of this section, any amount paid to an individual under a life insurance contract on the life of an insured who is a terminally ill individual, who has a dread disease, or who has been permanently confined to a nursing home shall be treated as an amount paid by reason of the death of such insured.

"(2) TERMINALLY ILL INDIVIDUAL.—For purposes of this subsection, the term 'terminally ill individual' means an individual who has been certified by a physician, licensed under State law, as having an illness or physical condition which can reasonably be expected to result in death in 12 months or less.

"(3) DREAD DISEASE.—For purposes of this subsection, the term 'dread disease' means a medical condition which has required or requires extraordinary medical intervention without which the insured would die, or a medical condition which would, in the absence of extensive or extraordinary medical treatment, result in a drastically limited life span.

"(4) PERMANENTLY CONFINED TO A NURSING HOME.—For purposes of this subsection, an individual has been permanently confined to a nursing home if the individual is presently confined to a nursing home and has been certified by a physician, licensed under State law, as having an illness or physical condition which can reasonably be expected to result in the individual remaining in a nursing home for the rest of the individual's life.".

(b) TREATMENT OF QUALIFIED ACCELERATED DEATH BENEFIT RIDERS AS LIFE INSURANCE.—

(1) IN GENERAL.—Section 818 (relating to other definitions and special rules), as amended by section 803, is amended by adding at the end the following new subsection:

"(h) QUALIFIED ACCELERATED DEATH BENEFIT RIDERS TREATED AS LIFE INSURANCE.—For purposes of this part—

"(1) IN GENERAL.—Any reference to a life insurance contract shall be treated as including a reference to a qualified accelerated death benefit rider on such contract.

"(2) QUALIFIED ACCELERATED DEATH BENEFIT RIDER.—For purposes of this subsection, the term 'qualified accelerated death benefit rider' means any rider or addendum on, or other provision of, a life insurance contract which provides for payments to an individual on the life of an insured upon such insured becoming a terminally ill individual (as defined in section 101(g)(2)), incurring a dread disease (as defined in section 101(g)(3)), or being permanently confined to a nursing home (as defined in section 101(g)(4)).".

(2) DEFINITIONS OF LIFE INSURANCE AND MODIFIED ENDOWMENT CONTRACTS.—

(A) RIDER TREATED AS QUALIFIED ADDITIONAL BENEFIT.—Subparagraph (A) of section 7702(f)(5) (relating to definition of life insurance contract) is amended by striking "or" at the end of clause (iv), by redesignating clause (v) as clause (vi), and by inserting after clause (iv) the following new clause:

"(v) any qualified accelerated death benefit rider (as defined in section 818(h)(2)), or any qualified long-term care insurance which reduces the death benefit, or".

(B) TRANSITIONAL RULE.—For purposes of applying section 7702 or 7702A of the Internal Revenue Code of 1986 to any contract (or determining whether either such section applies to such contract), the issuance of a rider or addendum on, or other provision of, a life insurance contract permitting the acceleration of death benefits (as described in section 101(g)) or for qualified long-term care insurance shall not be treated as a modification or material change of such contract.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

Subtitle B—Tax Incentives for Purchase of Qualified Long-Term Care Insurance

SEC. 1411. CREDIT FOR QUALIFIED LONG-TERM CARE PREMIUMS.

(a) GENERAL RULE.—Subpart C of part IV of subchapter A of chapter 1 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

"SEC. 35. LONG-TERM CARE INSURANCE CREDIT.

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the applicable percentage of the qualified long-term care premiums (as defined in section 7705(b)) paid during such taxable year for such individual or the spouse of such individual.

"(b) APPLICABLE PERCENTAGE.—

"(1) IN GENERAL.—For purposes of this section, the term 'applicable percentage' means 28 percent reduced (but not below zero) by 1 percentage point for each $1,000 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds the base amount.

"(2) BASE AMOUNT.—For purposes of paragraph (1) the term 'base amount' means—

"(A) except as otherwise provided in this paragraph, $25,000,

"(B) $40,000 in the case of a joint return, and

"(C) zero in the case of a taxpayer who—

"(i) is married at the close of the taxable year (within the meaning of section 7703) but does not file a joint return for such taxable year, and

"(ii) does not live apart from his or her spouse at all times during the taxable year.

"(c) COORDINATION WITH MEDICAL EXPENSE DEDUCTION.—Any amount allowed as a credit under this section shall not be taken into account under section 213.".

(b) CLERICAL AMENDMENT.—The table of sections for subpart C of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 35 and inserting the following:

"Sec. 35. Long-term care insurance credit.

"Sec. 36. Overpayments of tax.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 1412. DEDUCTION FOR EXPENSES RELATING TO QUALIFIED LONG-TERM CARE.

(a) DEDUCTION FOR QUALIFIED LONG-TERM CARE PREMIUMS.—Subparagraph (C) of section 213(d)(1) (relating to the definition of medical care) is amended by striking "aged)" and inserting the following: "aged, and amounts paid as qualified long-term care premiums (as defined in section 7705(b))".

(b) DEDUCTION FOR LONG-TERM CARE EXPENSES FOR PARENT OR GRANDPARENT.—Section 213 (relating to deduction for medical expenses) is amended by adding at the end the following new subsection:

"(g) SPECIAL RULE FOR CERTAIN LONG-TERM CARE EXPENSES.—For purposes of subsection (a), the term 'dependent' shall include any parent or grandparent of the taxpayer for whom the taxpayer has long-term care expenses described in section 7705(a)(1)(C), but only to the extent of such expenses.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 1413. EXCLUSION FROM GROSS INCOME OF BENEFITS RECEIVED UNDER QUALIFIED LONG-TERM CARE INSURANCE.

(a) IN GENERAL.—Section 105 (relating to amounts received under accident and health plans) is amended by adding at the end the following new subsection:

"(j) SPECIAL RULES RELATING TO QUALIFIED LONG-TERM CARE INSURANCE.—For purposes of section 104, this section, and section 106—

"(1) BENEFITS TREATED AS PAYABLE FOR SICKNESS, ETC.—Any benefit received through qualified long-term care insurance shall be treated as amounts received through accident or health insurance for personal injuries or sickness.

"(2) EXPENSES FOR WHICH REIMBURSEMENT PROVIDED UNDER QUALIFIED LONG-TERM CARE INSURANCE TREATED AS INCURRED FOR MEDICAL CARE OR FUNCTIONAL LOSS.—

"(A) EXPENSES.—Expenses incurred by the taxpayer or spouse, or by the dependent, parent, or grandparent of either, to the extent of benefits paid under qualified long-term care insurance shall be treated for purposes of subsection (b) as incurred for medical care (as defined in section 213(d)).

"(B) BENEFITS.—Benefits received under qualified long-term care insurance shall be treated for purposes of subsection (c) as payment for the permanent loss or loss of use of a member or function of the body or the permanent disfigurement of the taxpayer or spouse, or the dependent, parent, or grandparent of either.

"(3) REFERENCES TO ACCIDENT AND HEALTH PLANS.—

"(A) IN GENERAL.—Any reference to an accident or health plan shall be treated as including a reference to a plan providing qualified long-term care insurance.

"(B) LIMITATION.—Subparagraph (A) shall apply for purposes of section 106 only to the

extent of qualified long-term care premiums (as defined in section 7705(b)).".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 1414. EMPLOYER DEDUCTION FOR CONTRIBUTIONS MADE FOR LONG-TERM CARE INSURANCE.

(a) IN GENERAL.—Subparagraph (B) of section 404(b)(2) (relating to plans providing certain deferred benefits) is amended to read as follows:

"(B) EXCEPTIONS.—Subparagraph (A) shall not apply to—

"(i) any benefit provided through a welfare benefit fund (as defined in section 419(e)), or

"(ii) any benefit provided under qualified long-term care insurance through the payment (in whole or in part) of qualified long-term care premiums (as defined in section 7705(b)) by an employer pursuant to a plan for its active or retired employees, but only if any refund or premium is applied to reduce the future costs of the plan or increase benefits under the plan.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 1415. INCLUSION OF QUALIFIED LONG-TERM CARE INSURANCE IN CAFETERIA PLANS.

(a) IN GENERAL.—Paragraph (2) of section 125(d) (relating to the exclusion of deferred compensation) is amended by adding at the end the following new subparagraph:

"(D) EXCEPTION FOR LONG-TERM CARE INSURANCE CONTRACTS.—For purposes of subparagraph (A), amounts paid or incurred for any long-term care insurance contract shall not be treated as deferred compensation to the extent section 404(b)(2)(A) does not apply to such amounts by reason of section 404(b)(2)(B)(ii).".

(b) CONFORMING AMENDMENT.—Subsection (f) of section 125 (relating to qualified benefits) is amended by striking "and such term includes" and inserting the following: ", qualified long-term care insurance, and".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 1416. EXCLUSION FROM GROSS INCOME FOR AMOUNTS WITHDRAWN FROM INDIVIDUAL RETIREMENT PLANS AND SECTION 401(k) PLANS FOR QUALIFIED LONG-TERM CARE PREMIUMS AND EXPENSES.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 (relating to items specifically excluded from gross income) is amended by redesignating section 136 as section 137 and by inserting after section 135 the following new section:

"SEC. 136. DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT PLANS AND SECTION 401(k) PLANS FOR QUALIFIED LONG-TERM CARE PREMIUMS AND EXPENSES.

"(a) GENERAL RULE.—In the case of an individual, gross income shall not include any qualified distribution.

"(b) QUALIFIED DISTRIBUTION.—For purposes of this section, the term 'qualified distribution' means any amount distributed from an individual retirement plan or a section 401(k) plan during the taxable year if such amount is used during such year—

"(1) to pay qualified long-term care premiums (as defined in section 7705(b)) for the benefit of the payee or distributee or the spouse of the payee or distributee, if such policy may not be surrendered for cash, or

"(2) to pay long-term care expenses (as described in section 7705(a)(1)(C)) of such an individual.

"(c) SPECIAL RULES.—For purposes of this section—

"(1) QUALIFIED DISTRIBUTIONS FROM IRA DEEMED MADE FIRST FROM DESIGNATED NONDEDUCTIBLE CONTRIBUTIONS.—For purposes of section 72, qualified distributions from an individual retirement plan shall be treated as made from designated nondeductible contributions to the extent thereof and then from other amounts.

"(2) SPECIAL RULES FOR SECTION 401(k) PLANS.—

"(A) QUALIFIED DISTRIBUTIONS FROM SECTION 401(k) PLAN MAY NOT EXCEED ELECTIVE DEFERRALS.—This section shall not apply to any distribution from a section 401(k) plan to the extent the aggregate amount of such distributions for the use described in subsection (a) exceeds the aggregate employer contributions made pursuant to the employee's election under section 401(k)(2) (and the income thereon).

"(B) WITHDRAWALS NOT TO CAUSE DISQUALIFICATION.—A plan shall not be treated as failing to satisfy the requirements of section 401, and an arrangement shall not be treated as failing to be a qualified cash or deferred arrangement (as defined in section 401(k)(2)), merely because under the plan or arrangement distributions are permitted which are excludable from gross income by reason of this section.

"(d) SECTION 401(k) PLAN.—For purposes of this section, the term 'section 401(k) plan' means any employer plan which meets the requirements of section 401(a) and which includes a qualified cash or deferred arrangement (as defined in section 401(k)).".

(b) CONFORMING AMENDMENTS.—

(1) Subsection (k) of section 401 is amended by adding at the end the following new paragraph:

"(11) CROSS REFERENCE.—

"For provision permitting tax-free withdrawals for qualified long-term care premiums and expenses, see section 136.".

(2) Subsection (d) of section 408 is amended by adding at the end the following new paragraph:

"(8) CROSS REFERENCE.—

"For provision permitting tax-free withdrawals for qualified long-term care premiums and expenses, see section 136.".

(3) The table of sections for such part III is amended by striking the item relating to section 136 and inserting the following new items:

"Sec. 136. Distributions from individual retirement plans and section 401(k) plans for qualified long-term care premiums and expenses.

"Sec. 137. Cross references to other Acts.".

(c) INCREASE IN AMOUNT OF DEDUCTIBLE CONTRIBUTIONS TO INDIVIDUAL RETIREMENT PLANS.—

(1) IN GENERAL.—Subparagraph (A) of section 219(b)(1) (relating to maximum amount of deduction) is amended by striking "$2,000" and inserting "$4,000".

(2) SPOUSAL IRA.—Paragraph (2) of section 219(c) (relating to special rules for certain married individuals) is amended by striking "$2,250" and "$2,000" and inserting "$4,500" and "$4,000", respectively.

(3) CONFORMING AMENDMENTS.—

(A) Section 408(a)(1) is amended by striking "in excess of $2,000 on behalf of any individual" and inserting "on behalf of any individual in excess of the amount in effect for such taxable year under section 219(b)(1)(A)".

(B) Section 408(b)(2)(B) is amended by striking "$2,000" and inserting "the dollar amount in effect under section 219(b)(1)(A)".

(C) Section 408(j) is amended by striking "$2,000".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 1417. EXCLUSION FROM GROSS INCOME FOR AMOUNTS RECEIVED ON CANCELLATION OF LIFE INSURANCE POLICIES AND USED FOR QUALIFIED LONG-TERM CARE INSURANCE.

(a) IN GENERAL.—

(1) EXCLUSION FROM GROSS INCOME.—

(A) IN GENERAL.—Part III of subchapter B of chapter 1 (relating to items specifically excluded from gross income), as amended by section 216, is further amended by redesignating section 137 as section 138 and by inserting after section 136 the following new section:

"SEC. 137. AMOUNTS RECEIVED ON CANCELLATION, ETC. OF LIFE INSURANCE CONTRACTS AND USED TO PAY PREMIUMS FOR QUALIFIED LONG-TERM CARE INSURANCE.

"No amount (which but for this section would be includible in the gross income of an individual) shall be included in gross income on the whole or partial surrender, cancellation, or exchange of any life insurance contract during the taxable year if—

"(1) such individual has attained age 59½ on or before the date of the transaction, and

"(2) the amount otherwise includible in gross income is used during such year to pay for any policy of qualified long-term care insurance which—

"(A) is for the benefit of such individual or the spouse of such individual if such spouse has attained age 59½ on or before the date of the transaction, and

"(B) may not be surrendered for cash.".

(B) CLERICAL AMENDMENT.—The table of sections for such part III is amended by striking the last item and inserting the following new items:

"Sec. 137. Amounts received on cancellation, etc. of life insurance contracts and used to pay premiums for qualified long-term care insurance.

"Sec. 138. Cross references to other Acts.".

(2) CERTAIN EXCHANGES NOT TAXABLE.—Subsection (a) of section 1035 (relating to certain exchanges of insurance contracts) is amended by striking the period at the end of paragraph (3) and inserting "; or", and by adding at the end the following new paragraph:

"(4) in the case of an individual who has attained age 59½, a contract of life insurance or an endowment or annuity contract for a policy of qualified long-term care insurance, if such policy may not be surrendered for cash.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 1418. USE OF GAIN FROM SALE OF PRINCIPAL RESIDENCE FOR PURCHASE OF QUALIFIED LONG-TERM HEALTH CARE INSURANCE.

(a) IN GENERAL.—Subsection (d) of section 121 (relating to 1-time exclusion of gain from sale of principal residence by individual who has attained age 55) is amended by adding at the end the following new paragraph:

"(10) ELIGIBILITY OF HOME EQUITY CONVERSION SALE-LEASEBACK TRANSACTION FOR EXCLUSION.—

"(A) IN GENERAL.—For purposes of this section, the term 'sale or exchange' includes a home equity conversion sale-leaseback transaction.

"(B) HOME EQUITY CONVERSION SALE-LEASEBACK TRANSACTION.—For purposes of subparagraph (A), the term 'home equity conversion sale-leaseback' means a transaction in which—

"(i) the seller-lessee—

"(I) has attained the age of 55 before the date of the transaction,

"(II) sells property which during the 5-year period ending on the date of the transaction has been owned and used as a principal residence by such seller-lessee for periods aggregating 3 years or more,

"(III) uses a portion of the proceeds from such sale to purchase a policy of qualified long-term care insurance, which policy may not be surrendered for cash,

"(IV) obtains occupancy rights in such property pursuant to a written lease requiring a fair rental, and

"(V) receives no option to repurchase the property at a price less than the fair market price of the property unencumbered by any leaseback at the time such option is exercised, and

"(ii) the purchaser-lessor—

"(I) is a person,

"(II) is contractually responsible for the risks and burdens of ownership and receives the benefits of ownership (other than the seller-lessee's occupancy rights) after the date of such transaction, and

"(III) pays a purchase price for the property that is not less than the fair market price of such property encumbered by a leaseback, and taking into account the terms of the lease.

"(C) ADDITIONAL DEFINITIONS.—For purposes of subparagraph (B)—

"(i) OCCUPANCY RIGHTS.—The term 'occupancy rights' means the right to occupy the property for any period of time, including a period of time measured by the life of the seller-lessee on the date of the sale-leaseback transaction (or the life of the surviving seller-lessee, in the case of jointly held occupancy rights), or a periodic term subject to a continuing right of renewal by the seller-lessee (or by the surviving seller-lessee, in the case of jointly held occupancy rights).

"(ii) FAIR RENTAL.—The term 'fair rental' means a rental for any subsequent year which equals or exceeds the rental for the first year of a sale-leaseback transaction.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to sales after December 31, 1992, in taxable years beginning after such date.

Subtitle C—Medicaid Amendments

SEC. 1421. EXPANSION OF MEDICAID ELIGIBILITY FOR LONG-TERM CARE BENEFITS.

(a) IN GENERAL.—Title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) is amended by adding at the end the following new section:

"ELIGIBILITY FOR LONG-TERM CARE BENEFITS

"SEC. 1931. (a) ELIGIBILITY FOR NURSING FACILITY SERVICES.—Any individual—

"(1) who is 65 years of age or older,

"(2) who has resources (including resources of the individual's spouse) which do not exceed the resource limitation specified in subsection (c)(1),

"(3) who is not otherwise eligible for medical assistance for nursing facility services under this title, and

"(4) who has been provided 30 months of nursing facility services (during a period in which the individual required the level of care provided in a nursing facility) during the previous 48 months (or, with respect to the application of subsection (e), 72 months), is eligible, notwithstanding any other provisions of this title, for medical assistance under this title for nursing facility services so long as the individual continues to meet the requirements of this subsection (other than paragraph (4)) and is confined to a nursing facility or otherwise requires the same level of care as is provided in a nursing facility.

"(b) ELIGIBILITY FOR HOME AND COMMUNITY-BASED CARE.—Any individual—

"(1) who is 65 years of age or older,

"(2) who has resources (including resources of the individual's spouse) which do not exceed the resource limitation specified in subsection (c)(1), and

"(3) who is not otherwise eligible for medical assistance for home and community-based long-term care under this title,

is eligible, notwithstanding any other provisions of this title, for medical assistance under this title for home and community-based long-term care so long as the individual continues to meet the requirements of this subsection and requires the same level of care as is provided in a nursing facility.

"(c) RESOURCE LIMITATION.—

"(1) IN GENERAL.—For purposes of this section, the resource limitation specified in this subsection is $500,000, increased, for each year after 1993, by the percentage increase in the Consumer Price Index for All Urban Consumers (all items; U.S. city average) from July 1992 to July of the previous year, rounded (if not a multiple of $1,000) to the nearest $1,000.

"(2) CERTAIN PERSONAL PROPERTY NOT INCLUDED.—Personal property items with a fair market value less than $5,000 in the aggregate shall not be included in any calculation of resources under subsections (a) and (b) which are subject to the resource limitation specified in paragraph (1).

"(d) TREATMENT OF LEVEL OF CARE.—

"(1) IN GENERAL.—For purposes of subsections (a) and (b), an individual is considered to require the level of care provided in a nursing facility if the individual cannot perform (without substantial human assistance) at least 3 activities of daily living or needs substantial human assistance because of cognitive or other mental impairment (including Alzheimer's disease).

"(2) ACTIVITIES OF DAILY LIVING DEFINED.—The 'activities of daily living' referred to in paragraph (1) are the following: eating, bathing, dressing, toileting, and transferring in and out of a bed or in and out of a chair.

"(e) SUBSTITUTION OF EXPENSES INCURRED FOR QUALIFIED HOME CARE FOR MONTHS IN NURSING FACILITY.—

"(1) IN GENERAL.—In determining whether an individual has been provided 30 months of nursing facility services under subsection (a)(4), expenses incurred (whether paid for by insurance, themselves, or relatives but not including expenses for which payment is made under this title, by the Department of Veterans Affairs, the Department of Defense, or other Federal programs) for qualified home care (as defined in paragraph (3)) shall be taken into account in the manner specified in paragraph (2).

"(2) CONVERTING EXPENSES TO MONTHS.—Expenses described in paragraph (1) shall be converted to months of nursing facility services by dividing such expenses by the national median monthly cost (as determined by the Secretary, and using a weighted average for both public and private nursing facilities) for nursing facility services in the month in which the expenses are incurred.

"(3) QUALIFIED HOME CARE DEFINED.—In this subsection, the term 'qualified home care' means home and community-based services described in section 1915(d).".

(b) CONFORMING AMENDMENTS.—Section 1902(a) of such Act (42 U.S.C. 1396a(a)), as amended by section 302, is further amended—

(1) in paragraph (10)—

(A) in clause (i) of subparagraph (A), by striking "or" at the end of subclause (VI), by striking the semicolon at the end of subclause (VII) and inserting ", or", and by adding at the end the following:

"(VIII) who are described in subsections (a) and (b) of section 1931;"; and

(B) in the matter following subparagraph (F)—

(i) by striking "; and (XI)"; and inserting ", (XI);

(ii) by striking ", and (XI)" and inserting ", (XII); and

(iii) by inserting before the semicolon at the end the following: ", and (XIII) the making available of medical assistance for certain nursing facility services and home and community-based long-term care in accordance with section 1931 shall not, by reason of this paragraph, require such assistance to be made available to other individuals";

(2) in paragraph (59), by striking "; and" and inserting a semicolon,

(3) in paragraph (60), by striking the period at the end and inserting "; and", and

(4) by adding at the end the following new paragraph:

"(61) provides for medical assistance for certain nursing facility services and home and community-based long-term care in accordance with section 1931.".

SEC. 1422. EFFECTIVE DATE.

(a) IN GENERAL.—The amendments made by this subtitle apply (except as provided under subsection (b)) to payments under title XIX of the Social Security Act for calendar quarters beginning on or after 1 year after the date of the enactment of this Act, without regard to whether regulations to implement such amendments are promulgated by such date.

(b) DELAY PERMITTED IF STATE LEGISLATION REQUIRED.—In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation authorizing or appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by this subtitle, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(c) TRANSITION.—In applying the amendments made by this subtitle, only months beginning after the date of the enactment of this Act may be counted toward meeting the 30-month deductible described in section 1931(a)(4) of the Social Security Act, as added by this subtitle.

TITLE XV—FINANCING

SEC. 1501. REPEAL OF DOLLAR LIMITATION ON AMOUNT OF WAGES SUBJECT TO HOSPITAL INSURANCE TAX.

(a) HOSPITAL INSURANCE TAX.—

(1) Paragraph (1) of section 3121(a) of the Internal Revenue Code of 1986 (defining wages) is amended—

(A) by inserting "in the case of the taxes imposed by sections 3101(a) and 3111(a)" after "(1)",

(B) by striking "applicable contribution base (as determined under subsection (x))" each place it appears and inserting "contribution and benefit base (as determined under section 230 of the Social Security Act)", and

(C) by striking "such applicable contribution base" and inserting "such contribution and benefit base".

(2) Section 3121 of such Code is amended by striking subsection (x).

(b) SELF-EMPLOYMENT TAX.—

(1) Subsection (b) of section 1402 of such Code is amended—

(A) by striking "(1) that part of net" and inserting "(1) in the case of the tax imposed by section 1401(a), that part of net",

(B) by striking "applicable contribution base (as determined under subsection (k))" and inserting "contribution and benefit base (as determined under section 230 of the Social Security Act)",

(C) by inserting "and" after "section 3121(b),", and

(D) by striking "and (C) includes" and all that follows through "3111(b)".

(2) Section 1402 of such Code is amended by striking subsection (k).

(c) RAILROAD RETIREMENT TAX.—

(1) Subparagraph (A) of section 3231(e)(2) of such Code is amended by adding at the end thereof the following new clause:

"(iii) HOSPITAL INSURANCE TAXES.—Clause (i) shall not apply to—

"(I) so much of the rate applicable under section 3201(a) or 3221(a) as does not exceed the rate of tax in effect under section 3101(b), and

"(II) so much of the rate applicable under section 3211(a)(1) as does not exceed the rate of tax in effect under section 1402(b)."

(2) Clause (i) of section 3231(e)(2)(B) of such Code is amended to read as follows:

"(i) TIER 1 TAXES.—Except as provided in clause (ii), the term 'applicable base' means for any calendar year the contribution and benefit base determined under section 230 of the Social Security Act for such calendar year."

(d) INCREASED REVENUES NOT DEPOSITED IN HOSPITAL INSURANCE TRUST FUND.—Section 1817(a) of the Social Security Act (42 U.S.C. 1395i(a)) is amended by adding at the end the following new sentence: "For purposes of this subsection, the amount of taxes imposed by sections 1401(b), 3101(b), 3111(b) of the Internal Revenue Code of 1986 shall be determined without regard to the amendments made by section 221 of the Managed Competition Act of 1992.".

(e) TECHNICAL AMENDMENTS.—

(1) Paragraph (1) of section 6413(c) of the Internal Revenue Code of 1986 is amended by striking "section 3101 or section 3201" and inserting "section 3101(a) or section 3201(a) (to the extent the rate applicable under section 3201(a) as does not exceed the rate of tax in effect under section 3101(a))".

(2) Subparagraphs (B) and (C) of section 6413(c)(2) of such Code are each amended by striking "section 3101" each place it appears and inserting "section 3101(a)".

(3) Subsection (c) of section 6413 of such Code is amended by striking paragraph (3).

(4) Sections 3122 and 3125 of such Code are each amended by striking "applicable contribution base limitation" and inserting "contribution and benefit base limitation".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to 1994 and later calendar years.

TITLE XVI—RESPONSIBILITIES UNDER UNIFORM SET OF EFFECTIVE BENEFITS

SEC. 1601. EMPLOYER RESPONSIBILITIES.

The Board shall require the following:

(1) NO DISCRIMINATION BASED ON HEALTH STATUS FOR CERTAIN SERVICES.—An employment-related health plan may not deny, limit, or condition coverage based on the health status, claims experience, receipt of health care, medical history, or lack of evidence of insurability, of an individual.

(2) TREATMENT OF PREEXISTING CONDITION EXCLUSIONS.—An employment-related health plan may not exclude or otherwise discourage coverage with respect to services related to treatment of a preexisting condition.

(3) TREATMENT OF WAITING PERIODS.—An employment-related health plan may not impose waiting periods of any length.

(4) NO DISCRIMINATION BASED ON INCOME LEVEL.—An employment-related health plan shall apply equally to employees of all income levels.

(5) EQUAL CONTRIBUTION LEVELS.—The total amount of an employer's contribution to the cost of coverage under an employment-related health plan for employees with incomes less than 200 percent of the income official poverty line shall equal or exceed such total amount for employees with incomes greater than 200 percent of such income official poverty line.

SEC. 1602. INDIVIDUAL RESPONSIBILITIES.

The Board shall require that to be eligible for benefits under a Federal program, an individual seeking benefits under such program shall certify to the administrator of such program that such individual and the dependents of such individual possess health insurance coverage that meets the applicable minimum standards under this title.

This section shall not apply to persons eligible for enrollment in—

(1) the medicare program under title XVIII of the Social Security Act,

(2) the veterans health care program under chapter 17 of title 38, United States Code,

(3) the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS), as defined in section 1073(4) of title 10, United States Code,

(4) the Indian health service program under the Indian Health Care Improvement Act (25 U.S.C. 1601 et seq.), and

(5) the Federal employees program under chapter 89 of title 5, United States Code.

SEC. 1603. SELF-INSURED PLAN REQUIREMENTS.

(a) IN GENERAL.—The Board shall require that in order to obtain certification as a health plan, a self-insured health benefit plan must demonstrate to the satisfaction of the Board that—

(1) the benefits and conditions of such plan (including copayments and deductibles) are substantially equivalent to those of a uniform set of effective benefits as provided under this Act;

(2) the self-insuring entity is adhering to non-discrimination standards substantially equivalent to those provided for carriers described in subsection (b);

(3) the average per capita cost of providing equivalent benefits to enrollees in the self-insured plan differs no more than 10 percent (either above or below) from the average per capita cost of providing uniform set of effective benefits to non-self-insured beneficiaries in the community (or communities) in which the self-insured group is located (without taking into account any reductions in costs due to health promotion activities of the employer); and

(4) the self-insuring entity possesses adequate financial reserves, as determined by the Board, to assure the immediate and long-term solvency of the entity and the benefits of individuals receiving coverage through such entity.

(b) STANDARDS DESCRIBED.—Standards described in this subsection shall include (but are not limited to) the following:

(1) NO DISCRIMINATION BASED ON HEALTH STATUS.—No self-insured health plan may deny, limit, or condition the coverage under (or benefits of) the plan with respect to health status, claims experience, receipt of health care, medical history, or lack of evidence of insurability, of an individual or group.

(2) TREATMENT OF PREEXISTING CONDITIONS.—No self-insured health plan may exclude or otherwise discourage coverage with respect to services related to treatment of a preexisting condition.

(3) WAITING PERIODS.—No self-insured health plan may impose waiting periods of any length.

SEC. 1604. PROVIDER RESPONSIBILITIES.

The Commission shall require as a condition of participation in the health plan by any health care provider the acceptance by such provider of any payment as specified by the Board as full payment for the service performed.

TITLE XVII—ENFORCEMENT PROVISIONS

SEC. 1701. ENFORCEMENT PROVISIONS FOR CARRIERS, PROVIDERS, AND EMPLOYERS.

(a) IN GENERAL.—Chapter 47 of the Internal Revenue Code of 1986 (relating to excise taxes on qualified pensions, etc. plans) is amended by striking section 5000 and section 5000A (as added by section 106) and inserting the following new sections:

"SEC. 5000. FAILURE OF CARRIERS WITH RESPECT TO THE UNIFORM SET OF EFFECTIVE BENEFITS.

"(a) GENERAL RULE.—In the case of any carrier offering any health plan, there is hereby imposed a tax on such carrier if such plan fails to qualify as a uniform set of effective benefits.

"(b) AMOUNT OF TAX.—

"(1) IN GENERAL.—The amount of tax imposed by subsection (a) by reason of 1 or more failures during a taxable year shall be equal to 50 percent of the gross premiums received during such taxable year with respect to all health plans issued by the carrier on whom such tax imposed.

"(2) GROSS PREMIUMS.—For purposes of paragraph (1), gross premiums shall include any consideration received with respect to any health contract.

"(3) CONTROLLED GROUPS.—For purposes of paragraph (1)—

"(A) CONTOLLED GROUP OF CORPORATIONS.—All corporations which are members of the same controlled group of corporations shall be treated as 1 carrier. For purposes of the preceding sentence, the term 'controlled group of corporations' has the meaning given to such term by section 1563(a), except that—

"(i) 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears in section 1563(a)(1), and

"(ii) the determination shall be made without regard to subsections (a)(4) and (e)(3)(C) of section 1563.

"(B) PARTNERSHIPS, PROPRIETORSHIPS, ETC., WHICH ARE UNDER COMMON CONTROL—Under regulations prescribed by the Secretary, all trades or businesses (whether or not incorporated) which are under common control shall be treated as 1 carrier. The regulations prescribed under this subparagraph shall be based on principles similar to the principles which apply in the case of subparagraph (A).

"(c) LIMITATION ON TAX.—

"(1) TAX NOT TO APPLY WHERE FAILURE NOT DISCOVERED EXERCISING REASONABLE DILIGENCE.—No tax shall be imposed by sub-

section (a) with respect to any failure for which it is established to the satisfaction of the Secretary that the carrier on whom the tax is imposed did not know, and exercising reasonable diligence would not have known, that such failure existed.

"(2) TAX NOT TO APPLY WHERE FAILURES CORRECTED WITHIN 30 DAYS.—No tax shall be imposed by subsection (a) with respect to any failure if—

"(A) such failure was due to reasonable cause and not to willful neglect, and

"(B) such failure is corrected during the 30-day period beginning on the 1st date any of the carriers on whom the tax is imposed knew, or exercising reasonable diligence would have known, that such failure existed.

"(3) WAIVER BY SECRETARY.—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a) to the extent that the payment of such tax would be excessive relative to the failure involved.

"(d) COMPLIANCE DETERMINATION.—

"(1) IN GENERAL.—The Federal Health Board (hereafter in this subsection referred to as the 'Board' shall determine whether any health plan qualifies as a uniform set of effective benefits.

"(2) STATE AGREEMENTS.—

"(A) IN GENERAL.—The Board may, in its discretion, enter into an agreement with any State to provide for the State to make the initial determination described in paragraph (1).

"(B) STANDARDS.—An agreement may be entered into under subparagraph (A) only if—

"(i) the chief executive officer of the State requests such agreement be entered into,

"(ii) the Board determines that the State agreement will apply to substantially all health plans issued in such State, and

"(iii) the Board determines that the application of the State agreement will carry out the purposes of this section.

"(3) TERMINATION.—The Board shall terminate any agreement if the Board determines that the application of the State agreement ceases to carry out the purposes of this section.

"(e) DEFINITIONS.—For purposes of this section the term 'health plan' shall have the same meaning given such term under section 2, the term 'uniform set of effective benefits' as defined under section 132(a) of this Act and shall also meet the requirements under sections 112, 114, 115(b), and 116.

"SEC. 5000A. FAILURE OF PROVIDERS WITH RESPECT TO UNIFORM BENEFITS.

"(a) GENERAL RULE.—There is hereby imposed a tax on the failure of any person who provides any service under a uniform set of effective benefits to comply with the requirements of section 1604 of this Act.

"(b) AMOUNT OF TAX.—

"(1) IN GENERAL.—The amount of tax imposed by subsection (a) by reason of 1 or more failures during a taxable year shall be equal to 50 percent of the gross income received during such taxable year with respect to all services provided by the person on whom such tax is imposed.

"(2) CONTROLLED GROUPS.—For purposes of paragraph (1)—

"(A) CONTROLLED GROUP OF CORPORATIONS.—All corporations which are members of the same controlled group of corporations shall be treated as 1 person. For purposes of the preceding sentence, the term 'controlled group of corporations' has the meaning given to such term by section 1563(a), except that—

"(i) 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears in section 1563(a)(1), and

"(ii) the determination shall be made without regard to subsections (a)(4) and (e)(3)(C) of section 1563.

"(B) PARTNERSHIPS, PROPRIETORSHIPS, ETC., WHICH ARE UNDER COMMON CONTROL.—Under regulations prescribed by the Secretary, all trades or business (whether or not incorporated) which are under common control shall be treated as 1 person. The regulations prescribed under this subparagraph shall be based on principles similar to the principles which apply in the case of subparagraph (A).

"(c) LIMITATION ON TAX.—

"(1) TAX NOT TO APPLY WHERE FAILURE NOT DISCOVERED EXERCISING REASONABLE DILIGENCE.—No tax shall be imposed by subsection (a) with respect to any failure for which it is established to the satisfaction of the Secretary that the person on whom the tax is imposed did not know, and exercising reasonable diligence would not have known, that such failure existed.

"(2) TAX NOT TO APPLY WHERE FAILURES CORRECTED WITHIN 30 DAYS.—No tax shall be imposed by subsection (a) with respect to any failure if—

"(A) such failure was due to reasonable cause and not to willful neglect, and

"(B) such failure is corrected during the 30-day period beginning on the 1st date any of the persons on whom the tax is imposed knew, or exercising reasonable diligence would have known, that such failure existed.

"(3) WAIVER BY SECRETARY.—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a) to the extent that the payment of such tax would be excessive relative to the failure involved.

"(d) COMPLIANCE DETERMINATION.—

"(1) IN GENERAL.—The Federal Health Board (hereafter in this subsection referred to as the 'Board' shall determine compliance with the requirements of section 1604 of this Act.

"(2) STATE AGREEMENTS.—

"(A) IN GENERAL.—The Board may, in its discretion, enter into an agreement with any State to provide for the State to make the initial determination described in paragraph (1).

"(B) STANDARDS.—An agreement may be entered into under subparagraph (A) only if—

"(i) the chief executive officer of the State requests such agreement be entered into,

"(ii) the Board determines that the State agreement will apply to substantially all providers of services under health benefit plans issued in such State, and

"(iii) the Board determines that the application of the State agreement will carry out the purposes of this section.

"(3) TERMINATION.—The Board shall terminate any agreement if the Board determines that the application of the State agreement ceases to carry out the purposes of this section.

"(e) DEFINITIONS.—For purposes of this section the term 'health plan' shall have the same meaning given such term under section 2, the term 'uniform set of effective benefits' as defined under section 132(a) of this Act and shall also meet the requirements under sections 112, 114, 115(b), and 116.

"SEC. 5000B. FAILURE OF EMPLOYERS WITH RESPECT TO UNIFORM BENEFITS.

"(a) GENERAL RULE.—There is hereby imposed a tax on the failure of any person to comply with the requirements of sections 1601 and 1603 of this Act.

"(b) AMOUNT OF TAX.—

"(1) IN GENERAL.—The amount of the tax imposed by subsection (a) on any failure with respect to a full-time employee shall be $50 for each day in the noncompliance period with respect to such failure.

"(2) NONCOMPLIANCE PERIOD.—For purposes of this section, the term 'noncompliance period' means, with respect to any failure, the period—

"(A) beginning on the date such failure first occurs, and

"(B) ending on the date such failure is corrected.

"(3) CORRECTION.—A failure of a person to comply with the requirements of sections 1601 and 1603 of this Act with respect to any full-time employee of the person shall be treated as corrected if—

"(A) such failure is retroactively undone to the extent possible, and

"(B) the employee is placed in a financial position which is as good as such employee would have been in had such failure not occurred.

For purposes of applying subparagraph (B), the employee shall be treated as if the employee had elected the most favorable coverage in light of the expenses incurred since the failure first occurred.

"(c) LIMITATIONS ON AMOUNT OF TAX.—

"(1) TAX NOT TO APPLY WHERE FAILURE NOT DISCOVERED EXERCISING REASONABLE DILIGENCE.—No tax shall be imposed by subsection (a) on any failure during any period for which it is established to the satisfaction of the Secretary that none of the persons referred to in subsection (d) knew, or exercising reasonable diligence would have known, that such failure existed.

"(2) TAX NOT TO APPLY TO FAILURES CORRECTED WITHIN 30 DAYS.—No tax shall be imposed by subsection (a) on any failure if—

"(A) such failure was due to reasonable cause and not to willful neglect, and

"(B) such failure is corrected during the 30-day period beginning on the first date any of the persons referred to in subsection (d) knew, or exercising reasonable diligence would have known, that such failure existed.

"(3) WAIVER BY SECRETARY.—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a) to the extent that the payment of such tax would be excessive relative to the failure involved.

"(d) LIABILITY FOR TAX.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the following shall be liable for the tax imposed by subsection (a) on a failure:

"(A) In the case of a uniform set of effective benefits other than a multiemployer plan, the employer.

"(B) In the case of a multiemployer plan, the plan.

"(C) Each person who is responsible (other than in a capacity as an employee) for administering or providing benefits under the uniform set of effective benefits and whose act or failure to act caused (in whole or in part) the failure.

"(2) SPECIAL RULES FOR PERSONS DESCRIBED IN PARAGRAPH (1)(C).—A person described in subparagraph (C) (and not in subparagraphs (A) and (B)) of paragraph (1) shall be liable for the tax imposed by subsection (a) on any failure only if such person assumed (under a legally enforceable written agreement) responsibility for the performance of the act to which the failure relates.

"(e) DEFINITIONS.—For purposes of this section, the terms 'uniform set of effective benefits' as defined under section 132(a) of this Act and shall also meet the requirements under section 112, 114, 115(b), and 116. The

term 'full time employee' shall mean an employee who performs on a monthly basis at least 30 hours of service per week."

"(b) CLERICAL AMENDMENTS.—The table of sections for such chapter 47 is amended by adding at the end thereof the following new items:

"Sec. 5000. Failure of carriers with respect to uniform benefits insurance.

"Sec. 5000A. Failure of providers with respect to uniform benefits insurance.

"Sec. 5000B. Failure of employers with respect to uniform benefits insurance.".

SEC. 1702. ENFORCEMENT PROVISION FOR INDIVIDUALS.

"(a) IN GENERAL.—Subsection (d) of section 151 of the Internal Revenue Code of 1986 (relating to allowance of deductions for personal exemptions) is amended by adding at the end thereof the following new paragraph:

"(5) EXEMPTION AMOUNT DISALLOWED FOR UNINSURED INDIVIDUALS.—The exemption amount for any individual for such individual's taxable year shall be zero, unless the policy number of the health plan for such individual is included in the return claiming such exemption amount for such individual.".

COMPREHENSIVE ACCESS AND AFFORDABILITY HEALTH CARE ACT OF 1993

This summary is organized by topic and does not necessarily coincide with the Title number in the bill text.

I. MANAGED COMPETITION/UNIVERSAL COVERAGE

Establish a Federal Health Board to develop a uniform set of effective benefits, with an emphasis on primary and preventive care.

To contain costs, the Board would determine annual limits on the allowable percentage rate of increase in premiums for Accountable Health Plans (AHPs) and develop uniform deductible and cost-sharing requirements. The Board would also develop standardized claims forms and billing procedures, as well as a plan to accelerate electronic billing and computerization of medical records.

The Board will register and develop standards for Accountable Health Plans on data such as cost, utilization, health outcomes, and patient satisfaction. This information would be collected and published annually by the Board and made available to participating health plans and consumers.

All persons will be required to carry a uniform set of effective benefits either through a group of individually. Low-income persons will receive direct public assistance for the cost of such coverage (see Section III below).

All insurers in the health insurance market will be required to offer a uniform set of effective benefits and to accept its conditions as identified by the Federal Health Board.

States would establish one or more Health Plan Purchasing Cooperatives (HPPCs) to serve as collective purchasing agents for small businesses and individuals. These HPPCs would contact with a range of competing health plans and would present the full range of plans to their customers. The HPPC would provide consumers with information about the plans prior to enrollment periods, including a "report card" measuring performance based on cost, quality and patient satisfaction information collected by the Board. The HPPCs would also manage the enrollment process. Individual consumers would choose a plan for one year and could subsequently change plans during an annual "open season." States could opt to purchase coverage for Medicaid beneficiaries through the purchasing cooperatives. Federal grant funding would be provided to cover States' costs in establishing and administering the HPPCs.

Insurers would enter into arrangements with providers to form Accountable Health Plans (AHPs) which would each offer the uniform set of effective benefits by the Board and would compete on the basis of price and quality of care. Plans could offer "supplemental" coverage for additional services. Plans would have to take all applicants and could not exclude participants on the basis of Premiums could vary according to the plan, but would be the same for all members of the purchasing cooperative, regardless of age, sex or health experience. State mandated benefit and anti-managed care laws would be preempted.

II. PREVENTIVE CARE

Expand primary and preventive health services by authorizing increased availability of comprehensive prenatal care services of women at risk for low birthweight births and assistance to local education agencies and pre-school programs in providing comprehensive health education. Increase authorization of several existing preventive health programs, such as Breast and Cervical Cancer Prevention, Childhood Immunizations, and Community Heath Centers (1.4 billion over existing authorizations).

Improve efficiency in health care delivery by permitting access to the most appropriate providers by increasing primary care providers, including generalist physicians, nurse practitioners and physician assistants.

Clarify that expenditures for health promotion and prevention programs are considered amounts paid for medical care for tax purposes.

Establish a new grant program for states to provide assistance to small businesses to establish and operate worksite wellness programs for their employees.

III. ACCESS TO HEALTH CARE

Refendable tax credit to low and middle-income individuals without employer-provided insurance. The amount of the refundable tax credit would be linked to the amount of the lowest-cost Accountable Health Plan in the region.

Self-employed persons and individuals without employer provided insurance who are ineligible for the tax credit could deduct the full 100 percent of the costs of the lowest-priced Accountable Health Plan available.

Employers could only deduct benefit costs up to the level of the lowest-cost Accountable Health Plan in the region. Employer-provided benefits in excess of that capped amount named be taxed as income.

Children's Health Care. To make health insurance available to children under 18 through their elementary and secondary schools. Directs the Secretary of education to establish this new program for children not eligible for Medicaid and would be basic coverage through their school system. The Secretary of HHS would design a minimum package that each plan would have to cover.

Establishes a refundable tax credit for the purchase of health insurance for children to be worth up to $1,000 per qualifying child for families with incomes below 100 percent of poverty, and phased out for families with incomes between 100 to 200 percent of poverty.

Requires the creation of a uniform application form and process for the Special Supplemental Food Program, the Maternal and Child Health Program, and Medicaid.

Improved Access to Health Care for Rural and Underserved Areas. This title would increase scholarship and loan repayment opportunities to help relieve the critical shortage of health care practitioners in rural areas. It would also provide a special tax credit and other incentives for physicians and other primary care providers serving in rural areas.

IV. CONSUMER DECISION MAKING

Enhance consumer decision-making by requiring that providers participating in the Medicare and Medicaid programs make information available to patients of the cost, quality, and options of available health care.

V. COOPERATIVE AGREEMENTS BETWEEN HOSPITALS

Provides a waiver from anti-trust laws for hospitals wishing to enter into voluntary cooperative agreements for the sharing of medical technology and services to contain costs by eliminating the unnecessary duplication of services and equipment.

VI. PATIENT'S RIGHT TO DECLINE MEDICAL TREATMENT

Reduce the delivery of unwanted and unnecessary care in the last months of life by strengthening the federal law regarding patient self-determination and establishing uniform federal forms with regard to self-determination.

VII. INSURANCE SIMPLIFICATION AND PORTABILITY

Establish a Health Insurance Standards Commission to develop a long-term plan for the implementation of uniform standards for electronic data interchange for qualified health insurance. The Commission would determine the effectiveness and efficiency of the current health insurance claims billing system and would develop a uniform computerized billing process.

VIII. MALPRACTICE REFORM

Encourage states to establish alternative dispute resolution mechanisms like prelitigation screening panels, which have had great success in a number of states in reducing medical malpractice costs.

IX. MEDICARE PREFERRED PROVIDER DEMONSTRATION PROJECTS

Expand access to Medicare beneficiaries to managed care programs through the formation of innovative managed care plans.

X. TREATMENT AND OUTCOMES RESEARCH

Foster the development of medical practice guidelines by implementing a surcharge of one tenth of one cent on health insurance contracts to expand research on effective medical treatments and treats such guidelines as a legal standard.

XI. LONG-TERM CARE

Increase access to and affordability of appropriate long-term care by: (1) creating tax credits for the purchase of long-term care insurance and tax deductions for amounts paid towards long-term care services of family members; (2) excluding life insurance and IRA savings used to pay for long-term care from income tax; (3) implementing an "extraordinary cost protection provision" by expanding Medicaid to include coverage of any individual, excluding the wealthiest Americans, who has been confined to a nursing home for at least 30 months; and (4) setting standards that require long-term care to eliminate the current bias that favors institutional care over community and home-based alternatives.

XII. FINANCING

Lift the current $130,200 cap on wages subject to the Medicare health insurance tax.

Employers could only deduct benefit costs up to the level of the lowest cost Accountable Health Plan available through the regional purchasing cooperative. (Identified in Section III)

Employer-provided benefits in excess of that capped amount would be taxed as income. (Identified in Section III)

By Mr. DURENBERGER:

S. 632. A bill to amend title V of the Social Security Act to encourage States to provide funds for programs to enhance and expand school health services; to the Committee on Finance.

MATERNAL AND CHILD HEALTH BLOCK GRANT ACT OF 1993

Mr. DURENBERGER. Mr. President, I rise today to introduce legislation that is of critical importance to the health of children and adolescents in this country.

This is a very simple bill, running only four pages in length. It does two things:

First, my proposal increases the authorized funding level for the MCH Block Grant Program by $250 million over the next 3 years—from $686 to $936 million.

And, second, my proposal adds two specific allowable uses of funds to the MCH law:

To provide and promote comprehensive and integrated health, social and education services for children;" and to enhance and expand health education, and access to primary and preventive health services in or linked to school settings, and to promote a healthy school environment."

Mr. President, my purpose in introducing this bill is, in part, to call needed attention to a whole series of problems facing families and children and youth in this country—problems involving drugs, violence, gangs, teen pregnancy, AIDS, suicide, breathing disorders, and many others.

They do not do justice to the human side of these problems. But, statistics do help document the problem:

The fact that 14 million children in America were not seen by a physician last year;

The fact that over 1 million teenagers become pregnant every year—30,000 of them under the age of 15; and

The estimate that 400,000 young people either commit or attempt suicide every year.

It is clear from these and other statistics that the community and family support structures we have always depended on are either inadequate or just not working.

And, it is equally clear that local communities must be willing to take on more of the responsibility for all the individual, family, and societal problems we have been dumping on schools.

What we do not have consensus on is exactly what each community should be doing and how they should be doing it.

Each community is different. What works at St. Paul Central High School—where I held a hearing on this subject last fall—won't necessarily work in much smaller Minnesota communities like Hawley or Cloquet.

On-site delivery of primary health services may work well in large urban schools. But, smaller schools—in either urban or rural areas—may not have enough students to justify the expense required to staff and equip a full-time school-based clinic.

Some communities may decide that a different combination of services—excluding primary health care, for example—should be co-located in their school.

Some communities may want to exclude family planning or pregnancy prevention services, or place limitations on accessing those services without parental consent.

Other communities may decide that whatever services they offer should be co-located across the street or around the corner.

And, still others may want to focus co-located services on the entire family—or on several different segments of the population.

One of the things I learned early in my exploration of these issues is that the MCH Block Grant Program is one of the best tools we have to respond to these differences in what each community should be doing and how they should be doing it.

The MCH Program is already one of the largest sources of operating funds for school-based health clinics. And, it is flexible enough to be used in just about any of the combinations of services and locations I have seen.

The problem is that MCH cannot do much more within its current funding limitations. This fiscal year, we have appropriated $665 million to the MCH Program, rapidly approaching the $686 million limit in what we've previously authorized.

The need to expand colocation of services in and around schools is not the only reason. But, it is clear to me that we now need to significantly raise the authorized funding level for MCH block grants.

Of course, getting this bill adopted is only the first step in getting more money into MCH Program.

That is why I also intend to continue my work with my distinguished colleague from Iowa, Senator HARKIN, to get the actual appropriations level for the MCH Program increased for next fiscal year.

Beyond introducing this bill, Mr. President, I am working on three other initiatives this year to make sure we do not forget the kids as we do comprehensive health care reform.

The first of those initiatives is to use every opportunity I have to educate all of us on the importance of adolescent health care in the context of the larger health care delivery system.

In the course of my personal education on this issue, I have become convinced that the unique health care needs of adolescents represent both a significant challenge and an even more significant opportunity.

I think it hit me hardest last fall when I spent a morning listening to students, parents, teachers, and health care professionals talk about the realities of adolescent health care during a hearing I held at St. Paul Central High School.

I am paraphrasing here, but one of the people I listened to that day put it something like this:

Imagine yourself as a typical teenager going to the doctor. You did not really want to go to the doctor in the first place. But, you finally give in to a nagging parent, or maybe even a nagging illness.

And, now with an already negative attitude, you are probably being asked to fit into one of two parts of the primary care delivery system.

You might be still going to the same pediatrician who gave you your first shots and got you through mumps and strep throat. But, now you are 15 or 16 years old—sitting there in the waiting room, between a runny-nosed 2-year-old, and a ridiculous life-sized blow-up of Cookie Monster or Big Bird.

Or, you might be going to the same family practice doctor or internist that your parents go to.

If you live in a smaller community, you are probably having to deal with a receptionist or nurse who is also your neighbor or a member of your mother's bridge club.

And, you are especially uncomfortable sitting in a waiting room filled with old people watching video tapes about colon cancer and osteoporosis!

Is it any wonder that too many adolescents just do not want to go to the doctor?

And, yet, adolescence is a time when major changes are going on—physically, mentally, socially.

Hard choices are being made—about personal behavior, about addictive substances, about what and how much we eat—choices that will affect each adolescent's health for the rest of his or her life.

Perhaps most important, adolescence is a time when each of us should be learning to take more responsibility for our own personal health.

All of these factors argue for giving additional—and more focused—attention to how we deliver and finance health care for adolescents.

How we do that has implications—in the larger health care reform debate now going on—for how we guarantee access.

But, if everything I believe in is true—about personal responsibility and prevention and learning good health habits—then doing adolescent health right should help save a whole lot of money in the long term.

A second goal I have set for myself this year is to get more of the cost of

school-based health care paid for by third-parties—including Medicaid—especially as we move to a greater emphasis on managed care.

Clearly, we are heading in the direction of more managed care. And, I have been one of the leading advocates of creating a true and functioning health care market that includes managed care.

But, if we agree that health care for adolescents must be more sensitively delivered, and if we agree that the school can be a logical and cost-effective place to address the health care needs of adolescents, then, should not otherwise reimbursable services be financed by third party payers in school-based settings?

This is part of the larger debate that needs to go on about the role of public health programs and services in comprehensive health care reform.

I have some preliminary thoughts on where we ought to be headed.

But, I do not have all the answers to questions like:

How we deal with questions of confidentiality and bureaucratic barriers in making needed links between school and other community-based clinics and HMO's or HIPIC's or whatever managed care model gets used;

How—once a certain confidence level gets established—health care delivered in a school-based setting can again link back to the adolescent's family;

How differences in each community's values and preferences for services can be maintained;

How better access to health and other services can be provided to students who attend small schools, alternative schools, and schools in rural areas;

How needed links can be made to the more traditional delivery system—when there are gaps—on weekends, during the summer, and during other school vacations;

How school-based services can be made accessible to kids who have dropped out of school; and

How school-based services relate to the growing interests in neighborhood-based early childhood and family resource centers.

These are all tough questions that need to be addressed as we design a more effective and user friendly health care system for children and adolescents.

My third and final goal for this year is to continue the work I started last summer with my distinguished colleague from Massachusetts, Senator KENNEDY, to define a proper Federal role in planning and starting school-based health and other services.

An equally important part of that task is removing barriers in existing Federal programs, barriers to collocating programs and mixing different revenue sources, barriers to mixing programs with different priorities or different income eligibility requirements, and all the other bureaucratic barriers that stand in the way of where we are today on understanding and addressing the health care and other needs of children and adolescents, and where we need to be in the future.

I have already stated my personal preference for putting more dollars behind an existing program like MCH block grants—rather than creating a whole new program and hoping to get it properly funded.

And, I have stated my insistence on maintaining maximum flexibility to design programs that meet the differing needs—and differing values—in each local community.

But, I have also pledged to work with Senator KENNEDY and my colleagues on the Labor Committee to accomplish the goal of getting more States and local communities to make the commitment to collocate health and other services in and around schools.

The parts of Senator KENNEDY's proposal that appeal to me the most are those sections that address current bureaucratic and regulatory barriers to mixing funds sources and collocating different Federal programs.

Removing barriers to doing what is right is also a strong interest of the Clinton administration, in education and job-training programs, in health and social service programs, and in other areas, as well.

I know that is a strong interest of the Governors and of the mayors and county commissioners and school board members they all seem to be coming to Washington at this time of the year.

I am not sure how far we are going to get on this, this year.

But, one approach I have suggested is to swap the federalizing of Medicaid for a State takeover of many of the categorical programs that could be run better if States and local communities were only given the freedom to set the rules.

I realize that raises concerns among many of the people who have a stake in existing programs.

And, any effort that removes well-intended mandates and priorities for spending must also include new, creative ways of holding people who spend public money accountable.

My own bias is to build on the work being done in Minnesota and elsewhere on outcomes—in education, in health care, and in a lot of other areas of public service.

Clearly, Mr. President, a lot of work remains to be done to make sure that the unique health care needs of children adolescents are not left out as we undertake the larger task this year of reforming America's health care system.

The bill that I am introducing today is one part of making sure that—as we do fundamental system reform—we do not forget about the kids.

I look forward to working with my colleagues on both the Finance and Labor Committees as we take up that challenge during the remainder of this year. Thank you, Mr. President, I yield the floor.

By Mr. AKAKA (for himself, Mr. JOHNSTON, and Mr. INOUYE):

S. 633. 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.

FOREIGN TRADE ZONE OIL REFINERIES ACT OF 1993

• 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 JOHNSTON and INOUYE 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. These zones are distinct geographical areas which lie outside the Customs territory of the United States.

In the case of crude oil and its derivatives, the nonduty status of oil consumed in the refining process 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 enters 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. The Customs Service, having lost the HIRI case, nonetheless has 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. To receive

approval 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. This has enabled the Customs Service to circumvent the intent of Congress, and the judicial affirmation of this intent, and 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.

My amendment will have 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 investing in local economies. Petroleum industry analysts estimate that the total savings for the affected refineries will be approximately $600,000 to $800,000 annually. The Congressional Budget Office estimates that this provision would, net of income and payroll tax offsets, decrease Federal Government receipts by $1 million annually through 1997.

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 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. 633

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, and 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. GLENN:

S. 634. A bill to establish a program to enpower parents with the knowledge and opportunities they need to help their children enter school ready to learn, and for other purposes; to the Committee on Labor and Human Resources.

A BETTER CHANCE TO LEARN ACT OF 1993

Mr. GLENN. Mr. President, I rise today to introduce legislation that will give pre-school children the chance they deserve to enter school ready to learn by giving parents the tools they need to prepare their children to succeed educationally. A Better Chance [ABC] To Learn Act addresses the first and most compelling national education goal—that by the year 2000, all children will start school ready to learn—by harnessing the energies of parents as their children's first and most influential teachers.

Schools today are called upon to cure a vast array of society's ills, and many Government dollars are spent in remediating educational and other deficiencies hampering the development of children from their earliest years in school. The bill I am introducing today will not cure all of those ills or remedy all of those deficiencies. What it will do is provide knowledge and support to parents and inspire them to help ensure the educational readiness and progress of their children. It will enhance the role of parents in building an ethic of learning at home and in easing the transition of children from preschool to kindergarten and beyond.

Education reform is high on our national agenda these days—as well it should be—and we are all striving to ensure that our public schools offer education of the highest quality. What we must remember, however, is that even the best school in the world cannot carry the entire burden of educating a child. Children must learn from their parents—or in some families, from their grandparents or other relatives—how to learn in school, and parents must reinforce at home what their children learn at school. Schools cannot replace parents. In a recent column, William Raspberry urged communities to establish programs to teach parents of young children techniques for preparing their youngsters to enter school. He cited one simple and pragmatic reason: "If parents don't value learning and show their children that they do, schools are hard put to make up the difference." This bill authorizes Federal matching grants to encourage and assist communities to establish, expand, or operate innovative, home-based parent and early childhood education programs that provide guidance and actively involve parents in preparing their children to begin school and in fostering positive attitudes toward education and learning. I cannot think of a more worthwhile long-term investment in our educational system and our future.

An alarming number of children in this country begin school unprepared for formal education. Seven thousand kindergarten teachers surveyed by the Carnegie Foundation for the Advancement of Teaching in 1991 found that 35 percent of the Nation's children were not ready for school. When asked to assess the readiness of students compared to those enrolled 5 years earlier, 42 percent of the teachers responded that the situation was getting worse. In response to the question "What would most improve the school readiness of children," 64 percent responded, "Parent education."

In his address to a joint session of Congress on February 17, President Clinton challenged us to use the "authority and the influence and the funding of the Education Department to promote strategies that really work in learning." Research shows that engaging parents in the deduction of their children is one strategy that really works. It makes a big difference in how much and how well children learn. We need only take a leaf from the book of the Japanese whose educational system, while not perfect, is extraordinarily successful. The Japanese stress the importance of partnerships among parents, teachers, and students and the value of parental involvement in education beginning in the preschool years. In particular, they place a high priority on providing a rich environment for learning at home as a foundation for the entry of their children into elementary school.

Of course, parents in this country want the very best for their children, too. Nonetheless, lack of time, support, and knowledge, loss of community, and competing pressures often prevent parents from preparing their children ade-

quately to begin school. One-parent families are increasing, and the demands on all parents can sometimes be overwhelming. In fact, children from many different backgrounds and from all income levels were among those 35 percent of children found unprepared for school in the Carnegie survey. Certainly severe poverty and extreme educational disadvantage in families account for many of the school readiness deficiencies found among young children. But many children of working poor and near poor parents and parents who have had limited, and often unsuccessful, schooling themselves also begin school without a solid foundation.

Think of yourself as a parent with small children. Of course you want to provide the very best start in life for your children. Of course you want them to have an even better chance to succeed than you may have had. And, of course, you are willing to help and work with your children yourself. You look at the children and wonder what they will be 25 years from now.

But, what do you do—and how? Will what you do be effective? You are not trained as a teacher, have no materials and are not sure where to begin. If you yourself have not been able to finish or succeed in school, you may have even more questions. You may not have the resources or the support of your family or community to find the answers. Millions of parents across the country face the same dilemma.

I support Head Start and early childhood education programs funded under chapter 1 and believe that these programs should be expanded to serve all those eligible. Head Start and chapter 1, however, are targeted primarily at communities with the highest percentage of educationally and/or economically disadvantaged. For example, 90 percent of the children in each Head Start Program must be from families whose incomes fall below the official Federal poverty guideline—in 1993, $14,350 for a family of four—or who are receiving public assistance. The working poor and near poor generally do not qualify for these programs. And even if Head Start and chapter 1 were to be fully funded today, these families would not be eligible to receive services that they often need and seek.

In authorizing grants, A Better Chance to Learn Act gives special consideration to those families who fall through the cracks in our current educational system and whose numbers are increasing in my State of Ohio as they are in other States around the country. They are:

First, working poor and near poor families who do not qualify for Head Start or chapter 1 early childhood programs;

Second, families who qualify for Head Start and chapter 1 programs but who are not served by them. Head Start currently serves only about 30 percent of the eligible children, and the pre-school programs funded through chapter 1 are relatively small in number; and

Third, children of parents with limited and/or successful formal schooling.

The model for the innovative, home-based parent and early childhood education programs in this bill is the Home Instruction Program for Preschool Youngsters, known as HIPPY. HIPPY was developed in Israel in the late 1960's and is now operating in nine countries, including Germany, The Netherlands, New Zealand, Israel, and the United States. HIPPY currently serves over 10,000 families in 61 programs in 18 States in the United States, including 31 sites and a regional training center in Arkansas. Since its inception in 1989, a very successful HIPPY in Warrensville, OH, has served nearly 140 disadvantaged children in a community which previously had no other public pre-school program or social services. The Warrensville program attends to the needs of families such as those this bill targets. HIPPY eligibility factors focus on the educational background of the participating parent and the economic status of the family, but, in the words of the Warrensville program director, "* * * there remain parents who need what is offered, but who may not be eligible for enrollment in other programs with much stricter and inflexible guidelines." Warrensville and other local HIPPY programs are struggling to survive and, in fact, see a need to expand; other communities around Ohio and the country are seeking support to establish HIPPY programs of their own.

Parents participating in HIPPY learn how to work with their children for 15 to 20 minutes per day, 5 days a week, using educational materials specially designed and structured to enhance school readiness. This approach is wholly consistent with the first national education goal, which states as its objective that "every parent in America will be a child's first teacher and devote time each day to helping his or her pre-school child learn, and that parents will have access to the training and support they need." I believe such innovative, home-based parent and early childhood education programs will work because:

They demand the direct and active involvement of parents in the education of their children and foster a positive parent-child relationship.

They are particularly cost effective, requiring no capital investments of classrooms or transportation; the average annual cost nationwide for HIPPY is approximately $1,000 per child.

Their eligibility guidelines are focused but not rigid; local coordinators are given the flexibility to make decisions regarding community needs.

They are relatively small in size, can be tailored to individual communities, and work well in both urban and rural settings.

Through home visits and group meetings, they serve the needs of hard-to-reach families, helping them to connect with their communities and their children's schools.

I would like to see such programs replicated in Dayton, Akron, Cincinnati, Columbus, and other communities in need in Ohio and the rest of the country. I believe that parents want to give their children a better chance to succeed in school and to develop a love and excitement for learning. Many parents need and are seeking guidance and support to ensure that their children reach that goal. We must assist communities in extending services to them so that they might realize their full potential as their children's first and most important teachers—and we can do so without budget-busting new expenditures. To quote William Raspberry again, "* * * if we are serious about education, we've got to look at more than schools."

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD following my remarks.

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

S. 634

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "A Better Chance to Learn Act of 1993".

SEC. 2. PURPOSE.

It is the purpose of this Act to encourage and assist local school districts and communities to develop, expand, or operate innovative home-based parent and early childhood education programs in an effort to—

(1) empower parents to be the primary educators of their children;

(2) provide children with school-readiness skills;

(3) develop positive attitudes toward education on the part of parents and children; and

(4) enhance the role of parents in the transition of their children from preschool to kindergarten.

SEC. 3. DEFINITIONS.

As used in this Act:

(1) COMMUNITY-BASED ORGANIZATIONS.—The term "community-based organizations" means private nonprofit organizations that are located within a community and that are not affiliated with any specific religion.

(2) DEVELOPMENTALLY APPROPRIATE.—The term "developmentally appropriate" as applied to a home-based program implemented by parents means those activities for the general population of 3- to 5-year-old children that are meaningful to parents and that will result in successful parent-child interactions.

(3) HOME-BASED.—The term "home-based" means that the program provides parent and early childhood education services in the private residence of the child receiving such services.

(4) LIMITED OR UNSUCCESSFUL FORMAL SCHOOLING.—The term "limited or unsuccessful formal schooling" means the—

(A) completion of high school with low achievement during enrollment;

(B) noncompletion of high school with low achievement during enrollment; or

(C) lack of general education degree.

(5) LOCAL EDUCATIONAL AGENCIES.—The term "local educational agencies" has the meaning given to the term "local educational agency" by section 1471(12) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891).

(6) NEAR POOR FAMILIES.—The term "near poor families" means families that have an income that is approximately 130 percent of the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

(7) PARENT EDUCATION.—The term "parent education" includes parent support activities, the provision of resource materials on child development and parent and child learning activities, private and group educational guidance, individual and group learning experiences for the parent and child, and other activities that enable the parent to improve learning in the home.

(8) WORKING POOR FAMILIES.—The term "working poor families" means families that—

(A) have family members—

(i) who are working; or

(ii) who were looking for work during at least the last 6 months of the year prior to the year in which a grantee determines such families' eligibility for services under this Act; and

(B) earn an income not in excess of 150 percent of the poverty line as described in paragraph (5).

(9) SECRETARY.—The term "Secretary" means the Secretary of Education.

SEC. 4. PROGRAM AUTHORIZED.

(a) IN GENERAL.—The Secretary is authorized to award grants to local educational agencies and community-based organizations to pay the Federal share of the cost of the activities described in section 5.

(b) GRANT ALLOCATIONS.—The Secretary shall award—

(1) 50 percent of the total grants awarded under this section to applicants that are establishing new home-based parent and early childhood education programs; and

(2) 50 percent of the total grants awarded under this section to applicants that are operating or expanding existing home-based parent and early childhood education programs.

(c) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to an applicant that describes in an application submitted under section 6 that such applicant's program targets—

(1) working poor families or near poor families that do not qualify for assistance under the early childhood programs under the Head Start Act (42 U.S.C. 9831 et seq.) or chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2701 et. seq.);

(2) families that qualify for assistance under the Federal programs described in paragraph (1), but that are not served by such programs; or

(3) parents who have limited or unsuccessful formal schooling.

SEC. 5. AUTHORIZED ACTIVITIES.

A grantee may use funds received under this Act for establishing, operating or expanding home-based parent and early childhood education programs.

SEC. 6. ELIGIBILITY.

To be eligible for a grant under this Act, an entity, as described in section 4(a), shall prepare and submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

SEC. 7. PROGRAM REQUIREMENTS.

A grantee under this Act shall conduct a home-based parent and early childhood education program that—

(1) enhances parents' awareness of their strengths and potential as the primary educators of their children;

(2) provides support, training and developmentally appropriate educational materials that are necessary for parents to implement a school-readiness, home instruction program for their children;

(3) conducts group meetings with parents to provide support activities related to parenting skills and other topics of interest to participating parents; and

(4) to the maximum extent possible, provides opportunities for field trips to local sites of educational and cultural benefit.

SEC. 8. ELIGIBLE PROGRAM PARTICIPANTS.

(a) IN GENERAL.—To be eligible to participate in a parent and early childhood service program conducted under this Act, an individual shall be a parent with one or more children who are age 3, 4, or 5.

(b) SPECIAL RULES.—

(1) PARTICIPATION.—No school system or parents shall be required to participate in programs funded under this Act.

(2) PROGRAM ACTIONS.—A program receiving grant funds under this Act may not take action that infringes on the right of parents to direct the education of their children.

SEC. 9. PAYMENTS AND FEDERAL SHARE.

(a) FEDERAL SHARE.—The Federal share described in section 4(a) shall be 80 percent.

(b) NON-FEDERAL SHARE.—

(1) IN GENERAL.—A grantee under this Act shall make available non-Federal contributions toward the cost of carrying out the program established, operated, or expanded with amounts received under the grant in an amount equal to at least 20 percent of the amount of funds provided under the grant.

(2) IN KIND CONTRIBUTIONS.—The non-Federal contributions described in paragraph (1) may be in cash or in kind fairly evaluated, including planned equipment or services.

SEC. 10. SUPPLEMENT NOT SUPPLANT.

Funds appropriated pursuant to the authority of this Act shall be used to supplement and not supplant other local public funds expended to provide services for individuals eligible to participate in a program under this Act.

SEC. 11. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this Act $20,000,000 for fiscal year 1994 and such sums as may be necessary for each of the fiscal years 1995 through 1998.

By Mr. RIEGLE:

S. 635. A bill to amend the Federal Power Act to protect consumers of multistate utility systems, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

AMENDING THE PUBLIC UTILITY HOLDING COMPANY ACT

• Mr. RIEGLE. Mr. President, 2 weeks ago, Senator DALE BUMPERS introduced S. 544, the Multistate Utility Company Consumer Protection Act of 1993. As introduced, S. 544 contains just two sections. Section 1 of S. 544 states the bill's title. Section 2 would amend the Federal Power Act to overturn the decision of the U.S. Court of Appeals for the District of Columbia in *Arcadia* v. *Ohio Power*. This modest bill was referred to the Energy Committee.

Senator BUMPERS intends to do much more than overturn Ohio Power, however. His statement at page S. 2640 in the CONGRESSIONAL RECORD of March 10, 1993 reveals he wants a complete transfer of jurisdiction of a significant consumer and investor protection statute, the Public Utility Holding Company Act of 1935 [PUHCA], from the Securities and Exchange Commission [SEC] to the Federal Energy Regulatory Commission.

The statutory language that would effect this major change is not contained in S. 544. If you obtain a copy of S. 544 from the Senate Document Room, you will find just the two sections I described. The other provisions are contained in a four-section amendment that accompanied the two-section bill to the Energy Committee. If you look at the CONGRESSIONAL RECORD for March 10, you will find not two but six sections.

Today I am introducing Senator BUMPERS' bill, in its entirety, to demonstrate that the Senate Banking Committee has jurisdiction over this issue. The Banking Committee has jurisdiction over the SEC and the Federal securities laws, including PUHCA. The Parliamentarian has referred the bill to the Banking Committee.

THE PUBLIC UTILITY HOLDING COMPANY ACT

In the 1920's, holding companies began purchasing electric and gas utilities across the country. By the early 1930's, just a few large holding company systems controlled the lion's share of interstate transmission of electricity and of gas pipeline mileage.

PUHCA was enacted in 1935 as part of the New Deal of President Franklin D. Roosevelt. The law was adopted to protect investors and prevent abuses by holding companies. Through their corporate structure, holding companies were able to issue speculative securities without State approval and based on fraudulent asset values. The holding company structure enabled utilities to avoid regulation by the States. Holding companies were also engaging in self-interested transactions with subsidiaries and affiliates, to the detriment of utility customers.

PUHCA addressed these problems by subjecting certain interstate utility holding companies to Federal regulation by the SEC. Holding companies must register with the SEC unless they qualify for an exemption. PUHCA restricts each holding company to a single geographically integrated utility system with a simple capital structure. The SEC must approve acquisitions of securities or utilities by registered holding companies.

By virtue of its jurisdiction over the SEC, the Banking Committee has jurisdiction over PUHCA. In the early

1980's, the Reagan administration sought to have PUHCA repealed. The Banking Committee opposed this proposal, feeling that PUHCA continued to serve a meaningful consumer protection function.

PUHCA has been amended over the years, most recently by the Energy Policy Act of 1992. I opposed early versions of that legislation, because I felt they did not adequately protect consumers. Working with the Energy Committee, the Banking Committee drafted significant amendments to PUHCA that maintain consumer and investor protections.

PUHCA successfully reshaped the structure of the public utility industry, fostering stability and financial integrity. As of February 1993, just 12 utility holding companies were registered with the SEC under PUHCA.

BUMPERS BILL MUST BE REFERRED TO BANKING COMMITTEE

As a general rule, legislation to transfer enforcement jurisdiction under a statute is referred to the committee that currently has jurisdiction, not the committee that would exercise jurisdiction should the legislation be enacted. For example, in the 101st Congress S. 2814 would have amended the Commodity Exchange Act to transfer regulation of stock index futures from the Commodities Futures Trading Commission to the SEC. That bill was sent to the Agriculture Committee, which has jurisdiction over the CFTC and the Commodity Exchange Act.

By the same token, a bill to transfer enforcement of PUHCA from the SEC must come to the Banking Committee, which has jurisdiction over the SEC, PUHCA and all Federal securities laws. To prove this point, I am introducing Senator BUMPERS' bill exactly as it appeared in the CONGRESSIONAL RECORD—not just the first two sections, but the entire six sections.

The Senate Rules delineate the jurisdictions of the various committees for one purpose: to allow the Senate to operate more efficiently. The Parliamentarian has ruled the bill must be referred to the Banking Committee. Senator BUMPERS and the members of the Energy Committee should recognize the Banking Committee's jurisdiction over any legislation amending PUHCA.●

By Mr. KENNEDY (for himself, Mrs. BOXER, Mr. CAMPBELL, Mrs. FEINSTEIN, Mr. HARKIN, Mr. METZENBAUM, Ms. MIKULSKI, Mr. SIMON, Mr. ROBB, Mr. WELLSTONE, Mr. PELL, Ms. MOSELEY-BRAUN, and Mr. FEINGOLD):

S. 636. A bill to amend the Public Health Service Act to permit individuals to have freedom of access to certain medical clinics and facilities, and for other purposes; to the Committee on Labor and Human Resources.

FREEDOM OF ACCESS TO CLINIC ENTRANCES ACT OF 1993

Mr. KENNEDY. Mr. President, today we are introducing legislation to protect women, physicians, and other health personnel, and public and private health clinics, from opponents of abortion who resort to violence, blockades, and other vigilante tactics.

Federal action is clearly needed to deal with the ongoing wave of violence aimed at clinics across the country where abortions are performed, and at the medical personnel who work there. These violent tactics have included assault and murder, bombings and bomb threats, arson, clinic blockades, invasions and occupations of clinics, and other reprehensible forms of intimidation and vandalism.

The Supreme Court's ruling in the Bray case last January makes clear that existing Federal laws are inadequate to deal with this challenge. This legislation is designed to fill that gap and provide effective remedies for women, physicians, nurses, and communities across the country.

The murder of Doctor Gunn at the clinic in Pensacola, FL, is the latest tragic result of these extremist tactics, but it is far from an isolated attack. Over 100 clinics have been torched or bombed in the past 15 years. Over 300 have been invaded and over 400 have been vandalized. Already this year, clinics have sustained more than $1.3 million in damage from arson alone.

The killing of Doctor Gunn was a shocking murder of a physician who was assisting women in the lawful exercise of their constitutional right to choose. Greater protections under Federal law are needed before the toll from these nationwide extremist acts rises higher.

The bill we are introducing today is aimed at the use or threat of force or physical obstruction to interfere with access to abortion services. It will prohibit assaults and attacks on medical personnel and clinic property. It will address the range of terrorist acts aimed at abortion providers. It will make conduct of this kind a Federal criminal offense, and remove any doubt that Federal law enforcement authorities have the power to act.

Our bill will also help the victims of these abhorrent tactics. It establishes a private right of action for women who have been prevented or intimidated from exercising their right to choose. The right of action will also be available to clinics and providers targeted by such tactics. In addition, the bill authorizes the Attorney General to bring civil suits to obtain injunctions against offensive conduct, seek damages for the victims, and impose stiff fines on the perpetrators.

The right to peaceful protest is protected by the Constitution, and nothing in this legislation undermines that basic right. Peaceful expression of anti-abortion views will not be penalized. But violent, intimidating, and destructive conduct, undertaken in order to interfere with the right to choose, has no such protection, and will be prohibited by this legislation.

This bill deserves broad support from all who abhor resorting to violence in these circumstances, whatever their views on abortion. It sends a message that extremist tactics will not be tolerated in our society, and that women, health care personnel, and health facilities deserve the full protection of the law against those who take the law into their own hands.

Mr. President, I ask unanimous consent that the text of the bill may be printed in the RECORD.

S. 636

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Freedom of Access to Clinic Entrances Act of 1993".

SEC. 2. CONGRESSIONAL STATEMENT OF FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) medical clinics and other facilities offering abortion services have been targeted in recent years by an interstate campaign of violence and obstruction aimed at closing the facilities or physically blocking ingress to them, and intimidating those seeking to obtain or provide abortion services;

(2) as a result of such conduct, women are being denied access to, and health care providers are being prevented from delivering, vital reproductive health services;

(3) such conduct subjects women to increased medical risks and thereby jeopardizes the public health and safety;

(4) the methods used to deny women access to these services include blockades of facility entrances; invasions and occupations of the premises; vandalism and destruction of property in and around the facility; bombings, arson, and murder; and other acts of force and threats of force;

(5) those engaging in such tactics frequently trample police lines and barricades and overwhelm State and local law enforcement authorities and courts and their ability to restrain and enjoin unlawful conduct and prosecute those who have violated the law;

(6) such conduct operates to infringe upon women's ability to exercise full enjoyment of rights secured to them by Federal and State law, both statutory and constitutional, and burdens interstate commerce, including by interfering with business activities of medical clinics involved in interstate commerce and by forcing women to travel from States where their access to reproductive health services is obstructed to other States;

(7) prior to the Supreme Court's decision in *Bray v. Alexandria Women's Health Clinic* (No. 90-985, January 13, 1993), such conduct was frequently restrained and enjoined by Federal courts in actions brought under section 1980(3) of the Revised Statutes (42 U.S.C. 1985(3));

(8) in the *Bray* decision, the Court denied a remedy under such section to persons injured by the obstruction of access to abortion services;

(9) legislation is necessary to prohibit the obstruction of access by women to abortion services and to ensure that persons injured by such conduct, as well as the Attorney

General, can seek redress in the Federal courts;

(10) the obstruction of access to abortion services can be prohibited, and the right of injured parties to seek redress in the courts can be established, without abridging the exercise of any rights guaranteed under the First Amendment to the Constitution or other law; and

(11) Congress has the affirmative power under section 8 of article I of the Constitution and under section 5 of the Fourteenth Amendment to the Constitution to enact such legislation.

(b) PURPOSE.—It is the purpose of this Act to protect and promote the public health and safety by prohibiting the use of force, threat of force or physical obstruction to injure, intimidate or interfere with a person seeking to obtain or provide abortion services, and the destruction of property of facilities providing abortion services, and by establishing the right of private parties injured by such conduct, as well as the Attorney General in appropriate cases, to bring actions for appropriate relief.

SEC. 3. FREEDOM OF ACCESS TO CLINIC ENTRANCES.

Title XXVII of the Public Health Service Act (42 U.S.C. 300aaa et seq.) is amended by adding at the end thereof the following new section:

"SEC. 2715. FREEDOM OF ACCESS TO CLINIC ENTRANCES.

"(a) PROHIBITED ACTIVITIES.—Whoever—

"(1) by force or threat of force or by physical obstruction, intentionally injures, intimidates or interferes with or attempts to injure, intimidate or interfere with any person because that person is or has been, or in order to intimidate such person or any other person or any class of persons, from—

"(A) obtaining abortion services; or

"(B) lawfully aiding another person to obtain abortion services; or

"(2) intentionally damages or destroys the property of a medical facility or in which a medical facility is located, or attempts to do so, because such facility provides abortion services,

shall be subject to the penalties provided in subsection (b) and the civil remedy provided in subsection (e).

"(b) PENALTIES.—Whoever violates this section shall—

"(1) in the case of a first offense, be fined in accordance with title 18 or imprisoned not more than 1 year, or both; and

"(2) in the case of a second or subsequent offense after a prior conviction under this section, be fined in accordance with title 18 or imprisoned not more than 3 years, or both;

except that, if bodily injury results, the length of imprisonment shall be not more than 10 years, and if death results, it shall be for any term of years or for life.

"(c) STUDY.—

"(1) IN GENERAL.—The Secretary shall conduct a study concerning the effect that conduct prohibited by subsection (a) has had, is having or may be expected to have on the delivery of reproductive health services for women and on the health and welfare of women throughout the United States. Such study shall take into account the full range of reproductive health services offered at facilities targeted by such conduct, including abortion services, family planning, pregnancy testing, infertility services, testing and treatment for sexually transmitted diseases, screening for breast and cervical cancer, prenatal services, and other similar activities. Such study shall include consideration of—

"(A) the nature and extent of incidents in which conduct prohibited by subsection (a) has occurred throughout the United States;

"(B) the impact of such incidents on the medical facilities and providers that have been targeted, and on the ability of physicians and other health care providers to deliver reproductive health services to their patients; and

"(C) the effects of such incidents on the mental and physical health of women, including—

"(i) any medical risks or complications associated with delays in obtaining, or failure to obtain, testing, screening or treatment services in the areas of reproductive health;

"(ii) any medical risks or complications associated with delays in the termination of a pregnancy;

"(iii) any harm to maternal or child health associated with delays in obtaining, or failure to obtain, prenatal services; and

"(iv) any other effects of delays in obtaining or failure to obtain reproductive health services.

Such study shall take into account any short-term effects on the delivery of reproductive health services by the targeted facilities and providers, as well as any long-term implications for the health and welfare of women in the general population.

"(2) REPORT.—Not later than 1 year after the date of enactment of this section, the Secretary shall prepare and submit to the appropriate committees of Congress a report that describes the results of the study conducted under paragraph (1), together with any appropriate recommendations and proposed legislation.

"(d) INVESTIGATION OF VIOLATIONS.—

"(1) IN GENERAL.—The Secretary shall conduct an investigation, on the request of a medical facility providing reproductive health services or on the initiative of the Secretary, to determine whether any person has violated or is violating this section.

"(2) ASSISTANCE.—The Secretary may obtain the assistance of the Attorney General, or a State or local government agency under a cooperative agreement with such agency, in conducting investigations under paragraph (1).

"(3) REFERRAL.—If the Secretary determines that reasonable cause exists to believe that a violation of this section has occurred or is occurring, the Secretary shall immediately refer the matter to the Attorney General for appropriate action under subsection (e)(2).

"(e) CIVIL REMEDIES.—

"(1) RIGHT OF ACTION.—

"(A) IN GENERAL.—Any person aggrieved by reason of the conduct prohibited by subsection (a) may commence a civil action for the relief set forth in subparagraph (B).

"(B) DAMAGES.—In any action under subparagraph (A), the court may award appropriate relief, including temporary, preliminary or permanent injunctive relief and compensatory and punitive damages, as well as the costs of suit and reasonable fees for attorneys and expert witnesses. With respect to compensatory damages, the plaintiff may elect, at any time prior to the rendering of final judgment, to recover, in lieu of actual damages, an award of statutory damages in the amount of $5,000 per violation.

"(2) ACTION BY ATTORNEY GENERAL.—

"(A) IN GENERAL.—If the Attorney General has reasonable cause to believe that any person or group of persons is being, has been, or may be injured by conduct constituting a violation of this section, and such conduct raises an issue of general public importance, the Attorney General may commence a civil action in any appropriate United States District Court.

"(B) DAMAGES.—In any action under subparagraph (A), the court may award appropriate relief, including temporary, preliminary or permanent injunctive relief and compensatory damages to persons aggrieved as described in paragraph (1)(B). The court, to vindicate the public interest, may also assess a civil penalty against each respondent—

"(i) in an amount not exceeding $15,000, for a first violation; and

"(ii) in an amount not exceeding $25,000, for any subsequent violation.

"(f) RULES OF CONSTRUCTION.—Nothing in this section shall be construed or interpreted to—

"(1) prevent any State from exercising jurisdiction over any offense over which it would have jurisdiction in the absence of this section;

"(2) deprive State and local law enforcement authorities of responsibility for prosecuting acts that may be violations of this section and that are violations of State or local law;

"(3) provide exclusive authority to prosecute, or exclusive penalties for, acts that may be violations of this section and that are violations of other Federal laws;

"(4) limit or otherwise affect the right of a person aggrieved by acts that may be violations of this section to seek other available civil remedies; or

"(5) prohibit expression protected by the First Amendment to the Constitution.

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

"(1) ABORTION SERVICES.—The term 'abortion services' includes medical, surgical, counselling or referral services relating to the termination of a pregnancy.

"(2) ATTORNEY GENERAL.—The term 'Attorney General' includes the Attorney General of the United States, the Deputy Attorney General of the United States, the Associate Attorney General of the United States, or any employee of the Department of Justice or any employee of any department or agency of the United States so designated by the Attorney General to carry out the powers conferred on the Attorney General by this section.

"(3) MEDICAL FACILITY.—The term 'medical facility' includes a hospital, clinic, physician's office, or other facility that provides health or surgical services.

"(4) STATE.—The term 'State' includes a State of the United States, the District of Columbia, and any commonwealth, territory, or possession of the United States.".

Ms. MIKULSKI. Mr. President, it is with outrage and sadness that I join with Senator KENNEDY as an original cosponsor of the Freedom of Access to Clinic Entrances Act of 1993.

I am outraged because the previous administration failed to take sufficient action against antichoice protesters who have blocked clinics, harassed women seeking abortion services, stalked physicians and clinic health care workers, and bombed, vandalized, and destroyed clinics. These violent and lawless actions have made a mockery of the Constitution.

It is a fundamental tenet of this country that we all have the right to lawful demonstration—whatever our beliefs. But opponents of abortion have substituted vigilantism for lawful demonstrations. They have interfered with

a woman's constitutionally protected right to obtain an abortion. They have destroyed clinic facilities, leaving women without access to health care facilities. And they have threatened the safety of individuals providing health care services.

This must be stopped.

I believe that the new Attorney General is going to do just that. She has made clear that she will not tolerate these tactics and that she will prosecute this type of vigilantism to the full extent of the law.

The killing of Dr. Gunn on March 11 in front of a Pensacola clinic has deeply disturbed all of us. It opened the country's eyes once to the inevitable consequence of extremism. There is no rationale, no justification, no solace to be found in Dr. Gunn's death. There is only profound sadness and outrage.

We must be able to protect health care providers like Dr. Gunn. We must assure them that they do not have to risk their life, or the sanctity of their homes and the safety of their families because of the health services they provide to women. The government has the historic role not only of protecting an individual's civil rights but has an obligation to protect the health and safety of its citizens.

The Supreme Court ruling in Bray versus Alexandria has left Congress with the responsibility of ensuring that women are able to exercise their right to get an abortion free from intimidation or violence.

There is not sufficient Federal authority to protect individuals seeking health care in family planning facilities; nor is there sufficient Federal authority to protect clinics and the individuals who work there.

This legislation will provide the Attorney General with the authority she needs to put an end once and for all to activities that prevent women and health care providers from gaining access to health care clinics and the services they provide.

I urge its swift consideration and passage.

By Mr. BRADLEY (for himself and Mr. LAUTENBERG):

S. 637. A bill to suspend temporarily the duty on pentostatin; to the Committee on Finance.

PENTOSTATIN DUTY SUSPENSION

• Mr. BRADLEY. Mr. President, I rise to introduce duty suspension legislation on behalf of the New Jersey-based Warner-Lambert Co. This bill would temporarily suspend the import duty on pentostatin. Joining me is my friend and colleague Senator LAUTENBERG. We introduced similar legislation in the last Congress.

Pentostatin or Nipent, the orphan drug which Warner-Lambert imports, is used to treat hairy cell leukemia patients. Currently, hairy cell leukemia affects about 2,500 patients in the United States. According to Warner-Lambert, clinical tests indicate positive results from the drug's usage. Warner-Lambert also maintains that due to its small patient population, the tariff suspension would cause no appreciable revenue loss to the Treasury.

According to the International Trade Commission, no domestic producers have registered objections to the proposed suspension. The legislation would enable Warner-Lambert to import the chemicals at reasonable prices, making its products more competitive in the international market and ultimately more affordable for consumers in the domestic market.

Mr. President, I ask unanimous consent that this bill be printed in the RECORD.

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

S. 637

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

SECTION 1. PENTOSTATIN.

Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"9902.31.12	Pentostatin (provided for in subheading 2934.90.47)	Free	No change	No change	On or before 12/3/94".

SEC. 2. EFFECTIVE DATE.

The amendment made by section 1 shall apply with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.•

• Mr. LAUTENBERG. Mr. President, I am pleased to join as an original cosponsor of legislation to suspend duties on pentostatin, an orphan drug used in the treatment of hairy cell leukemia. Senator BRADLEY and I introduced similar legislation in 1992.

Warner-Lambert, a company headquartered in Morris Plains, NJ, developed pentostatin in a laboratory in Ann Arbor, MI. The drug, whose key component is now made in Michigan, is purified at Warner-Lambert's subsidiary in Frieberg, Germany and then imported back into the United States. According to the International Trade Commission, no comparable drug is manufactured in the United States.

Pentostatin treats patients suffering from hairy cell leukemia and who do not respond to interferon alfa, the most common treatment for hairy cell leukemia. Clinical tests indicate that 80 percent of hairy cell leukemia patients tested who receive pentostatin have a positive result from the use of the drug.

Mr. President, I urge my colleagues to support this measure.•

By Mr. BRADLEY (for himself and Mr. LAUTENBERG):

S. 638. A bill to extend the temporary suspension of duty on jacquard cards and other cards used as jacquard cards; to the Committee on Finance.

SUSPENSION OF DUTY ON JACQUARD CARDS

• Mr. BRADLEY. Mr. President, I rise to introduce legislation to extend the duty suspension on unpunched Jacquard cards, pattern-setting tapes used in the manufacturing of textiles. Joining me is my friend and colleague Senator LAUTENBERG. I introduced a similar bill which passed during the 101st Congress.

Jerry Valenta and Sons, Inc., which is located in Hawthorne, NJ, uses Jacquard cards to create intricate patterns in textiles. Jacquard cards have never been produced in the United States. Since their machinery cannot operate without them, American companies like Jerry Valenta and Sons are forced to pay high duties to import Jacquard cards, putting them at a competitive disadvantage to foreign companies not subject to the same tariff.

Many of the textiles designed by Jerry Valenta and Sons are exported through manufacturing companies they service to markets in Europe and the Far East, positively impacting the American balance of trade. Extending this duty suspension will lower production cost, benefiting the manufacturing firms, and ultimately, the consumer.

Mr. President, I ask unanimous consent that this bill be printed in the RECORD.

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

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

SECTION 1. EXTENSION OF DUTY SUSPENSION.

Headings 9902.39.27 and 9902.48.23 of the Harmonized Tariff Schedule of the United States are each amended by striking "12/31/92" and inserting "12/31/94".

SEC. 2. EFFECTIVE DATE.

(a) IN GENERAL.—The amendments made by this Act shall apply with respect to articles entered, or withdrawn from warehouse for consumption, after the date that is 15 days after the date of the enactment of this Act.

(b) RELIQUIDICATION.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, upon a request filed with the appropriate customs officer before the date that is 90 days after the date of the enactment of this Act, any entry, or withdrawal from warehouse for consumption, of an article described in heading 9902.39.27 or 9902.48.23 of the Harmonized Tariff Schedule of the United States that was made—

(1) after December 31, 1992, and

(2) on or before the date that is 15 days after the date of the enactment of this Act, shall be liquidated or reliquidated as though such entry or withdrawal occurred on the date after the date that 15 days after the date of the enactment of this Act.

• Mr. LAUTENBERG. Mr. President, I am pleased to join as an original cosponsor of legislation to suspend duties on unpunched Jacquard cards, pattern-setting tapes used in the manufacture of textiles. Specifically, the Jacquard weaving process is responsible for the creation of some of the most intricate fabric patterns in existence.

Jerry Valena and Sons, Inc., located in Hawthorne, NJ, has been importing Jacquard machinery and cards for more than 25 years. There has never been an American manufacturer of Jacquard cards in the United States. In fact, U.S. Jacquard weavers are 100-percent dependent on foreign firms for the equipment necessary for their manufacturing process.

U.S. Jacquard fabric manufacturers are exporting their products to European and Far Eastern markets. If the duty suspension for Jacquard cards is extended, the U.S. manufacturers can price their products to remain competitive with foreign manufacturers who do not have to consider tariff costs. This extension could help the Jacquard fabric industry survive in a global marketplace that is becoming increasing more competitive.

Mr. President, I urge my colleagues to support this measure. •

By Mr. DECONCINI (for himself, Mr. SIMON, Mr. PRYOR, Mr. BUMPERS, Mr. KOHL, Mr. BRADLEY, Mr. CHAFEE, Mr. SARBANES, Mr. MOYNIHAN, and Mr. WARNER):

S. 639. A bill to make unlawful the possession of certain assault weapons, to establish a Federal penalty for drive-by shootings, and for other purposes; to the Committee on the Judiciary.

ANTIDRUG ASSAULT WEAPONS LIMITATIONS ACT OF 1993

• Mr. DECONCINI. Mr. President, I rise with my distinguished colleagues, Senators SIMON, PRYOR, BUMPERS, KOHL, BRADLEY, SARBANES, CHAFEE, MOYNIHAN, and WARNER, to introduce the Antidrug Assault Weapons Limitation Act of 1993. This bill, with bipartisan support, has passed the Senate the last two Congresses. Representatives SCHUMER and SYNAR will be introducing a companion version of this bill in the House.

Since the last time we approved this assault weapons ban we have seen drug-related violence continued to escalate; assault weapons continue to proliferate; police officers continue to be gunned down in the streets of America.

Once again, this country has graphically witnessed the destructive use of military-style assault weapons. The tragic situation in Waco, TX, where four ATF agents were murdered and several others were injured, was only one of many recent examples in which criminals have used assault weapons to overpower law enforcement. In cities across the country, gangs fight turf wars, armed with assault weapons, often killing or severely wounding innocent bystanders with weapons designed and built with the express purpose of killing human beings on battlefields.

The accessibility of these weapons is frightening. In January, a young Pakistani citizen bought a Chinese-made AK-47 in a Virginia gun store and 3 days later opened fire on several people, murdering two, outside the Central Intelligence Agency headquarters.

Every day police officers have to put their lives on the line for us: they are the foot soldiers in the war on drugs. But increasingly, this war finds the cop on the beat heavily outgunned. For wherever there are drugs, there are guns.

We have seen in the last few years a profound change in criminal firepower. Criminals have gone from using defensive weapons, like small handguns, to offensive weapons such as the AK-47, an assault rifle designed in Russia and currently manufactured in China and other countries. The AK-47, even in its semiautomatic civilian form, can fire up to 80 rounds of ammunition in 1 minute. This weapon is equipped with a flash suppressor, allowing the shooter to remain hidden at night. It will take a high-capacity magazine, allowing the shooter to fire multiple rounds without reloading. It has a pistol grip so that it can be spray-fired from the hip, and it has a folding stock so that it can be easily concealed. Finally, the AK-47 has a barrel mount designed to accommodate a bayonet.

Then there is the TEC-9, manufactured in Florida and the assault weapon most traced to crimes. The manufacturer calls this gun "as tough as your toughest customer." The TEC-9 has a threaded barrel designed to accommodate a silencer and is equipped with a 36-round magazine. It also has a barrel shroud which cools the barrel during rapid firing, allowing the shooter to grasp the barrel without incurring serious burns. Gang members love this gun, because in their drive by shootings they do not have to aim; they just spray.

Probably the most disturbing weapon on this list is the so-called Street Sweeper. This weapon fires 12 rounds of 12 gauge shotgun shells in less than 3 seconds. A lightweight weapon, it can be fired with one hand as a pistol, from the hip with the aid of a front grip, or from the shoulder with its folding stock. This weapon was initially designed and manufactured in South Africa for apartheid riot control. It has been advertised by its manufacturers as the perfect police entry weapon, "born in Rhodesia, improved in South Africa, patented, perfected, and totally manufactured in the United States."

Mr. President, these assault weapons were never intended for hunting or sporting purposes. Silencers, barrel shrouds, pistol grips, bayonets, folding stocks—these are the trademarks of assassins, not sportsmen. And, I am sorry to say, they are rapidly becoming the favored tools of drug lords and violent criminals. These weapons were designed to conduct modern warfare; unfortunately, that war is occurring on the streets of our cities.

It is time for Congress to act boldly and put an end to these weapons of mass destruction. This legislation will reduce the growing arsenal of assault weapons that drug traffickers are using against our law enforcement officers. It will impact criminals regardless of whether they obtain their assault weapon legally or illegally.

The bill is very straightforward. It will prohibit the future importation of five imported types of assault weapons and future manufacture of four domestic assault weapons. The bill imposes tough penalties for the use of an assault weapon in the commission of a violent or drug trafficking crime. The bill also provides Federal penalties for drive-by shooting culprits.

Additional provisions in the bill impose new penalties for the theft of firearms and the smuggling of firearms while engaged in drug trafficking or a violent crime. The bill also provides a mandatory revocation of a supervised release if the defendant is found in possession of a firearm and the court has provided as a condition of release that the defendant refrain from possessing any firearm.

The import and manufacturing prohibitions of the bill only last for 3 years and the bill directs the Attorney General to conduct an 18-month study to determine the impact of the bill on violent and drug trafficking crimes.

Mr. President, let me make something clear. This bill does not eliminate the rights of honest law abiding citizens to buy guns for protection, hunting, or other recreation. We are merely taking off the streets of America weapons that have no purpose other than to blow away human beings. No one buys an AK-47 to keep under their bed for their safety. No one buys a Street Sweeper to go hunting or plinking. Does this ban affect honest sportsmen? Honest sportsmen do not go hunting with Street Sweepers. Street Sweepers were made for riot control in South Africa.

I have never offered this bill as a complete panacea for crime. No provision being debated in this bill has been. Supporters of this bill are merely trying to bring some safety and sanity back to our streets and end the arms race that drug dealers are winning.

Opponents of this measure would like to make this an either/or situation. They either offer tough penalties or ban weapons. They are wrong. We need both. We need to end the proliferation of these assault weapons, but we also need to enact tough penalties for the criminal use of firearms.

On issues of crime and violence, I think we would consult those who risk their lives everyday for our safety. Law enforcement stands united behind this bill. Every major law enforcement organization in America, both management and labor, has supported this legislation. Every one of them:

The National Association of Police Organizations,

The Fraternal Order of Police,

The International Brotherhood of Police Officers,

The National Sheriff's Association,

The Police Executive Research Forum,

The Major Cities Chiefs,

The International Association of Chiefs of Police,

The National Organization of Black Law Enforcement Executives, and

The Police Management Association.

Indeed, when the Police Executive Research Forum [PERF], an organization of big-city police executives dedicated to advancing progressive policing practices, surveyed their members, 96 percent indicated they would support measures designed to curb the unrestricted flow of these weapons.

Mr. President, I believe that the Members of this body have too much respect for law enforcement in this country not to support them on this bill. I plan to work hard with my colleagues and our supporters in the House to send this legislation to President Clinton. He supports a ban on assault weapons but he needs the votes in the Congress to get a bill to his desk. So I urge my colleagues to continue their support for this bill.

I ask unanimous consent that the bill and some letters in support be printed in the RECORD.

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

S. 639

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

TITLE I—ASSAULT WEAPONS

SECTION 101. SHORT TITLE.

This title may be cited as the "Antidrug Assault Weapons Limitation Act of 1993".

SEC. 102. DEFINITIONS.

(a) IN GENERAL.—Section 921(a) of title 18, United States Code, is amended by adding at the end the following new paragraphs:

"(29) The term 'assault weapon' means any of the firearms known as—

"(A) Norinco, Mitchell, and Poly Technologies Avtomat Kalashnikovs (all models);

"(B) Action Arms Israeli Military Industries UZI and Galil;

"(C) Beretta AR-70 (SC-70);

"(D) Colt AR-15 and CAR-15;

"(E) Fabrique Nationale FN/FAL, FN/LAR, and FNC;

"(F) MAC 10 and MAC 11;

"(G) Steyr AUG;

"(H) INTRATEC TEC-9; and

"(I) Street Sweeper and Striker 12.

"(30) The term 'form 4473' means the form prescribed by the Secretary in section 178.124 of the Code of Regulations as of the date of enactment of this paragraph, as that form or paragraph may be amended, or a successor form or regulation, or the equivalent of such a form.".

(b) RECOMMENDATIONS OF THE SECRETARY.—Chapter 44 of title 18, United States Code, is amended—

(1) by adding at the end the following new section:

"§ 931. Additional assault weapons

"The Secretary, in consultation with the Attorney General, may recommend to the Congress the addition or deletion of firearms designated as assault weapons under section 921(29).''; and

(2) in the chapter analysis by adding at the end the following new item:

"931. Additional assault weapons.".

SEC. 103. UNLAWFUL ACTS.

Section 922 of title 18, United States Code, is amended by adding at the end the following new subsections:

"(s)(1) Except as provided in paragraph (2), it shall be unlawful for a person to transfer, import, transport, ship, receive, or possess an assault weapon.

"(2) This subsection does not apply with respect to—

"(A) the transfer, importation, transportation, shipping, and receipt to or by, or possession by or under, authority of the United States or any department or agency thereof or of any State or any department, agency, or political subdivision thereof, of an assault weapon; or

"(B) a lawful transfer, transportation, shipping, receipt, or possession of an assault weapon that was lawfully possessed before the effective date of this subsection.

"(t)(1) It shall be unlawful for a person to sell, ship, or deliver an assault weapon to a person who does not fill out a form 4473 in connection with the purchase of the assault weapon.

"(2) It shall be unlawful for a person to purchase, possess, or accept delivery of an assault weapon unless the person has filled out a form 4473 in connection with the purchase of the assault weapon.

"(3) If a person purchases an assault weapon from anyone other than a licensed dealer, both the purchaser and the seller shall maintain a record of the sale on the seller's original copy of form 4473.

"(4) An owner of an assault weapon on the effective date of this subsection who requires retention of form 4473 under this subsection shall, within 90 days after publication of regulations by the Secretary under paragraph (5), request a copy of form 4473 from a licensed dealer in accordance with those regulations.

"(5) The Secretary shall, within 90 days after the date of enactment of this subsection, prescribe regulations for the request and delivery of form 4473 under paragraph (4).".

SEC. 104. PENALTIES.

Section 924 of title 18, United States Code, is amended—

(1) in subsection (c) by inserting "and if the firearm is an assault weapon, to imprisonment for 10 years," after "sentenced to imprisonment for five years,"; and

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

"(i) A person who knowingly violates section 922(t) shall be fined not more than $1,000 (in accordance with section 3571(e)), imprisoned not more than 6 months, or both.".

SEC. 105. DISABILITY.

Section 922(g)(1) of title 18, United States Code, is amended by inserting "or a violation of section 922(t)" before the semicolon at the end.

SEC. 106. STUDY BY THE ATTORNEY GENERAL.

(a) STUDY.—The Attorney General shall investigate and study the effect of this Act and the amendments made by this Act and in particular shall determine their impact, if any, on violent and drug trafficking crime. The study shall be conducted over a period of 18 months, commencing 12 months after the date of enactment of this Act.

(b) REPORT.—Not later than 30 months after the date of enactment of this Act, the Attorney General shall prepare and submit to Congress a report setting forth in detail the findings and determinations made in the study under subsection (a).

SEC. 107. EFFECTIVE DATE.

This title and the amendments made by this title—

(1) shall become effective on the date that is 30 days after the date of enactment of this Act; and

(2) are repealed effective as of the date that is 3 years after the effective date.

TITLE II—INDISCRIMINATE USE OF WEAPONS TO FURTHER DRUG CONSPIRACIES

SEC. 201. SHORT TITLE.

This title may be cited as the "Drive-By Shooting Prevention Act of 1993".

SEC. 202. DRIVE-BY SHOOTING.

(a) IN GENERAL.—Chapter 2 of title 18, United States Code, is amended by adding at the end the following new section:

"§ 36. Drive-by shooting

"(a) OFFENSE AND PENALTIES.—

"(1) Whoever, in furtherance or to escape detection of a major drug offense listed in subsection (b) and, with the intent to intimidate, harass, injure, or maim, fires a weapon into a group of two or more persons and who, in the course of such conduct, causes grave risk to any human life shall be punished by a term of no more than 25 years, or by fine as provided under this title, or both.

"(2) Whoever, in furtherance or to escape detection of a major drug offense listed in subsection (b) and, with the intent to intimidate, harass, injure, or maim, fires a weapon into a group of two or more persons and who, in the course of such conduct, kills any person shall, if the killing—

"(A) is a first degree murder as defined in section 1111(a) of this title, be punished by death or imprisonment for any term of years or for life, fined under this title, or both: or

"(B) is a murder other than a first degree murder as defined in section 1111(a) of this title, be fined under this title, imprisoned for any term of years or for life, or both.

"(b) MAJOR DRUG OFFENSE DEFINED.—A major drug offense within the meaning of subsection (a) is one of the following:

"(1) a continuing criminal enterprise, punishable under section 403(c) of the Controlled Substances Act (21 U.S.C. 848(c));

"(2) a conspiracy to distribute controlled substances punishable under section 406 of the Controlled Substances Act (21 U.S.C. 846) or punishable under section 1013 of the Controlled Substances Import and Export Control Act (21 U.S.C. 963); or

"(3) an offense involving major quantities of drugs and punishable under section 401(b)(1)(A) of the Controlled Substances Act (21 U.S.C. 841(b)(1)(A)) or section 1010(b)(1) of the Controlled Substances Import and Export Act (21 U.S.C. 960(b)(1)).".

(b) TECHNICAL AMENDMENT.—The chapter analysis for chapter 2 of title 18, United States Code, is amended by adding at the end the following new item:

"36. Drive-by shooting.".

TITLE III—MISCELLANEOUS FIREARMS OFFENSES

SEC. 301. STEALING AND SMUGGLING OF FIREARMS.

Section 924 of title 18, United States Code, is amended by adding at the end the following new subsections:

"(i) A person who steals a firearm that is moving as, is a part of, or has moved in

interstate or foreign commerce shall be imprisoned not less than 2 nor more than 10 years and may be fined under this title.

"(j) A person who, with the intent to engage in or to promote conduct that—

"(1) is punishable under the Controlled Substances Act (21 U.S.C. 801 et seq.), the Controlled Substances Import and Export Act (212 U.S.C. 951 et seq.), or the Maritime Drug Law Enforcement Act (46 U.S.C. App. 1901 et seq.);

"(2) violates a State law relating to a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)); or

"(3) constitutes a crime of violence (as defined in subsection (c)(3));

smuggles or knowingly brings into the United States a firearm, or attempts to do so, shall be imprisoned not more than 10 years, fined under this title, or both.".

SEC. 302. MANDATORY REVOCATION OF SUPERVISED RELEASE FOR POSSESSION OF A FIREARM.

Section 3583 of title 18, United States Code, is amended by adding at the end the following new subsection:

"(h) MANDATORY REVOCATION OF SUPERVISED RELEASE FOR POSSESSION OF A FIREARM.—If the court has provided, as a condition of supervised release, that the defendant refrain from possessing a firearm (as defined in section 921), and if the defendant is in actual possession of such a firearm at any time prior to the expiration or termination of a term of supervised release, the court, after a hearing pursuant to the provisions of the Federal Rules of Criminal Procedure that are applicable to probation revocation, shall—

"(1) revoke the term of supervised release; and

"(2) subject to subsection (e)(3), require the defendant to serve in prison all or part of the term of supervised release without credit for time previously served on postrelease supervision.".

INTERNATIONAL BROTHERHOOD OF POLICE OFFICERS,
Arlington, VA, March 22, 1993.

Hon. DENNIS DECONCINI,
U.S. Senate, Washington, DC.

DEAR SENATOR DECONCINI: The International Brotherhood of Police Officers is an affiliate of the Service Employees International Union, the fourth largest union in the AFL-CIO. The IBPO represents more than 40,000 federal, state, and local rank and file law enforcement officers in the United States. The IBPO would like to reaffirm its strong support for the introduction of the Antidrug Assault Weapons Limitations Act of 1993 today.

As you are well aware, this piece of legislation prohibits the importation of five foreign assault weapons and the future manufacture of four domestic assault weapons. It provides tougher penalties for illegal possession of an assault weapon, use in a violent or drug trafficking crime, theft of a firearm, or use in drive-by-shootings. The bill commissions the Justice Department to conduct an 18-month study on the Act's impact on drug trafficking and violent crime. Obviously, the need for the provisions of this piece of legislation is great, and its swift enactment is long overdue.

On behalf of the International Brotherhood of Police Officers, I would like to thank you for your continued leadership in Congress on law enforcement issues, from enacting strong crime legislation to legislation supporting the health and safety of law enforcement officers. Your unwavering commitment is greatly appreciated not only by the law enforcement community, but by those who will be protected by this legislation. We look forward to working with you on this issue and many other critically important to the law enforcement profession.

Sincerely,

KENNETH T. LYONS,
National President.

GRAND LODGE
FRATERNAL ORDER OF POLICE,
Columbus OH, March 23, 1993.

Hon. DENNIS DECONCINI,
U.S. Senate, Washington, DC.

DEAR SENATOR DECONCINI: On behalf of the 240,000 members of the Fraternal Order of Police, I would like you to know of our strong support for the Antidrug Assault Weapons Limitation Act 1993. We commend you and and your cosponsors' political courage in introducing this important measure.

Our country is facing a growing crime problem aided by the use of assault weapons. The tragedy in Waco, Texas is but another example of the power of assault weapons. The proliferation of these high-tech killing machines has become so overwhelming that law enforcement is being forced to upgrade their own guns merely as a matter of self-preservation.

As to how important the issue of the increased spread of semi-automatic assault weapons is to be the cop in the street, I think it is safe to say that all of us who put on the uniform every day have to sometimes wonder about our own mortality. The questions of whether we will see our families again or in what physical condition we could end up in certainly runs through our minds at one time or another as we go about our job. The issue of these weapons may be a political one to some, but it is potentially a "life or death" issue everyday for us as we step out of the front door of our homes to go to work.

We appreciate your support and leadership on law enforcement issues. We look forward to working with you and your colleagues on this important legislation.

Sincerely,

DEWEY R. STOKES,
National President.

POLICE EXECUTIVE RESEARCH FORUM,
Washington, DC, March 18, 1993.

Senator DENNIS DECONCINI,
Committee on the Judiciary, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR DECONCINI: On behalf of the members of the Police Executive Research Forum (PERF), an organization of big-city police executives dedicated to advancing progressive policing practices, I would like to commend you for proposing legislation that will make unlawful the possession of specified assault weapons. PERF members collectively serve more than 35 percent of the nation's citizens. Accordingly, they see the carnage these weapons have caused in our communities. Their regular encounters with the corrosive effects of drug abuse have become more dangerous because drug traffickers and abusers have turned to semi-automatic assault guns as their weapons of choice. They are used against police officers and against innocent bystanders caught in the cross-fire of drug addicts and gang members. When PERF members were surveyed on the proposed regulation of assault weapons, 96% indicated they would support measures designed to curb the unrestricted flow of these weapons.

We appreciate your continued support of law enforcement. We believe your proposed legislation will help keep guns out of the hands of criminals, while not impinging on the rights of law-abiding citizens. These guns simply have no legitimate sporting purpose. If you have any questions on PERF's positions on these or other matters, please contact Martha Plotkin or Karin Schmerler. Again, thank you for considering the views of law enforcement on this very important public safety matter.

Sincerely,

JOHN E. ECK,
Acting Executive Director.

By Mr. BRADLEY (for himself and Mr. LAUTENBERG):

S. 640. A bill to suspend until January 1, 1995, the duty on malathion; to the Committee on Finance.

SUSPENSION OF DUTY ON MALATHION

• Mr. BRADLEY. Mr. President, I rise to reintroduce legislation to suspend the tariff duty on malathion. Joining me is my friend and colleague, Senator LAUTENBERG. We introduced similar legislation last Congress.

This legislation will favorably affect Cheminova, Inc., a company with offices in Wayne, NJ. Cheminova imports a diverse line of chemicals that are primarily tailored for crop protection. Malathion is frequently utilized as part of a mixture containing other pesticides, increasing or expanding the use of other pesticide ingredients. Importing this chemical creates numerous American jobs for small pesticide manufacturers, formulators, and distributors.

According to the International Trade Commission, no domestic producer has registered objections to the proposed suspension. The legislation enables Cheminova to import the chemicals are reasonable prices making its products more affordable for consumers in the domestic market.

Mr. President, I ask unanimous consent that this bill be printed in the RECORD.

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

S. 640

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

SECTION 1. MALATHION.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"9902.31.12 0,0 Dimethyl phosphorodithoate of diethyl mercaptosuccinate (Malathion) (provided for in subheading 2930.90.40)	Free	No change	No change	On or before 12/31/94

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.●

Mr. LAUTENBERG. Mr. President, I am pleased to join as an original cosponsor of the bill to suspend the tariff duty on malathion. Senator BRADLEY and I introduced similar legislation in 1992.

Cheminova, Inc. in Wayne, NJ, imports this chemical which is used in a variety of pesticides for crop protection. The duty-free import of this chemical helps ensure the availability of jobs in the pesticide manufacture and distribution industries, and makes domestic pesticide products, of which these chemicals are subcomponents, more affordable for consumers. According to the International Trade Commission, no domestic producer has registered objections to the proposed suspension.

Mr. President, I urge my colleagues to support this measure.

By Mr. BRADLEY (for himself and Mr. LAUTENBERG):

S. 641. A bill to provide for additional extension periods for reexportation of certain articles admitted temporarily free of duty under bond; to the Committee on Finance.

DUTY SUSPENSION ON COMMUNICATIONS SATELLITE COMPONENTS

● Mr. BRADLEY. Mr. President, I rise on behalf of General Electric Astro-Space Division [GE Astro] to reintroduce legislation to extend the duty suspension deadline on communications satellite components entered under temporary importation under bond status [TIB]. Joining me is my friend and colleague, Senator LAUTENBERG. We introduced a similar legislation during the last Congress.

Components for communications satellites entering duty-free under TIB must be exported or launched within a period of 1 year, with extensions to a maximum of 3 years. However, GE Astro claims that failures of unmanned launch vehicles, such as in the *Challenger* disaster, have delayed the exportation and launch of communications satellites. As a result, GE Astro has not been able to meet the 3-year deadline set by current law, and has been fined. Allowing additional extensions of up to 2 additional years would mitigate the effects of the current export and launch backlog.

According to the International Trade Commission, no domestic producers have registered objections to extending the length of export time for these products under TIB. This legislation would enable GE to benefit from the initial extension, enabling them to manufacture satellites domestically and successfully compete with foreign-made satellites which enter the country duty-free.

Mr. President, I ask unanimous consent that this bill be printed in the RECORD.

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

S. 641

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

SECTION 1. REEXPORTATIONS OF COMMUNICATIONS SATELLITE ARTICLES.

(a) IN GENERAL.—

(1) EXTENSION.—The first sentence of U.S. Note 1(a) to subchapter XIII of chapter 98 of the Harmonized Tariff Schedule of the United States is amended—

(A) by striking "and (2)" and inserting "(2)"; and

(B) by striking the period at the end and inserting the following: ", and (3) for articles imported under heading 9813.00.05, the time for exportation may be extended for 1 or more further periods which, when added to the initial 1 year, shall not exceed a total of 5 years, but any application for an extension beyond the 3rd year must be accompanied by the importer's certification that the articles are dedicated for incorporation into a communications satellite.".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) apply with respect to goods entered on or after the date that is 3 years before the date of the enactment of this Act.

(b) EXPEDITED MITIGATION OF PENALTY ASSESSMENTS ON REEXPORTATIONS DELAYED BY LAUNCH SYSTEM FAILURES.—Goods imported under heading 9813.00.05 of the Harmonized Tariff Schedule of the United States after January 1, 1983, and before the date that is 3 years before the date of the enactment of this Act that are certified by the importer—

(1) as having been dedicated for incorporation into a communications satellite; and

(2) as not having been exported within the time required for exportation under the applicable bond directly or indirectly as a result of launch schedule delays resulting from any launch failure, launch system failure, or technical delay;

are subject to liquidated damages not exceeding 1 percent of the liquidated damages established in the applicable bond.●

● Mr. LAUTENBERG. Mr. President, I am pleased to join as an original cosponsor of legislation to suspend duties on communications satellite component parts for temporary importation under bond status [TIB]. Senator BRADLEY and I introduced similar legislation in 1992.

General Electric Astro-Space Division located in Princeton, NJ, imports communications satellite components under TIB. TIB provides for duty-free treatment of the components if they are exported or launched within a period of 1 year, with extensions to a total of 3 years. Unfortunately, GE Astro-Space Division has been delayed in the exportation of some of its communication satellites made with imported components. Uncertainty of launch dates has been a driving factor in these delays. This legislation would enable GE Astro-Space Division to export its satellites without breaching bond conditions.

Because foreign-made communications satellites are duty free, domestic manufacturers are disadvantaged when they must pay duty or liquidated damages on imported components that cannot be exported or launched within the bond period. It is important to remove unnecessary barriers to the competitiveness of the United States communications satellite industry.

Mr. President, I urge my colleagues to support this measure.●

ADDITIONAL COSPONSORS

S. 186

At the request of Mr. REID, the name of the Senator from Colorado [Mr. CAMPBELL] was added as a cosponsor of S. 186, a bill to require reauthorizations of budget authority for Government programs at least every 10 years, to provide for review of Government programs at least every 10 years, and for other purposes.

S. 261

At the request of Mr. LAUTENBERG, the names of the Senator from Minnesota [Mr. DURENBERGER] and the Senator from New Mexico [Mr. BINGAMAN] were added as cosponsors of S. 261, a bill to protect children from exposure to environmental tobacco smoke in the provision of children's services, and for other purposes.

S. 262

At the request of Mr. LAUTENBERG, the names of the Senator from Minnesota [Mr. DURENBERGER] and the Senator from New Mexico [Mr. BINGAMAN] were added as cosponsors of S. 262, a bill to require the Administrator of the Environmental Protection Agency to promulgate guidelines for instituting a nonsmoking policy in buildings owned or leased by Federal agencies, and for other purposes.

S. 295

At the request of Mr. DURENBERGER, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 295, a bill to amend title 23, United States Code, to remove the penalties for States that do not have in effect safety belt and motorcycle helmet traffic safety programs, and for other purposes.

S. 340

At the request of Mr. HEFLIN, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 340, 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, and for other purposes.

S. 368

At the request of Mr. BUMPERS, the names of the Senator from Idaho [Mr. KEMPTHORNE] and the Senator from Delaware [Mr. BIDEN] were added as cosponsors of S. 368, a bill to amend the Internal Revenue Code of 1986 to pro-

vide a capital gains tax differential for individual and corporate taxpayers who make high-risk, long-term, growth-oriented venture and seed capital investments in startup and other small enterprises.

S. 419

At the request of Mr. DANFORTH, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 419, a bill to provide for enhanced cooperation between the Federal Government and the United States commercial aircraft industry in aeronautical technology research, development, and commercialization, and for other purposes.

S. 455

At the request of Mr. HATFIELD, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 455, a bill to amend title 31, United States Code, to increase Federal payments to units of general local government for entitlement lands, and for other purposes.

S. 458

At the request of Mr. SMITH, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 458, a bill to restore the second amendment rights of all Americans.

S. 487

At the request of Mr. MITCHELL, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 487, a bill to amend the Internal Revenue Code of 1986 to permanently extend and modify the low-income housing tax credit.

S. 503

At the request of Mr. D'AMATO, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 503, a bill to amend the Immigration and Nationality Act to provide that members of Hamas (commonly known as the Islamic Resistance Movement) be considered to be engaged in a terrorist activity and ineligible to receive visas and excluded from admission into the United States.

S. 535

At the request of Mr. WARNER, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 535, a bill to authorize the Board of Regents of the Smithsonian Institution to plan and design an extension of the National Air and Space Museum at Washington Dulles International Airport, and for other purposes.

S. 563

At the request of Ms. MOSELEY-BRAUN, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 563, a bill to require CBO analysis of each bill or joint resolution reported in the Senate or House of Representatives to determine the impact of any Federal mandates in the bill or joint resolution.

S. 587

At the request of Mr. ROTH, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 587, a bill to establish the Mike Mansfield Fellowship Program for intensive training in the Japanese language, government, politics, and economy.

SENATE JOINT RESOLUTION 38

At the request of Mrs. KASSEBAUM, the names of the Senator from Indiana [Mr. COATS], the Senator from Colorado [Mr. BROWN], and the Senator from North Carolina [Mr. HELMS] were added as cosponsors of Senate Joint Resolution 38, a joint resolution designating March 20, 1993, as "National Quilting Day".

SENATE JOINT RESOLUTION 56

At the request of Mr. BIDEN, the names of the Senator from Connecticut [Mr. LIEBERMAN] and the Senator from Wisconsin [Mr. KOHL] were added as cosponsors of Senate Joint Resolution 56, a joint resolution to designate the week beginning April 12, 1993, as "National Public Safety Telecommunicators Week".

SENATE JOINT RESOLUTION 62

At the request of Mr. BIDEN, the names of the Senator from Wisconsin [Mr. KOHL], the Senator from Mississippi [Mr. COCHRAN], the Senator from Kansas [Mr. DOLE], and the Senator from North Dakota [Mr. CONRAD] were added as cosponsors of Senate Joint Resolution 62, a joint resolution to designate the week beginning April 25, 1993, as "National Crime Victims' Right Week".

AMENDMENT NO. 185

At the request of Mr. DECONCINI the name of the Senator from Pennsylvania [Mr. WOFFORD] was added as a cosponsor of amendment No. 185 proposed to Senate Concurrent Resolution 18, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal years 1994, 1995, 1996, 1997, and 1998.

AMENDMENT NO. 196

At the request of Mr. BROWN the names of the Senator from North Carolina [Mr. FAIRCLOTH] and the Senator from Oklahoma [Mr. NICKLES] were added as cosponsors of amendment No. 196 proposed to Senate Concurrent Resolution 18, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal years 1994, 1995, 1996, 1997, and 1998.

AMENDMENT NO. 197

At the request of Mr. CRAIG the names of the Senator from Wyoming [Mr. SIMPSON] and the Senator from Idaho [Mr. KEMPTHORNE] were added as cosponsors of amendment No. 197 intended to be proposed to Senate Concurrent Resolution 18, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal years 1994, 1995, 1996, 1997, and 1998.

AMENDMENT NO. 202

At the request of Mr. DECONCINI his name was added as a cosponsor of amendment No. 202 proposed to Senate Concurrent Resolution 18, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal years 1994, 1995, 1996, 1997, and 1998.

AMENDMENT NO. 203

At the request of Mr. NICKLES his name was added as a cosponsor of amendment No. 203 proposed to Senate Concurrent Resolution 18, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal years 1994, 1995, 1996, 1997, and 1998.

AMENDMENT NO. 209

At the request of Mr. GORTON the names of the Senator from Oregon [Mr. PACKWOOD], the Senator from Indiana [Mr. COATS], and the Senator from Minnesota [Mr. DURENBERGER] were added as cosponsors of amendment No. 209 proposed to Senate Concurrent Resolution 18, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal years 1994, 1995, 1996, 1997, and 1998.

At the request of Mr. NICKLES his name was added as a cosponsor of amendment No. 209 proposed to Senate Concurrent Resolution 18, supra.

AMENDMENT NO. 210

At the request of Mr. PRESSLER the names of the Senator from Indiana [Mr. LUGAR] and the Senator from Pennsylvania [Mr. SPECTER] were added as cosponsors of amendment No. 210 proposed to Senate Concurrent Resolution 18, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal years 1994, 1995, 1996, 1997, and 1998.

SENATE CONCURRENT RESOLUTION 19—RELATIVE TO CONDEMNING NORTH KOREA'S DECISION TO WITHDRAW FROM THE TREATY ON THE NON-PROLIFERATION OF NUCLEAR WEAPONS

Mr. LIEBERMAN submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 19

Whereas the Treaty on the Non-Proliferation of Nuclear Weapons of 1968, to which 156 states are party, is the cornerstone of the international nuclear nonproliferation regime;

Whereas non-nuclear weapon states that are party to the Treaty on the Non-Proliferation of Nuclear Weapons are obligated to accept International Atomic Energy Agency safeguards on all sources of fissionable material within their territory, under their jurisdiction, or carried out under their control anywhere;

Whereas the International Atomic Energy Agency is permitted to conduct inspections

in a non-nuclear weapon state party to the Treaty on the Non-proliferation of Nuclear Weapons of any site, whether or not declared by that state, to ensure that all source of special fissionable material in that country is under safeguards;

Whereas North Korea is a non-nuclear weapon state which ratified the Treaty on the Non-Proliferation of Nuclear Weapons in December, 1985;

Whereas North Korea, after ratifying the treaty on the Non-Proliferation of Nuclear Weapons, refused until 1992 to accept International Atomic Energy Agency safeguards as required under the Treaty on the Non-Proliferation of Nuclear Weapons:

Whereas International Atomic Energy Agency inspections of North Korea's nuclear materials indicate that North Korea has produced more bomb-grade material than it has declared;

Whereas North Korea has not given a scientifically satisfactory explanation of this discrepancy;

Whereas North Korea has refused to provide International Atomic Energy Agency inspectors full access to two sites for the purposes of verifying its compliance with the Treaty on the Non-Proliferation of Nuclear Weapons;

Whereas, under pressure from the International Atomic Energy Agency to provide this full access, North Korea announced its intention to withdraw from the Treaty on the Non-Proliferation of Nuclear Weapons, effective June 11; and

Whereas this withdrawal is unprecedented in the history of the Treaty on the Non-Proliferation of Nuclear Weapons and undermines the strength of the international nuclear non-proliferation regime: Now, therefore, be it

Resolved that the Senate (with the House of Representatives concurring)—

(1) strongly supports the International Atomic Energy Agency's right to conduct inspections of any site in a non-nuclear weapon state party to the Treaty on the Non-Proliferation of Nuclear Weapons;

(2) condemns North Korea's decision to withdraw from the Treaty on the Non-Proliferation of Nuclear Weapons;

(3) urges the United States Security Council to insist that North Korea provide the International Atomic Energy Agency with full access before its official withdrawal from the Treaty on the Non-Proliferation of Nuclear Weapons on June 12, 1993;

(4) urges the United States Security Council to impose sanctions on North Korea, should it continue to refuse to provide this access; and

(5) calls on the President of the United States and the International community to take steps to strengthen the international nuclear non-proliferation regime.

• Mr. LIEBERMAN. Mr. President, I would like to submit a concurrent resolution concerning North Korea's withdrawal from the Treaty on the Nonproliferation of Nuclear Weapons. This is extremely dangerous, given North Korea's ruthless regime and its ties with other radical states, primarily in the Middle East.

While North Korea signed the treaty in 1985, it did not allow inspections by the International Atomic Energy Agency [IAEA] until last year. These inspections are integral to safeguarding fissionable material under the terms of the treaty. When the inspectors found that North Korea had produced more bomb-grade material than it had declared, the North Korean Government was unable to give any scientifically plausible explanation for the discrepancy. When the inspectors followed up with requests for access to sites not listed by the government, they were rebuffed.

Mr. President, at a time when nuclear weapons in the United States and the former Soviet Union are being reduced, North Korea and other radical states are attempting to secretly develop their own nuclear capabilities. Indeed, as a member in good standing of the IAEA. North Korea received technical assistance, including equipment and training from the IAEA, while developing their clandestine nuclear weapons program. This Congress must strongly support the right of the IAEA to conduct inspections in accordance with the treaty, and should call on the President and the international community to strengthen the nuclear nonproliferation regime. This Congress must send a clear and unambiguous message to those nations pursuing nuclear capacities that such actions will not be tolerated. This Congress and the administration must be prepared to pursue sanctions against North Korea, should that nation continue to refuse to abide by the terms of the treaty. This resolution is intended to send such a message.•

SENATE CONCURRENT RESOLUTION 20—RELATIVE TO TAIWAN'S MEMBERSHIP IN THE UNITED NATIONS

Mr. LIEBERMAN submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 20

Whereas the governments in both Beijing (China) and Taipei (Taiwan) claim that they represent all of China, including Taiwan;

Whereas Taiwan was a Japanese colony during the period between 1895 and 1945;

Whereas at the end of World War II, the United States military temporarily allowed the Chinese Nationalist President, Chiang Kai-shek, to rule Taiwan;

Whereas the period of civil war which took place on mainland China between 1945 and 1949 ended when the Chinese Nationalist (Kuomingtang) Government was overthrown by the Communist regime (People's Republic of China) that remains in power today;

Whereas subsequent to this overthrow, the Communists forced the Nationalists off the mainland, and they fled to Taiwan;

Whereas ever since 1949, Taiwan has been a politically and economically independent entity completely separated from the People's Republic of China;

Whereas until 1971, appointees of the Chinese Nationalist Government, based in Taipei, represented Taiwan and mainland China in the United Nations; however, during that year, the Government of the People's Republic of China, based in Beijing, assumed the role of representing both mainland China and Taiwan;

Whereas on December 15, 1978, the United States and the People's Republic of China released a joint communique that announced a switch in United States diplomatic recognition from Taipei to Beijing;

Whereas that joint communique also stated that, "the United State will maintain cultural, commercial, and other unofficial relations with the people of Taiwan";

Whereas on December 15, 1978, in a unilateral statement released concurrently with that joint communique, the United States stated that it "continues to have an interest in the peaceful resolution of the Taiwan issue and expects that the Taiwan issue will be settled peacefully by the Chinese themselves";

Whereas on April 10, 1979, President Carter signed into law the Taiwan Resolution Act (Public Law 96-8) which created a domestic legal authority of the conduct of unofficial relations with Taiwan;

Whereas since January 1, 1979, the United States, in accord with the Taiwan Resolution Act, has continued the sale of selected defensive military equipment and defense technology, to Taiwan;

Whereas Taiwan, with a population of 20,000,000, has in the past 40 years become an independent political entity and an important partner in world trade and the international economy (Taiwan has the world's largest foreign currency reserve, is the 5th largest trading partner of the United States, and is the 13th largest trading nation in the world);

Whereas in spite of its economic achievements and significant role in the world economy and in world affairs, the government of Taiwan does not have representation in the United Nations and in other international organizations;

Whereas the people of Taiwan have, through their elected legislators, expressed a strong desire to join the United Nations and other international organizations;

Whereas Taiwan's membership in the United Nations and in other international organizations would further enhance the peace, security, and stability in the Pacific and is in the best interest of the United State: Now, therefore, be it

Resolved that the Senate (with the House of Representatives concurring), That it is the sense of the Congress that the 20,000,000 people of Taiwan deserve to be represented in the United Nations and in other international organizations by appointees representing Taiwan's government.

• Mr. LIEBERMAN. Mr. President, I would like to resubmit a concurrent resolution concerning Taiwan. The concurrent resolution, which I submitted in the 102d. Congress, states that the 20 million people of Taiwan deserve to be represented in the United Nations and in other international organizations.

Such a move would affirm what has been a reality for nearly 40 years. During that time, Taiwan has become one of the leading economic models in Asia. It has the world's largest foreign currency reserve, is the 5th largest trading partner of the United States, and is the 13th largest trading nation in the world.

The people of Taiwan have taken a different political direction than the people of mainland China. While Taiwan is still far from being a perfect de-

mocracy, it has made substantial strides in developing democratic representative institutions, including a free press. Mainland China remains under Communist rule, with thousands of political prisoners.

By granting U.N. membership, we will be sending a clear message that Taiwan is a full-fledged member of the world community, whose independence cannot be threatened by mainland China. China still makes menacing statements about the use of force against Taiwan. U.N. membership would establish that Taiwan's status is not an internal affair, but a truly international concern.

Mr. President, Taiwan is a separate nation, and should be free to continue to chart its own course. It is time that we officially recognize its sovereignty by supporting full-fledged membership for Taiwan in the United Nations.●

AMENDMENTS SUBMITTED

OMNIBUS CONGRESSIONAL BUDGET RESOLUTION

DOMENICI AMENDMENTS NOS. 211–214

(Ordered to lie on the table.)

Mr. DOMENICI submitted four amendments intended to be proposed by him to the concurrent resolution (S. Con. Res. 18) setting forth the congressional budget for the U.S. Government for fiscal years 1994, 1995, 1996, 1997, and 1998, as follows:

AMENDMENT NO. 211

On page 2, decrease the amount on line 18, by $400,000,000.

On page 2, decrease the amount on line 19, by $3,000,000,000.

On page 3, decrease the amount on line 2, by $5,400,000,000.

On page 3, decrease the amount on line 4, by $7,200,000,000.

On page 3, decrease the amount on line 6, by $7,600,000,000.

On page 3, decrease the amount on line 10, by $400,000,000.

On page 3, decrease the amount on line 11, by $3,000,000,000.

On page 3, decrease the amount on line 12, by $5,400,000,000.

On page 3, decrease the amount on line 13, by $7,200,000,000.

On page 3, decrease the amount on line 14, by $7,600,000,000.

On page 4, decrease the amount on line 6, by $400,000,000.

On page 4, decrease the amount on line 7, by $3,000,000,000.

On page 4, decrease the amount on line 8, by $5,400,000,000.

On page 4, decrease the amount on line 9, by $7,200,000,000.

On page 4, decrease the amount on line 11, by $7,600,000,000.

On page 4, decrease the amount on line 15, by $400,000,000.

On page 4, decrease the amount on line 16, by $3,000,000,000.

On page 4, decrease the amount on line 17, by $5,400,000,000.

On page 4, decrease the amount on line 18, by $7,200,000,000.

On page 4, decrease the amount on line 19, by $7,600,000,000.

On page 5, decrease the amount on line 1, by $400,000,000.

On page 5, decrease the amount on line 2, by $3,000,000,000.

On page 5, decrease the amount on line 3, by $5,400,000,000.

On page 5, decrease the amount on line 4, by $7,200,000,000.

On page 5, decrease the amount on line 5, by $7,600,000,000.

On page 5, decrease the amount on line 11, by $400,000,000.

On page 5, decrease the amount on line 12, by $3,000,000,000.

On page 5, decrease the amount on line 13, by $5,400,000,000.

On page 5, decrease the amount on line 14, by $7,200,000,000.

On page 5, decrease the amount on line 15, by $7,600,000,000.

On page 5, decrease the amount on line 22, by $400,000,000.

On page 5, decrease the amount on line 23, by $3,000,000,000.

On page 5, decrease the amount on line 24, by $5,400,000,000.

On page 5, decrease the amount on line 25, by $7,200,000,000.

On page 6, decrease the amount on line 1, by $7,600,000,000.

On page 6, decrease the amount on line 7, by $400,000,000.

On page 6, decrease the amount on line 8, by $3,000,000,000.

On page 6, decrease the amount on line 9, by $5,400,000,000.

On page 6, decrease the amount on line 10, by $7,200,000,000.

On page 6, decrease the amount on line 11, by $7,600,000,000.

On page 41, decrease the amount on line 17, by $400,000,000.

On page 41, decrease the amount on line 18, by $400,000,000.

On page 41, decrease the amount on line 24, by $3,000,000,000.

On page 41, decrease the amount on line 25, by $3,000,000,000.

On page 42, decrease the amount on line 6, by $5,400,000,000.

On page 42, decrease the amount on line 7, by $5,400,000,000.

On page 42, decrease the amount on line 13, by $7,200,000,000.

On page 42, decrease the amount on line 14, by $7,200,000,000.

On page 42, decrease the amount on line 20, by $7,600,000,000.

On page 42, decrease the amount on line 21, by $7,600,000,000.

On page 50, decrease the amount on line 9, by $400,000,000.

On page 50, decrease the amount on line 10, by $23,600,000,000.

On page 57, decrease the amount on line 18, by $400,000,000.

On page 57, decrease the amount on line 19, by $23,600,000,000.

On page 71, decrease the amount on line 13, by $5,400,000,000.

On page 71, decrease the amount on line 14, by $5,400,000,000.

On page 71, decrease the amount on line 16, by $7,200,000,000.

On page 71, decrease the amount on line 17, by $7,200,000,000.

On page 71, decrease the amount on line 20, by $7,600,000,000.

On page 71, decrease the amount on line 21, by $7,600,000,000.

AMENDMENT NO. 212

On page 2, decrease the amount on line 18, by $50,000,000.

On page 2, decrease the amount on line 19, by $250,000,000.

On page 3, decrease the amount on line 2, by $485,000,000.

On page 3, decrease the amount on line 4, by $585,000,000.

On page 3, decrease the amount on line 6, by $700,000,000.

On page 3, decrease the amount on line 10, by $50,000,000.

On page 3, decrease the amount on line 11, by $250,000,000.

On page 3, decrease the amount on line 12, by $485,000,000.

On page 3, decrease the amount on line 13, by $585,000,000.

On page 3, decrease the amount on line 14, by $700,000,000.

On page 4, decrease the amount on line 6, by $50,000,000.

On page 4, decrease the amount on line 7, by $250,000,000.

On page 4, decrease the amount on line 8, by $485,000,000.

On page 4, decrease the amount on line 9, by $585,000,000.

On page 4, decrease the amount on line 11, by $700,000,000.

On page 4, decrease the amount on line 15, by $50,000,000.

On page 4, decrease the amount on line 16, by $250,000,000.

On page 4, decrease the amount on line 17, by $485,000,000.

On page 4, decrease the amount on line 18, by $585,000,000.

On page 4, decrease the amount on line 19, by $700,000,000.

On page 5, decrease the amount on line 1, by $50,000,000.

On page 5, decrease the amount on line 2, by $250,000,000.

On page 5, decrease the amount on line 3, by $485,000,000.

On page 5, decrease the amount on line 4, by $585,000,000.

On page 5, decrease the amount on line 5, by $700,000,000.

On page 5, decrease the amount on line 11, by $50,000,000.

On page 5, decrease the amount on line 12, by $250,000,000.

On page 5, decrease the amount on line 13, by $485,000,000.

On page 5, decrease the amount on line 14, by $585,000,000.

On page 5, decrease the amount on line 15, by $700,000,000.

On page 5, decrease the amount on line 22, by $50,000,000.

On page 5, decrease the amount on line 23, by $250,000,000.

On page 5, decrease the amount on line 24, by $485,000,000.

On page 5, decrease the amount on line 25, by $585,000,000.

On page 6, decrease the amount on line 1, by $700,000,000.

On page 6, decrease the amount on line 7, by $50,000,000.

On page 6, decrease the amount on line 8, by $250,000,000.

On page 6, decrease the amount on line 9, by $485,000,000.

On page 6, decrease the amount on line 10, by $585,000,000.

On page 6, decrease the amount on line 11, by $700,000,000.

On page 41, decrease the amount on line 17, by $50,000,000.

On page 41, decrease the amount on line 18, by $50,000,000.

On page 41, decrease the amount on line 24, by $250,000,000.

On page 41, decrease the amount on line 25, by $250,000,000.

On page 42, decrease the amount on line 6, by $485,000,000.

On page 42, decrease the amount on line 7, by $485,000,000.

On page 42, decrease the amount on line 13, by $585,000,000.

On page 42, decrease the amount on line 14, by $585,000,000.

On page 42, decrease the amount on line 20, by $700,000,000.

On page 42, decrease the amount on line 21, by $700,000,000.

On page 50, decrease the amount on line 9, by $50,000,000.

On page 50, decrease the amount on line 10, by $2,070,000,000.

On page 57, decrease the amount on line 18, by $50,000,000.

On page 57, decrease the amount on line 19, by $2,070,000,000.

On page 71, decrease the amount on line 13, by $485,000,000.

On page 71, decrease the amount on line 14, by $485,000,000.

On page 71, decrease the amount on line 16, by $585,000,000.

On page 71, decrease the amount on line 17, by $585,000,000.

On page 71, decrease the amount on line 20, by $700,000,000.

On page 71, decrease the amount on line 21, by $700,000,000.

AMENDMENT NO. 213

At the appropriate place, insert the following:

"SEC. . PAY-AS-YOU-GO FOR THE STIMULUS PACKAGE.

"(a) It is the Sense of the Congress that the budget authority and outlay levels of the FY 1993 economic stimulus package should not be exempt from the budget and should be taken into account for the purposes of determining budgetary levels under sections 302, 311, 601, 605, and 606 of the Congressional Budget Act.

"(b) It is the Sense of the Senate that the conference report on the budget resolution shall include language pursuant to section 301(b)(3) of the Budget Act that would delay the enrollment of a fiscal year 1993 economic stimulus package, excluding provisions that pertain to 1993 summer employment, until Congress completes action on the reconciliation bill required to be reported pursuant to this concurrent resolution."

AMENDMENT NO. 214

On page 50, strike lines 12 through page 76, line 18 and insert the following:

(8) COMMITTEE ON GOVERNMENTAL AFFAIRS.—The Senate Committee on Governmental Affairs shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce outlays: $46,000,000 in fiscal year 1994; and $10,294,000,000 for the period of fiscal years 1994 through 1998.

(9) COMMITTEE ON THE JUDICIARY.—The Senate Committee on the Judiciary shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce outlays: $0 in fiscal year 1994; and $345,000,000 for the period of fiscal years 1994 through 1998.

(10) COMMITTEE ON LABOR AND HUMAN RESOURCES.—(A) The Senate Committee on Labor and Human Resources shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce outlays: $66,000,000 in fiscal year 1994; and $6,697,000,000 for the period of fiscal years 1994 through 1998.

(B) The Senate Committee on Labor and Human Resources shall report changes in laws within its jurisdiction sufficient to increase revenues: $0 in fiscal year 1994; and $0 for the period of fiscal years 1994 through 1998.

(11) COMMITTEE ON SMALL BUSINESS.—The Senate Committee on Small Business shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce outlays: $0 in fiscal year 1994; and $0 for the period of fiscal years 1994 through 1998.

(12) COMMITTEE ON VETERANS' AFFAIRS.—The Senate Committee on Veterans' Affairs shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce outlays: $266,000,000 in fiscal year 1994; and $2,580,000,000 for the period of fiscal years 1994 through 1998.

(c) HOUSE COMMITTEES.—

(1) COMMITTEE ON AGRICULTURE.—The House Committee on Agriculture shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce outlays: $88,000,000 in fiscal year 1994; and $2,976,000,000 for the period of fiscal years 1994 through 1998.

(2) COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS.—(A) The House Committee on Banking, Finance and Urban Affairs shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce outlays: $202,000,000 in fiscal year 1994; and $1,415,000,000 for the period of fiscal years 1994 through 1998.

(B) The House Committee on Banking, Finance and Urban Affairs shall report changes in laws within its jurisdiction sufficient to increase revenues: $0 in fiscal year 1994; and $0 for the period of fiscal years 1994 through 1998.

(3) COMMITTEE ON EDUCATION AND LABOR.—The House Committee on Education and Labor shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce outlays: $66,000,000 in fiscal year 1994; and $6,697,000,000 for the period of fiscal years 1994 through 1998.

(4) COMMITTEE ON ENERGY AND COMMERCE.—The House Committee on Energy and Commerce shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce outlays: $1,886,000,000 in fiscal year 1994; and $16,210,000,000 for the period of fiscal years 1994 through 1998.

(4A) COMMITTEE ON GOVERNMENT OPERATIONS.—The House Committee on Government Operations shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce outlays: $0 in fiscal year 1994; and $693,000,000 for the period of fiscal years 1994 through 1998.

(5) COMMITTEE ON INTERIOR AND INSULAR AFFAIRS.—The House Committee on Interior and Insular Affairs shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce outlays: $110,000,000 in fiscal year 1994; and $996,000,000 for the period of fiscal years 1994 through 1998.

(6) COMMITTEE ON THE JUDICIARY.—The House Committee on the Judiciary shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce outlays: $0 in fiscal year 1994; and $345,000,000 for the period of fiscal years 1994 through 1998.

(7) COMMITTEE ON MERCHANT MARINE AND FISHERIES.—The House Committee on Merchant Marine and Fisheries shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce outlays: $0 in fiscal year 1994; and $205,000,000 for the period of fiscal years 1994 through 1998.

(8) COMMITTEE ON POST OFFICE AND CIVIL SERVICE.—The House Committee on Post Office and Civil Service shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce outlays: $46,000,000 in fiscal year 1994; and $9,601,000,000 for the period of fiscal years 1994 through 1998.

(9) COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION.—The House Committee on Public Works and Transportation shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce outlays: $31,000,000 in fiscal year 1994; and $296,000,000 for the period of fiscal years 1994 through 1998.

(10) COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY.—The House Committee on Science, Space, and Technology shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce outlays: $0 in fiscal year 1994; and $0 for the period of fiscal years 1994 through 1998.

(11) COMMITTEE ON VETERANS' AFFAIRS.—The House Committee on Veterans' Affairs shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce outlays: $266,000,000 in fiscal year 1994; and $2,580,000,000 for the period of fiscal years 1994 through 1998.

(12) COMMITTEE ON WAYS AND MEANS.—(A) The House Committee on Ways and Means shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) sufficient to reduce budget authority and outlays: $2,391,000,000 in fiscal year 1994; and $30,166,000,000 for the period of fiscal years 1994 through 1998.

(B) In addition to the other amounts in this paragraph, the House Committee on

Ways and Means shall report changes in laws within its jurisdiction sufficient to achieve deficit reduction $0 in fiscal year 1994; and $0 for the period of fiscal years 1994 through 1998.

(C) The House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to increase revenues: $36,095,000,000 in fiscal year 1994; and $295,010,000,000 for the period of fiscal years 1994 through 1998.

(D) The House Committee on Ways and Means shall increase the statutory limit on the public debt to $4,723,700,000,000.

SEC. 8. SALE OF GOVERNMENT ASSETS.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) from time to time the United States Government should sell assets; and

(2) the amounts realized from such asset sales will not recur on an annual basis and do not reduce the demand for credit.

(b) BUDGETARY TREATMENT.—For purposes of points of order under this concurrent resolution and the Congressional Budget and Impoundment Control Act of 1974, the amounts realized from sales of assets (other than loan assets) shall not be scored with respect to the level of budget authority, outlays, or revenues.

(c) DEFINITIONS.—For purposes of this section—

(1) the term "sale of an asset" shall have the same meaning as under section 250(c)(21) of the Balanced Budget and Emergency Deficit Control Act of 1985 (as amended by the Budget Enforcement Act of 1990); and

(2) the term shall not include asset sales mandated by law before September 18, 1987, and routine, ongoing asset sales at levels consistent with agency operations in fiscal year 1986.

SEC. 9. DEFICIT-NEUTRAL RESERVE FUND.

(a) INITIATIVES TO IMPROVE THE HEALTH AND NUTRITION OF CHILDREN AND TO PROVIDE FOR SERVICES TO SUPPORT AND PROTECT CHILDREN, AND TO IMPROVE THE WELL-BEING OF FAMILIES.—

(1) IN GENERAL.—Budget authority and outlays may be allocated to a committee or committees for legislation that increases funding to improve the health and nutrition of children and to provide for services to support and protect children, and to improve the well-being of families within such a committee's jurisdiction if such a committee or the committee of conference on such legislation reports such legislation, if, to the extent that the costs of such legislation are not included in this concurrent resolution on the budget, the enactment of such legislation will not increase (by virtue of either contemporaneous or previously passed deficit reduction) the deficit in this resolution for—

(A) fiscal year 1994; and

(B) the period of fiscal years 1994 through 1998.

(2) REVISED ALLOCATIONS.—Upon the reporting of legislation pursuant to paragraph (1), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974 and revised functional levels and aggregates to carry out this subsection. Such revised allocations, functional levels, and aggregates shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations, functional levels, and aggregates contained in this concurrent resolution on the budget.

(3) REPORTING REVISED ALLOCATIONS.—The appropriate committee may report appropriately revised allocations pursuant to sections 302(b) and 602(b) of the Congressional Budget Act of 1974 to carry out this subsection.

(b) ECONOMIC GROWTH INITIATIVES.—

(1) IN GENERAL.—Budget authority and outlays may be allocated to a committee or committees for legislation that increases funding for economic recovery or growth initiatives, including unemployment compensation, a dislocated worker program, or other related programs within such a committee's jurisdiction if such a committee or the committee of conference on such legislation reports such legislation, if, to the extent that the costs of such legislation are not included in this concurrent resolution on the budget, the enactment of such legislation will not increase (by virtue of either contemporaneous or previously passed deficit reduction) the deficit in this resolution for—

(A) fiscal year 1994; and

(B) the period of fiscal years 1994 through 1998.

(2) REVISED ALLOCATIONS.—Upon the reporting of legislation pursuant to paragraph (1), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974 and revised functional levels and aggregates to carry out this subsection. Such revised allocations, functional levels, and aggregates shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations, functional levels, and aggregates contained in this concurrent resolution on the budget.

(3) REPORTING REVISED ALLOCATIONS.—The appropriate committee may report appropriately revised allocations pursuant to section 302(b) and 602(b) of the Congressional Budget Act of 1974 to carry out this subsection.

(c) CONTINUING IMPROVEMENTS IN ONGOING HEALTH CARE PROGRAMS AND COMPREHENSIVE HEALTH CARE REFORM.—

(1) IN GENERAL.—Budget authority and outlays may be allocated to a committee or committees for legislation that increases funding to make continuing improvements in ongoing health care programs, to provide for comprehensive health care reform, or to control health care costs within such a committee's jurisdiction if such a committee or the committee of conference on such legislation reports such legislation, if, to the extent that the costs of such legislation are not included in this concurrent resolution on the budget, the enactment of such legislation will not increase (by virtue of either contemporaneous or previously passed deficit reduction) the deficit in this resolution for—

(A) fiscal year 1994; and

(B) the period of fiscal years 1994 through 1998.

(2) REVISED ALLOCATIONS.—Upon the reporting of legislation pursuant to paragraph (1), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974 and revised functional levels and aggregates to carry out this subsection. Such revised allocations, functional levels, and aggregates shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations, functional levels, and aggregates contained in this concurrent resolution on the budget.

(3) REPORTING REVISED ALLOCATIONS.—The appropriate committee may report appropriately revised allocations pursuant to sections 302(b) and 602(b) of the Congressional Budget Act of 1974 to carry out this subsection.

(d) INITIATIVES TO IMPROVE EDUCATIONAL OPPORTUNITIES FOR INDIVIDUALS AT THE EARLY CHILDHOOD, ELEMENTARY, SECONDARY, OR HIGHER EDUCATION LEVELS, OR TO INVEST IN THE HEALTH OR EDUCATION OF AMERICA'S CHILDREN.—

(1) IN GENERAL.—Budget authority and outlays may be allocated to a committee or committees for direct spending legislation that increases funding to improve educational opportunities for individuals at the early childhood, elementary, secondary, or higher education levels, or to invest in the health or education of America's children within such a committee's jurisdiction if such a committee or the committee of conference on such legislation reports such legislation, if, to the extent that the costs of such legislation are not included in this concurrent resolution on the budget, the enactment of such legislation will not increase (by virtue of either contemporaneous or previously passed deficit reduction) the deficit in this resolution for—

(A) fiscal year 1994; and

(B) the period of fiscal years 1994 through 1998.

(2) REVISED ALLOCATIONS.—Upon the reporting of legislation pursuant to paragraph (1), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974 and revised functional levels and aggregates to carry out this subsection. Such revised allocations, functional levels, and aggregates shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations, functional levels, and aggregates contained in this concurrent resolution on the budget.

(3) REPORTING REVISED ALLOCATIONS.—The appropriate committee may report appropriately revised allocations pursuant to sections 302(b) and 602(b) of the Congressional Budget Act of 1974 to carry out this subsection.

(e) INITIATIVES TO PRESERVE AND REBUILD THE UNITED STATES MARITIME INDUSTRY.—

(1) IN GENERAL.—Budget authority and outlays may be allocated to a committee or committees for direct spending legislation that increases funding to preserve and rebuild the United States maritime industry within such a committee's jurisdiction if such a committee or the committee of conference on such legislation reports such legislation, if, to the extent that the costs of such legislation are not included in this concurrent resolution on the budget, the enactment of such legislation will not increase (by virtue of either contemporaneous or previously passed deficit reduction) the deficit in this resolution for—

(A) fiscal year 1994; and

(B) the period of fiscal years 1994 through 1998.

(2) REVISED ALLOCATIONS.—Upon the reporting of legislation pursuant to paragraph (1), and again upon the submission of a con-

ference report on such legislation (if a conference report is submitted), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974 and revised functional levels and aggregates to carry out this subsection. Such revised allocations, functional levels, and aggregates shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations, functional levels, and aggregates contained in this concurrent resolution on the budget.

(3) REPORTING REVISED ALLOCATIONS.—The appropriate committee may report appropriately revised allocations pursuant to sections 302(b) and 602(b) of the Congressional Budget Act of 1974 to carry out this subsection.

(f) INITIATIVES TO REFORM THE FINANCING OF FEDERAL ELECTIONS.—

(1) IN GENERAL.—Budget authority and outlays may be allocated to a committee or committees for direct spending legislation that increases funding to reform the financing of Federal elections within such a committee's jurisdiction if such a committee or the committee of conference on such legislation reports such legislation, if, to the extent that the costs of such legislation are not included in this concurrent resolution on the budget, the enactment of such legislation will not increase (by virtue of either contemporaneous or previously passed deficit reduction) the deficit in this resolution for—

(A) fiscal year 1994; and

(B) the period of fiscal years 1994 through 1998.

(2) REVISED ALLOCATIONS.—Upon the reporting of legislation pursuant to paragraph (1), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974 and revised functional levels and aggregates to carry out this subsection. Such revised allocations, functional levels, and aggregates shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations, functional levels, and aggregates contained in this concurrent resolution on the budget.

(3) REPORTING REVISED ALLOCATIONS.—The appropriate committee may report appropriately revised allocations pursuant to sections 302(b) and 602(b) of the Congressional Budget Act of 1974 to carry out this subsection.

(g) TRADE-RELATED LEGISLATION.—

(1) IN GENERAL.—Budget authority and outlays may be allocated to a committee or committees and the revenue aggregates may be reduced for legislation to implement the North American Free Trade Agreement and any other trade-related legislation within such a committee's jurisdiction if such a committee or the committee of conference on such legislation reports such legislation, if, to the extent that the costs of such legislation are not included in this concurrent resolution on the budget, the enactment of such legislation will not increase (by virtue of either contemporaneous or previously passed deficit reduction) the deficit in this resolution for—

(A) fiscal year 1994; and

(B) the period of fiscal years 1994 through 1998.

(2) REVISED ALLOCATIONS.—Upon the reporting of legislation pursuant to paragraph (1), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974 and revised functional levels and aggregates to carry out this subsection. Such revised allocations, functional levels, and aggregates shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations, functional levels, and aggregates contained in this concurrent resolution on the budget.

(3) REPORTING REVISED ALLOCATIONS.—The appropriate committee may report appropriately revised allocations pursuant to sections 302(b) and 602(b) of the Congressional Budget Act of 1974 to carry out this subsection.

SEC. 10. SOCIAL SECURITY FIRE WALL POINT OF ORDER IN THE SENATE.

(a) ACCOUNTING TREATMENT.—Notwithstanding any other provision of this resolution, for the purpose of allocations and points of order under sections 302 and 311 of the Congressional Budget Act of 1974, the levels of social security outlays and revenues for this resolution shall be the current services levels.

(b) APPLICATION OF SECTION 301(i).—Notwithstanding any other rule of the Senate, in the Senate, the point of order established under section 301(i) of the Congressional Budget Act of 1974 shall apply to any concurrent resolution on the budget for any fiscal year (as reported and as amended), amendments thereto, or any conference report thereon.

SEC. 11. ENFORCEMENT PROCEDURES.

(a) PURPOSE.—The Congress declares that it is essential to—

(1) ensure compliance with the deficit reduction goals embodied in this resolution;

(2) extend the system of discretionary spending limits set forth in section 601 of the Congressional Budget Act of 1974;

(3) extend the pay-as-you-go enforcement system;

(4) prohibit the consideration of direct spending or receipts legislation that would decrease the pay-as-you-go surplus that the reconciliation bill pursuant to section 7 of this resolution will create under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985;

(5) adopt as part of this concurrent resolution such of the enforcement procedures set forth in this subsection as this concurrent resolution may constitutionally include; and

(6) enact, during this session of Congress, such of the enforcement procedures set forth in this subsection as only statute may constitutionally include.

(b) DISCRETIONARY SPENDING LIMITS.—

(1) DEFINITION.—As used in this section, for the discretionary category, the term "discretionary spending limit" means—

(A) with respect to fiscal year 1996:

$516,900,000,000 in new budget authority and $544,700,000,000 in outlays;

(B) with respect to fiscal year 1997:

$527,300,000,000 in new budget authority and $543,300,000,000 in outlays; and

(C) with respect to fiscal year 1998:

$544,000,000,000 in new budget authority and $561,200,000,000 in outlays.

(2) POINT OF ORDER IN THE SENATE.—

(A) Except as provided in subparagraph (B), it shall not be in order in the Senate to consider any concurrent resolution on the budget for fiscal year 1995, 1996, 1997, or 1998 (or amendment, motion, or conference report on such a resolution) that would exceed any of the discretionary spending limits in this section.

(B) This subsection shall not apply if a declaration of war by the Congress is in effect or if a joint resolution pursuant to section 258 of the Balanced Budget and Emergency Deficit Control Act of 1985 has been enacted.

(c) ENFORCING PAY-AS-YOU-GO.—At any time after the enactment of the reconciliation bill pursuant to section 7 of this resolution, it shall not be in order to consider any bill, joint resolution, amendment, motion, or conference report, that would increase the deficit in this resolution for any fiscal year through fiscal year 2003 as measured by the sum of—

(1) all applicable estimates of direct spending and receipts legislation applicable to that fiscal year, other than any amounts resulting from—

(A) full funding of, and continuation of, the deposit insurance guarantee commitment in effect on the date of enactment of the Budget Enforcement Act of 1990; and

(B) emergency provisions as designated under section 252(e) of that Act; and

(2) the estimated amount of savings in direct spending programs applicable to that fiscal year resulting from the prior year's sequestration under that Act, if any (except for any amounts sequestered as a result of a net deficit increase in the fiscal year immediately preceding the prior fiscal year).

(d) WAIVER.—This section may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(e) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the concurrent resolution, bill, or joint resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(f) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, outlays, new entitlement authority, and revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the Senate or the Committee on the Budget of the House of Representatives, as the case may be.

(g) EXERCISE OF RULEMAKING POWERS.—Congress adopts the provisions of this section—

(1) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change those rules (so far as they relate to that House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

SEC. 12. DEBT LIMIT IN RECONCILIATION.

(a) FINDINGS.—The Senate finds that—

(1) during the month of March 1993, the public debt (as defined in 31 U.S.C. 3101) shall exceed $4,145,000,000,000;

(2) the Federal Government has accumulated more public debt since September 30, 1985, than it had in all the years before then since the founding of the Republic;

(3) the Federal Government has accumulated three times more public debt since September 30, 1981, than it had in all the years before then since the founding of the Republic;

(4) it is essential that the Government control the expansion of the public debt;

(5) pursuant to section 310(a)(3) of the Congressional Budget Act of 1974, the concurrent resolution on the budget may specify the amounts by which the statutory limit on the public debt is to be changed and direct the committee having jurisdiction to recommend that change in its response to reconciliation directives.

BINGAMAN (AND OTHERS) AMENDMENT NO. 215

Mr. BINGAMAN (for himself, Mr. LIEBERMAN, Mr. PELL, Mr. BRYAN, and Mr. DODD) proposed an amendment to the concurrent resolution (S. Con. Res. 18), supra, as follows:

At the end of the resolution, insert the following:

SEC. . ASSUMPTIONS.

In setting forth the budget authority and outlay amounts in this resolution, Congress assumes that the defense conversion programs will be funded at the level requested by the President for fiscal year 1998.

BROWN AMENDMENT NO. 216

(Ordered to lie on the table.)

Mr. BROWN submitted an amendment intended to be proposed by him to the concurrent resolution (S. Con. Res. 18), supra, as follows:

At the end of the resolution add the following new section:

SEC. . SENSE OF THE SENATE REGARDING SOCIAL SECURITY BENEFITS TAXATION AND THE SOCIAL SECURITY OLD AGE, SURVIVORS, AND DISABILITY INSURANCE TRUST FUNDS.

It is the sense of the Senate that the revenue figures set forth in this resolution do not assume any increase due to increasing the amount of Social Security Old Age, Survivors, and Disability Insurance benefits subject to taxation and that if they do that they assume that the amount raised by any such increase should be deposited in the Social Security Old Age, Survivors, and Disability Insurance Trust Funds.

SIMON (AND OTHERS) AMENDMENT NO. 217

Mr. SIMON (for himself, Mrs. MURRAY, Mrs. BOXER, Mr. PELL, Mr. KENNEDY, and Mr. DODD) proposed an amendment to the concurrent resolution (S. Con. Res. 18), supra, as follows:

At the end of the resolution, insert the following:

SEC. . ASSUMPTIONS.

In setting forth the budget authority and outlay amounts in this resolution, Congress assumes that the education reform and initiatives will be funded at the level requested by the President for fiscal year 1998.

SPECTER AMENDMENTS NOS. 218–221

(Ordered to lie on the table.)

Mr. SPECTER submitted four amendments intended to be proposed by him to the concurrent resolution (S. Con. Res. 18), supra, as follows:

AMENDMENT NO. 218

Whereas, there are 37 million Americans who have no health care insurance;

Whereas, health care costs are escalating uncontrollably: In 1992 Americans spent $839 billion on health care or 14 percent of our gross national product as compared with expenditures in 1970 of $74.4 billion or 7.4 percent of GNP;

Whereas, at the current rate of increase, the cost of national health care by the year 2000 is projected to be $1.6 trillion or 18 percent of GNP;

Whereas, aside from stimulating an economic recovery and reducing our nation's debt, the 1992 great nation political debate demonstrated that health care legislation is our nation's highest priority;

Whereas, a variety of health care proposals have been pending in the United States Congress for some time;

Whereas, the President has empowered the First Lady to preside over a Task Force to produce a health care reform proposal by May 1, 1993; and

Whereas, the enormity of health care reform raises the question as to whether legislation can be enacted this year: Now, therefore, be it

Resolved, That it be the sense of the Congress that health care reform legislation receive priority attention by the United States Congress with a target date of enactment of such legislation being no later than September 30, 1993.

AMENDMENT NO. 219

Whereas on February 17, 1993, President Clinton outlined in a State of the Union speech a program for increased spending and deficit reduction including new programs, spending cuts and taxes;

Whereas the 1990 budget agreement provides that there will be no increased expenditures without matching offsets or additional revenues unless an emergency is declared;

Whereas it would be unwise to declare an emergency under existing circumstances;

Whereas it would be unwise to provide for additional expenditures in a piecemeal fashion without simultaneously providing for appropriate offsets in budget cuts and or additional revenues;

Whereas it would be unwise to take any piecemeal action which would add to the deficit;

Whereas legislation to cut existing programs and to increase taxes would most likely be the most difficult part of any new legislative program: Now, therefore, be it

Resolved, That it be the sense of the Congress that no action should be taken on any legislative proposal on the President's program unless it is a unified package containing offsets for any additional expenditures through cuts in programs or increased taxes.

AMENDMENT NO. 220

Whereas career criminals commit a larger percentage of the violent and major felonies afflicting society, causing immeasurable physical injury to innocent persons and damage, destruction, or loss of property estimated at billions of dollars annually, thereby terrorizing law-abiding citizens, disrupting the community, and undermining respect for the law;

Whereas the continuing criminal activity of career criminals adversely affects interstate commerce;

Whereas despite prior convictions for serious offenses, many repeat offenders are placed on probation or sentenced to unduly short terms of imprisonment by State judges, to the detriment of public safety;

Whereas many habitual offenders cannot reasonably be rehabilitated and, unless incarcerated for life, will commit additional felonies;

Whereas many States have "habitual offender" statutes providing for life sentences for repeat offenders, upon subsequent felony convictions;

Whereas many State prison systems are severely overcrowded, understaffed, and unable to confine convicts sentenced to life imprisonment under State habitual offender statutes in a safe, secure, and humane manner for the full term of their sentences;

Whereas State judges may be deterred by the lack of sufficient prison space, staff, and funding from imposing life sentences for repeat offenders as provided by State law, and the Legislatures in those States without habitual offender statutes may be dissuaded by such considerations from enacting such statutes;

Whereas the interests of justice and public safety would be served if State authorities believed they were free to seek and impose life sentences for repeat major offenders unconstrained by such considerations;

Whereas the Federal Bureau of Prisons from time to time has empty cell space available and can make additional cell space available by consolidating inmates, consistent with suitable standards, and can open additional institutions and cells without great cost or delay in certain Federal facilities, including abandoned military facilities and Public Health Service hospitals;

Whereas the capacity of the Federal Bureau of Prisons has expanded greatly over the past several years with the construction of numerous additional facilities, at a cost of well over one billion dollars to the Federal Government; and

Whereas the Federal Bureau of Prisons has an outstanding record of safety and security, effectively and humanely confining inmates sentenced to life imprisonment: Now, therefore, be it

Resolved, That it be the sense of the Congress that the Director of the Federal Bureau of Prisons should have the authority to arrange and accept custody of prisoners who are sentenced to life imprisonment under a State habitual criminal offender statute, to the extent that space is or can readily be made available in the Federal prison system.

AMENDMENT NO. 221

Whereas more than 26 million Americans currently use illegal drugs, spending an estimated $50 to $150 billion annually just to purchase the drugs;

Whereas in major cities in this country as many as 75 percent of those arrested for serious crimes test positive for illegal drug use, and that over 50 percent of Federal prison inmates and 80 percent of State prison inmates report having used illegal drugs before incarceration;

Whereas illegal drug use is not confined to any one population group, social or economic class in our society, but rather affects our entire Nation;

Whereas, based on these figures, it is obvious that illegal drug use is closely associated with crime and misconduct that disrupt the maintenance of an orderly, law-abiding society;

Whereas the United States has the highest teenage drug use of any industrialized nation, and drug use has contributed to the poor discipline and achievement of our stu-

dents at a time when education must be improved to strengthen U.S. competitiveness;

Whereas recent estimates report that nearly 20 percent, or over 738,000, of all pregnant women annually use one or more illegal drugs at some point during their pregnancies, multiplying the risk of serious physical and mental disability and behavioral problems, and resulting in significant increases in the costs borne by society to care for these children;

Whereas economic losses to industry and government due to accidents, absenteeism, and poor performance attributable to illegal drug use are estimated to total tens of billions of dollars;

Whereas for years this nation has been conducting a "war on drugs" at a cost of tens of billions of dollars;

Whereas evidence showed an initial decline in illegal drug use, recent statistics showing renewed increases in drug use among those arrested for crimes and in emergency room visits for illegal drug use demonstrate that illegal drug use is again increasing;

Whereas some success in curbing illegal drug use has been achieved, especially among casual and middle-class drug users, while the number of hard-core drug addicts continues to increase, as do homicide rates and the rates of violent crimes associated with illegal drug use and sales;

Whereas the allocation of Federal funds to combat illegal drugs has over the past several years provided over two-thirds of those funds to interdiction, law enforcement, and international programs designed to reduce the supply of illegal drugs, even though there is little evidence that the spending has succeeded in cutting the supply;

Whereas the number of total drug users has declined during the past several years, despite the fact that only one-third of Federal funds have been provided to education, rehabilitation, and treatment programs designed to reduce the demand for illegal drugs;

Whereas the total number of drug treatment slots nationally is estimated to be 1.5 million for the 26 million drug users, resulting, in many States, in lengthy waiting lists for drug users voluntarily seeking treatment, thereby hampering law enforcement efforts and adding to the long-term costs of drug use;

Whereas, for example, the City of Philadelphia is reported to receive 275 requests for drug treatment every week, it only has a residential treatment capacity of 370 beds;

Whereas research and survey data analysis support the efficacy of rehabilitation, treatment, and prevention services in reducing illegal drug use: Now, therefore, be it

Resolved, That it is the sense of the Congress that the allocation of Federal funds to reduce the availability and use of illegal drugs should be shifted over the next five years so that the allocation shall be equally distributed between interdiction, law enforcement, and international supply reduction efforts and education, rehabilitation, treatment, and research programs.

DURENBERGER (AND OTHERS) AMENDMENT NO. 222

(Ordered to lie on the table.)

Mr. DURENBERGER (for himself, Mr. DOLE, and Mr. GRASSLEY) submitted an amendment intended to be proposed by them to the concurrent resolution (S. Con. Res. 18), supra, as follows:

On page 2, decrease the amount on line 18, by $1,000,000.

On page 2, decrease the amount on line 19, by $10,000,000.

On page 3, decrease the amount on line 2, by $19,000,000.

On page 3, decrease the amount on line 4, by $26,000,000.

On page 3, decrease the amount on line 6, by $26,000,000.

On page 3, decrease the amount on line 10, by $1,000,000.

On page 3, decrease the amount on line 11, by $10,000,000.

On page 3, decrease the amount on line 12, by $19,000,000.

On page 3, decrease the amount on line 13, by $26,000,000.

On page 3, decrease the amount on line 14, by $26,000,000.

On page 4, decrease the amount on line 6, by $1,000,000.

On page 4, decrease the amount on line 7, by $10,000,000.

On page 4, decrease the amount on line 8, by $19,000,000.

On page 4, decrease the amount on line 9, by $26,000,000.

On page 4, decrease the amount on line 11, by $26,000,000.

On page 4, decrease the amount on line 15, by $1,000,000.

On page 4, decrease the amount on line 16, by $10,000,000.

On page 4, decrease the amount on line 17, by $19,000,000.

On page 4, decrease the amount on line 18, by $26,000,000.

On page 4, decrease the amount on line 19, by $26,000,000.

On page 5, decrease the amount on line 1, by $1,000,000.

On page 5, decrease the amount on line 2, by $10,000,000.

On page 5, decrease the amount on line 3, by $19,000,000.

On page 5, decrease the amount on line 4, by $26,000,000.

On page 5, decrease the amount on line 5, by $26,000,000.

On page 5, decrease the amount on line 11, by $1,000,000.

On page 5, decrease the amount on line 12, by $10,000,000.

On page 5, decrease the amount on line 13, by $19,000,000.

On page 5, decrease the amount on line 14, by $26,000,000.

On page 5, decrease the amount on line 15, by $26,000,000.

On page 5, decrease the amount on line 22, by $1,000,000.

On page 5, decrease the amount on line 23, by $10,000,000.

On page 5, decrease the amount on line 24, by $19,000,000.

On page 5, decrease the amount on line 25, by $26,000,000.

On page 6, decrease the amount on line 1, by $26,000,000.

On page 6, decrease the amount on line 7, by $1,000,000.

On page 6, decrease the amount on line 8, by $10,000,000.

On page 6, decrease the amount on line 9, by $19,000,000.

On page 6, decrease the amount on line 10, by $26,000,000.

On page 6, decrease the amount on line 11, by $26,000,000.

On page 41, decrease the amount on line 17, by $1,000,000.

On page 41, decrease the amount on line 18, by $1,000,000.

On page 41, decrease the amount on line 24, by $10,000,000.

On page 41, decrease the amount on line 25, by $10,000,000.

On page 42, decrease the amount on line 6, by $19,000,000.

On page 42, decrease the amount on line 7, by $19,000,000.

On page 42, decrease the amount on line 13, by $26,000,000.

On page 42, decrease the amount on line 14, by $26,000,000.

On page 42, decrease the amount on line 20, by $26,000,000.

On page 42, decrease the amount on line 21, by $26,000,000.

On page 50, decrease the amount on line 9, by $1,000,000.

On page 50, decrease the amount on line 10, by $82,000,000.

On page 57, decrease the amount on line 18, by $1,000,000.

On page 57, decrease the amount on line 19, by $82,000,000.

On page 71, decrease the amount on line 13, by $19,000,000.

On page 71, decrease the amount on line 14, by $19,000,000.

On page 71, decrease the amount on line 16, by $26,000,000.

On page 71, decrease the amount on line 17, by $26,000,000.

On page 71, decrease the amount on line 20, by $26,000,000.

On page 71, decrease the amount on line 21, by $26,000,000.

CRAIG AMENDMENT NO. 223

(Ordered to lie on the table.)

Mr. CRAIG submitted an amendment intended to be proposed by him to the concurrent resolution (S. Con. Res. 18), supra, as follows:

On page 2, line 19, decrease the amount by $300,000,000.

On page 3, line 2, decrease the amount by $500,000,000.

On page 3, line 4, decrease the amount by $600,000,000.

On page 3, line 6, decrease the amount by $600,000,000.

On page 3, line 11, decrease the amount by $300,000,000.

On page 3, line 12, decrease the amount by $500,000,000.

On page 3, line 13, decrease the amount by $600,000,000.

On page 3, line 14, decrease the amount by $600,000,000.

On page 4, line 7, decrease the amount by $300,000,000.

On page 4, line 8, decrease the amount by $500,000,000.

On page 4, line 9, decrease the amount by $600,000,000.

On page 4, line 11, decrease the amount by $600,000,000.

On page 4, line 16, decrease the amount by $300,000,000.

On page 4, line 7, decrease the amount by $500,000,000.

On page 4, line 18, decrease the amount by $600,000,000.

On page 4, line 19, decrease the amount by $600,000,000.

On page 5, line 2, decrease the amount by $300,000,000.

On page 5, line 3, decrease the amount by $500,000,000.

On page 5, line 4, decrease the amount by $600,000,000.

On page 5, line 5, decrease the amount by $600,000,000.

On page 5, line 12, decrease the amount by $300,000,000.

On page 5, line 13, decrease the amount by $500,000,000.

On page 5, line 14, decrease the amount by $600,000,000.

On page 5, line 15, decrease the amount by $600,000,000.

On page 5, line 23, decrease the amount by $300,000,000.

On page 5, line 24, decrease the amount by $500,000,000.

On page 5, line 25, decrease the amount by $600,000,000.

On page 6, line 1, decrease the amount by $600,000,000.

On page 6, line 8, decrease the amount by $300,000,000.

On page 6, line 9, decrease the amount by $500,000,000.

On page 6, line 10, decrease the amount by $600,000,000.

On page 6, line 11, decrease the amount by $600,000,000.

On page 41, line 24, decrease the amount by $300,000,000.

On page 41, line 25, decrease the amount by $300,000,000.

On page 42, line 6, decrease the amount by $500,000,000.

On page 42, line 7, decrease the amount by $500,000,000.

On page 42, line 13, decrease the amount by $600,000,000.

On page 42, line 14, decrease the amount by $600,000,000.

On page 42, line 20, decrease the amount by $600,000,000.

On page 42, line 21, decrease the amount by $600,000,000.

On page 50, line 10, decrease the amount by $2,000,000,000.

On page 57, line 19, decrease the amount by $2,000,000,000.

COHEN AMENDMENT NO. 224

(Ordered to lie on the table.)

Mr. COHEN submitted an amendment intended to be proposed by him to the concurrent resolution (S. Con. Res. 18), supra, as follows:

At an appropriate place in the resolution, insert the following new section:

SEC. XX. NATIONAL AERONAUTICS AND SPACE ADMINISTRATION CONSISTENCY IN BUDGETING.

(a) FINDINGS.—The General Accounting Office has reported that the "National Aeronautics and Space Administration's program plans for fiscal years 1993 through 1997 called for up to about $20 billion more than was likely to be provided."

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the National Aeronautics and Space Administration should submit to Congress each year a 5-year program plan that is consistent with the President's budget that is submitted in accordance with the provisions of section 1105(a) of title 31, United States Code.

DOMENICI AMENDMENT NO. 225

(Ordered to lie on the table.)

Mr. DOMENICI submitted an amendment intended to be proposed by him to the concurrent resolution (S. Con. Res. 18), supra, as follows:

On the appropriate page, add the following new section:

SEC. . BUDGETARY IMPACT OF DEVELOPMENTS IN RUSSIAN FEDERATION.

(a) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) any increase in grants, credits, or guarantees for Russia and other new independent states, beyond the levels indicated by President Clinton on February 17, 1993, be absorbed within the discretionary caps included in this resolution;

(2) any additional budget authority for the National Defense function, beyond the levels provided for in this concurrent resolution, that may result from developments in Russia be paid for by reductions from the allocations for non-Defense programs, and not increase the deficit or require additional revenues;

(3) the use of the statutory exemption (contained in the Budget Enforcement Act of 1990) from fiscal constraints for discretionary and direct spending provisions that are designated as "emergency requirements" by both the President and Congress should be used only for necessary expenditures that are sudden, urgent, unforeseen, and are temporary in nature;

(4) it would be inappropriate to use the exemption for "emergency requirements" for increased spending as a result of developments in Russia.

DeCONCINI AMENDMENT NO. 226

(Ordered to lie on the table.)

Mr. DECONCINI submitted an amendment intended to be proposed by him to the concurrent resolution (S. Con. Res. 18), supra, as follows:

At the end of the resolution, add the following:

SEC. . DEFICIT REDUCTION ACCOUNT.

(a) LEGISLATION.—It is assumed that as a procedure appropriate to carry out the purposes of the Congressional Budget and Impoundment Act of 1974 (within the meaning of section 301(b)(4) of such Act), the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives would, as an integral part of the changes in law reported pursuant to section 7(b)(7) and (c)(12) of this concurrent resolution, report legislation to—

(1) establish a separate account in the Treasury into which 100 percent of the amounts by which the aggregate levels of Federal revenue should be increased as set forth in section 2(1)(A)(ii) of this resolution as well as contributions resulting from the changes in law reported pursuant to section 7(b)(7) and (c)(12) of this resolution would be deposited;

(2) ensure that any revenues deposited in such account would not be available for appropriation; and

(3) provide that any such revenues deposited in such account would be used to retire outstanding debt obligations of the United States Government.

(b) POINT OF ORDER.—Legislation reported pursuant to subsection (a) shall not be considered to be extraneous for purposes of section 313 of the Congressional Budget Act of 1974.

KASSEBAUM AMENDMENTS NOS. 227–228

(Ordered to lie on the table.)

Mrs. KASSEBAUM submitted an amendment intended to be proposed by her to the concurrent resolution (S. Con. Res. 18), supra, as follows:

AMENDMENT NO. 227

On page 51, line 14, decrease the amount by $3,288,000,000.

On page 53, line 19, decrease the amount by $3,288,000,000.

On page 71, line 13, decrease the amount by $508,000,000.

On page 71, line 14, decrease the amount by $508,000,000.

On page 71, line 16, decrease the amount by $1,281,000,000.

On page 71, line 17, decrease the amount by $1,281,000,000.

On page 71, line 20, decrease the amount by $1,499,000,000.

On page 71, line 21, decrease the amount by $1,499,000,000.

On page 25, line 11, increase the amount by $508,000,000.

On page 25, line 12, increase the amount by $508,000,000.

On page 25, line 19, increase the amount by $1,281,000,000.

On page 25, line 20, increase the amount by $1,281,000,000.

On page 26, line 2, increase the amount by $1,499,000,000.

On page 26, line 3, increase the amount by $1,499,000,000.

On page 42, line 6, decrease the amount by $508,000,000.

On page 42, line 7, decrease the amount by $508,000,000.

On page 42, line 13, decrease the amount by $1,281,000,000.

On page 42, line 14, decrease the amount by $1,281,000,000.

On page 42, line 20, increase the amount by $1,499,000,000.

On page 42, line 21, increase the amount by $1,499,000,000.

AMENDMENT NO. 228

On page 71, strike lines 12 through 21 and insert the following:

(A) with respect to fiscal year 1996:

(i) for the national security category (defense and international spending): $275,800,000,000 in new budget authority and $286,800,000,000 in outlays; and

(ii) for the domestic category: $241,100,000,000 in new budget authority and $257,900,000,000 in outlays;

(B) with respect to fiscal year 1997:

(i) for the national security category: $270,500,000,000 in new budget authority and $271,300,000,000 in outlays; and

(ii) for the domestic category: $256,800,000,000 in new budget authority and $272,000,000,000 in outlays;

(C) with respect to fiscal year 1998:

(i) for the national security category: $276,500,000,000 in new budget authority and $274,800,000,000 in outlays; and

(ii) for the domestic category: $267,500,000,000 in new budget authority and $286,400,000,000 in outlays.

At the end of the resolution, add the following:

SEC. . SENSE OF SENATE SUPPORTING SEPARATE DISCRETIONARY CAPS.

(a) IN GENERAL.—It is the sense of the Senate that for fiscal years 1994 and 1995 separate spending caps should be continued on domestic and national security (defense and international accounts) discretionary spending in place of an overall discretionary spending cap.

(b) SPENDING CAP LEVELS.—The separate discretionary caps for fiscal years 1994 and 1995 should be as follows:

(1) With respect to fiscal year 1994—

(A) for the national security category: $285,100,000,000 in new budget authority and $299,600,000,000 in outlays; and

(B) for the domestic category: $211,800,000,000 in new budget authority and $239,200,000,000 in outlays.

(2) With respect to fiscal year 1995—

(A) for the national security category: $285,000,000,000 in new budget authority and $295,500,000,000 in outlays; and

(B) for the domestic category: $218,400,000,000 in new budget authority and $246,800,000,000 in outlays.

McCAIN (AND OTHERS) AMENDMENT NO. 229

(Ordered to lie on the table.)

Mr. McCAIN (for himself, Mr. DOMENICI, Mr. STEVENS, and Mr. WALLOP) submitted an amendment intended to be proposed by him to the concurrent resolution (S. Con. Res. 18), supra, as follows:

On page 10, increase the amount on line 4 by $1,033,000,000.

On page 10, increase the amount on line 5 by $981,000,000.

On page 10, increase the amount on line 11 by $1,820,000,000.

On page 10, increase the amount on line 12 by $1,777,000,000.

On page 10, increase the amount on line 18 by $2,455,000,000.

On page 10, increase the amount on line 19 by $2,417,000,000.

On page 10, increase the amount on line 25 by $3,112,000,000.

On page 11, increase the amount on line 1 by $3,071,000,000.

On page 11, increase the amount on line 7 by $3,343,000,000.

On page 11, increase the amount on line 8 by $3,321,000,000.

On page 41, increase the amount on line 17 by $294,000,000.

On page 41, increase the amount on line 18 by $242,000,000.

On page 41, increase the amount on line 24 by $534,000,000.

On page 41, increase the amount on line 25 by $490,000,000.

On page 42, increase the amount on line 6 by $847,000,000.

On page 42, increase the amount on line 7 by $809,000,000.

On page 42, increase the amount on line 13 by $1,130,000,000.

On page 42, increase the amount on line 14 by $1,089,000,000.

On page 42, increase the amount on line 20 by $1,152,000,000.

On page 42, increase the amount on line 21 by $1,131,000,000.

On page 43, increase the amount on line 3 by $739,000,000.

On page 43, increase the amount on line 4 by $739,000,000.

On page 43, increase the amount on line 10 by $1,287,000,000.

On page 43, increase the amount on line 11 by $1,287,000,000.

On page 43, increase the amount on line 17 by $1,608,000,000.

On page 43, increase the amount on line 18 by $1,608,000,000.

On page 43, increase the amount on line 24 by $1,982,000,000.

On page 43, increase the amount on line 25 by $1,982,000,000.

On page 44, increase the amount on line 6 by $2,190,000,000.

On page 44, increase the amount on line 7 by $2,190,000,000.

COHEN (AND OTHERS) AMENDMENT NO. 230

(Ordered to lie on the table.)

Mr. COHEN (for himself, Mr. LEVIN, and Mr. DECONCINI) submitted an amendment intended to be proposed by them to the concurrent resolution (S. Con. Res. 18), supra, as follows:

At the end of the resolution add the following new section:

SEC. . SENSE OF THE SENATE REGARDING IMPROVING THE COST EFFECTIVENESS OF FEDERAL PROPERTY MANAGEMENT.

(a) FINDINGS.—The Senate finds that—

(1) the Federal Government owns over 400,000 buildings that cost the taxpayers hundreds of billions of dollars;

(2) the Federal Government is the largest single tenant and builder of office space in the United States;

(3) the Federal Government currently has $11,400,000,000 of construction in the works which, when completed, will add approximately 23,000,000 square feet of office space;

(4) the Federal Government is constructing, or entering into long-term leases for buildings constructed expressly for the Federal Government, in areas with buildings vacancy rates as high as 30 percent;

(5) significant budget savings can be achieved if, before considering new construction, Federal agencies aggressively explore the possibilities of purchasing or leasing suitable office buildings available in the market or acquiring suitable real estate under the control of the Federal Deposit Insurance Corporation or Resolution Trust Corporation;

(6) the physical space requirements of Federal agencies and the Judiciary are too often overstated and inflexible and, therefore, do not permit the acquisition or lease of existing properties which may be suitable and cost-effective;

(7) the Office of Management and Budget scorekeeping rules may be discouraging agencies from entering into the most responsible arrangements for securing office space (for example, in some cases, a lease/purchase agreement may be most cost-effective but the Office of Management and Budget scorekeeping rules require that the budget authority and outlays for the entire obligation, paid over a period of years, be scored in the year the contract is signed); and

(8) the Federal Buildings Fund, established in 1972 as a revolving fund to cover the General Services Administration's cost of rent, repairs, renovations, and to pay for the construction of new Federal buildings, and funded by the rent agencies pay to the General Services Administration, has failed to be self-sustaining and has required billions in appropriations to finance new construction.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the President should direct the Office of Management and Budget to review Federal property management policies to ensure better coordination, maximize efficiency, and achieve cost savings;

(2) the Director of the Office of Management and Budget should encourage the General Services Administration, the Department of Defense, the Postal Service, and all other Federal agencies and the Judiciary, when appropriate and based on the cost-effectiveness, to modify building requirements in such a way as to allow for the purchase, lease, or lease/purchase of existing buildings at market rates, or to purchase Resolution Trust Corporation-owned and Federal Deposit Insurance Corporation-owned real estate rather than seek new construction of buildings;

(3) the Director of the Office of Management and Budget should review scorekeeping rules for Federal property leasing, lease/purchase, construction and acquisition to permit flexibility and improve long-term cost-effectiveness; and

(4) the Director of the Office of Management and Budget should review the General Services Administration's management of the Federal Buildings Fund to determine why the Fund is not self-sustaining and has not met its objectives, and, if necessary, recommend policy changes to enable the Fund to become self-sustaining.

NICKLES AMENDMENTS NOS. 231–232

(Ordered to lie on the table.)

Mr. NICKLES submitted two amendments intended to be proposed by him to the concurrent resolution (S. Con. Res. 18), supra, as follows:

AMENDMENT NO. 231

(A) At the end of the resolution, add the following new section:

"SEC. . SENSE OF SENATE DIRECTING THAT ANY SUPPLEMENTAL SPENDING FOR FISCAL YEAR 1993 SHOULD BE PAID FOR.

"It is the sense of the Senate that any supplemental appropriations Act for fiscal year 1993 should contain spending reductions sufficient to offset any spending increases in such Act.

(B) On page 5, line 1, decrease the amount by $6,214,484,000.

On page 5, line 2, decrease the amount by $3,016,484,000.

On page 5, line 3, decrease the amount by $853,370,000.

On page 5, line 4, decrease the amount by $587,882,000.

On page 5, line 11, decrease the amount by $6,214,484,000.

On page 5, line 12, decrease the amount by $3,016,616,000.

On page 5, line 13, decrease the amount by $853,370,000.

On page 5, line 14, decrease the amount by $587,882,000.

On page 5, line 22, decrease the amount by $6,214,484,000.

On page 5, line 23, decrease the amount by $3,016,616,000.

On page 5, line 24, decrease the amount by $853,370,000.

On page 5, line 25, decrease the amount by $597,882,000.

On page 6, line 7, decrease the amount by $6,214,484,000.

On page 6, line 8, decrease the amount by $3,016,616,000.

On page 6, line 9, decrease the amount by $853,370,000.

On page 6, line 10, decrease the amount by $597,882,000.

On page 6, line 17, decrease the amount by $6,214,484,000.

On page 6, line 18, decrease the amount by $3,016,616,000.

On page 6, line 19, decrease the amount by $853,370,000.

On page 6, line 20, decrease the amount by $597,882,000.

On page 7, line 1, decrease the amount by $6,214,484,000.

On page 7, line 2, decrease the amount by $3,016,616,000.

On page 7, line 3, decrease the amount by $853,370,000.

On page 7, line 4, decrease the amount by $597,882,000.

On page 7, line 8, decrease the amount by $6,214,484,000.

On page 7, line 9, decrease the amount by $3,016,616,000.

On page 7, line 10, decrease the amount by $853,370,000.

On page 7, line 11, decrease the amount by $597,882,000.

On page 8, line 7, decrease the amount by $6,214,484,000.

On page 8, line 8, decrease the amount by $3,016,616,000.

On page 8, line 9, decrease the amount by $853,370,000.

On page 8, line 10, decrease the amount by $597,882,000.

On page 41, line 17, decrease the amount by $6,214,484,000.

On page 41, line 18, decrease the amount by $6,214,484,000.

On page 41, line 24, decrease the amount by $3,016,616,000.

On page 41, line 25, decrease the amount by $3,016,616,000.

On page 42, line 6, decrease the amount by $853,370,000.

On page 42, line 7, decrease the amount by $853,370,000.

On page 42, line 13, decrease the amount by $587,882,000.

On page 42, line 14, decrease the amount by $587,882,000.

AMENDMENT NO. 232

(A) At the end of the resolution, add the following new section:

"SEC. . SENSE OF SENATE REGARDING TRUTH IN BUDGETING.

"It is the Sense of the Senate that the American taxpayer should know that this Act is projected by the Congressional Budget Office to reduce the deficit by $458 billion over the next five years, not $502 billion as claimed in Senate Report 103-19.

MCCAIN (AND OTHERS) AMENDMENT NO. 233

(Ordered to lie on the table.)

Mr. MCCAIN (for himself, Mr. DOMENICI, Mr. STEVENS, and Mr. WALLOP) submitted an amendment intended to be proposed by them to the concurrent resolution (S. Con. Res. 18), supra, as follows:

On page 10, increase the amount on line 4 by $1,033,000,000.

On page 10, increase the amount on line 5 by $981,000,000.

On page 10, increase the amount on line 11 by $1,820,000,000.

On page 10, increase the amount on line 12 by $1,777,000,000.

On page 10, increase the amount on line 18 by $2,455,000,000.

On page 10, increase the amount on line 19 by $2,417,000,000.

On page 10, increase the amount on line 25 by $3,112,000,000.

On page 11, increase the amount on line 1 by $3,071,000,000.

On page 11, increase the amount on line 7 by $3,343,000,000.

On page 11, increase the amount on line 8 by $3,321,000,000.

On page 41, increase the amount on line 17 by −$294,000,000.

On page 41, increase the amount on line 18 by −$242,000,000.

On page 41, increase the amount on line 24 by −$534,000,000.

On page 41, increase the amount on line 25 by −$490,000,000.

On page 42, increase the amount on line 6 by −$847,000,000.

On page 42, increase the amount on line 7 by −$809,000,000.

On page 42, increase the amount on line 13 by −$1,130,000,000.

On page 42, increase the amount on line 14 by −$1,089,000,000.

On page 42, increase the amount on line 20 by −$1,152,000,000.

On page 42, increase the amount on line 21 by −$1,131,000,000.

On page 43, increase the amount on line 3 by −$739,000,000.

On page 43, increase the amount on line 4 by −$739,000,000.

On page 43, increase the amount on line 10 by −$1,287,000,000.

On page 43, increase the amount on line 11 by −$1,287,000,000.

On page 43, increase the amount on line 17 by −$1,608,000,000.

On page 43, increase the amount on line 18 by −$1,608,000,000.

On page 43, increase the amount on line 24 by −$1,982,000,000.

On page 43, increase the amount on line 25 by −$1,982,000,000.

On page 44, increase the amount on line 6 by −$2,190,000,000.

On page 44, increase the amount on line 7 by −$2,190,000,000.

STEVENS (AND OTHERS) AMENDMENT NO. 234

(Ordered to lie on the table.)

Mr. STEVENS (for himself, Mrs. KASSEBAUM, and Mr. LUGAR) submitted an amendment intended to be proposed by them to the concurrent resolution (S. Con. Res. 18) supra, as follows:

On page 30, increase the amount on line 24 by $30,000,000.

On page 30, increase the amount on line 25 by $30,000,000.

On page 31, increase the amount on line 6 by $61,000,000.

On page 31, increase the amount on line 7 by $61,000,000.

On page 31, increase the amount on line 13 by $93,000,000.

On page 31, increase the amount on line 14 by $93,000,000.

On page 31, increase the amount on line 20 by $127,000,000.

On page 31, increase the amount on line 21 by $127,000,000.

On page 32, increase the amount on line 2 by $162,000,000.

On page 32, increase the amount on line 3 by $162,000,000.

On page 41, decrease the amount on line 17 by $30,000,000.

On page 41, decrease the amount on line 18 by $30,000,000.

On page 41, decrease the amount on line 24 by $61,000,000.

On page 41, decrease the amount on line 25 by $61,000,000.

On page 42, decrease the amount on line 6 by $93,000,000.

On page 42, decrease the amount on line 7 by $93,000,000.

On page 42, decrease the amount on line 13 by $127,000,000.

On page 42, decrease the amount on line 14 by $127,000,000.

On page 42, decrease the amount on line 20 by $162,000,000.

On page 42, decrease the amount on line 21 by $162,000,000.

On page 50, decrease the amount on line 21 by $30,000,000.

On page 50, decrease the amount on line 22 by $473,000,000.

On page 55, decrease the amount on line 21 by $30,000,000.

On page 55, decrease the amount on line 22 by $473,000,000.

SPECTER AMENDMENTS NOS. 235–238

(Ordered to lie on the table.)

Mr. SPECTER submitted four amendments intended to be proposed by him to the concurrent resolution (S. Con. Res. 18), supra; as follows:

AMENDMENT NO. 235

At the appropriate place in the bill, insert the following:

SEC. .

It is the sense of the Congress that health care reform legislation receive priority attention by the United States Congress with a target date of enactment of such legislation being no later than September 30, 1993.

AMENDMENT NO. 236

At the appropriate place in the resolution, insert the following:

SEC. .

It is the sense of the Congress, in setting forth the budget authority and outlay amounts in this resolution, that it is assumed that funds to reduce the availability and use of illegal drugs will be shifted over the next five years so that the allocation shall be equally distributed between interdiction, law enforcement, and international supply reduction efforts and education, rehabilitation, treatment, and research programs.

AMENDMENT NO. 237

At the appropriate place in the resolution, insert the following:

SEC. .

It is the sense of the Congress that the budget authority and outlay totals set forth in this resolution assume sufficient funding under function 750 (Administration of Justice) that the Federal Bureau of Prisons can arrange and accept custody of prisoners who are sentenced to life imprisonment under a State habitual criminal offender statute, to the extent that space is or can readily be made available in the Federal prison system.

AMENDMENT NO. 238

At the appropriate place in the resolution, insert the following:

SEC. .

It be the sense of the Congress that no action should be taken on any legislative proposal on the President's program unless it is a unified package containing offsets for any additional expenditures through cuts in programs or increased taxes.

COHEN AMENDMENT NO. 239

(Ordered to lie on the table.)

Mr. COHEN submitted an amendment intended to be proposed by him to the concurrent resolution (S. Con. Res. 18), supra, as follows:

At an appropriate place in the resolution, insert the following new section:

SEC. . SENSE OF THE SENATE REGARDING THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION.

It is the sense of the Senate that the budget authority and outlay figures for function 250 in this resolution do not assume any

amounts for the National Aeronautics and Space Administration for any fiscal year from 1994 through 1998 in excess of the amounts proposed by the President for such fiscal year.

LOTT (AND OTHERS) AMENDMENT NO. 240

Mr. LOTT (for himself, Mr. MACK, Mr. MCCAIN, Mr. PRESSLER, Mr. HATCH, Mr. BROWN, Mr. COVERDELL, Mr. SMITH, Mr. WALLOP, Mr. NICKLES, Mr. D'AMATO, Mr. THURMOND, and Mr. FAIRCLOTH) proposed an amendment to the concurrent resolution (S. Con. Res. 18), supra, as follows:

On page 2, line 18, decrease the amount by $2,859,000,000.
On page 2, line 19, decrease the amount by $6,104,000,000.
On page 3, line 2, decrease the amount by $6,891,000,000.
On page 3, line 4, decrease the amount by $7,683,000,000.
On page 3, line 6, decrease the amount by $8,462,000,000.
On page 3, line 10, decrease the amount by $2,859,000,000.
On page 3, line 11, decrease the amount by $6,104,000,000.
On page 3, line 12, decrease the amount by $6,891,000,000.
On page 3, line 13, decrease the amount by $7,683,000,000.
On page 3, line 14, decrease the amount by $8,462,000,000.
On page 3, line 19, decrease the amount by $2,859,000,000.
On page 3, line 20, decrease the amount by $6,104,000,000.
On page 3, line 21, decrease the amount by $6,891,000,000.
On page 3, line 22, decrease the amount by $7,683,000,000.
On page 3, line 23, decrease the amount by $8,462,000,000.
On page 5, line 1, decrease the amount by $2,859,000,000.
On page 5, line 2, decrease the amount by $6,104,000,000.
On page 5, line 3, decrease the amount by $6,891,000,000.
On page 5, line 4, decrease the amount by $7,683,000,000.
On page 5, line 5, decrease the amount by $8,462,000,000.
On page 5, line 11, decrease the amount by $2,859,000,000.
On page 5, line 12, decrease the amount by $6,104,000,000.
On page 5, line 13, decrease the amount by $6,891,000,000.
On page 5, line 14, decrease the amount by $7,683,000,000.
On page 5, line 15, decrease the amount by $8,462,000,000.
On page 5, line 22, decrease the amount by $2,859,000,000.
On page 5, line 23, decrease the amount by $6,104,000,000.
On page 5, line 24, decrease the amount by $6,891,000,000.
On page 5, line 25, decrease the amount by $7,683,000,000.
On page 6, line 1, decrease the amount by $8,462,000,000.
On page 6, line 7, decrease the amount by $2,859,000,000.
On page 6, line 8, decrease the amount by $6,104,000,000.
On page 6, line 9, decrease the amount by $6,891,000,000.
On page 6, line 10, decrease the amount by $7,683,000,000.
On page 6, line 11, decrease the amount by $8,462,000,000.
On page 7, line 1, decrease the amount by $2,859,000,000.
On page 7, line 2, decrease the amount by $6,104,000,000.
On page 7, line 3, decrease the amount by $6,891,000,000.
On page 7, line 4, decrease the amount by $7,683,000,000.
On page 7, line 5, decrease the amount by $8,462,000,000.
On page 7, line 8, decrease the amount by $2,859,000,000.
On page 7, line 9, decrease the amount by $8,963,000,000.
On page 7, line 10, decrease the amount by $15,854,000,000.
On page 7, line 11, decrease the amount by $23,537,000,000.
On page 7, line 12, decrease the amount by $31,999,000,000.
On page 8, line 7, decrease the amount by $2,859,000,000.
On page 8, line 8, decrease the amount by $6,104,000,000.
On page 8, line 9, decrease the amount by $6,891,000,000.
On page 8, line 10, decrease the amount by $7,683,000,000.
On page 8, line 11, decrease the amount by $8,462,000,000.
On page 8, line 16, decrease the amount by $2,859,000,000.
On page 8, line 17, decrease the amount by $6,104,000,000.
On page 8, line 18, decrease the amount by $6,891,000,000.
On page 8, line 19, decrease the amount by $7,683,000,000.
On page 8, line 20, decrease the amount by $8,462,000,000.
On page 41, line 17, decrease the amount by $2,859,000,000.
On page 41, line 18, decrease the amount by $2,859,000,000.
On page 41, line 24, decrease the amount by $6,104,000,000.
On page 41, line 25, decrease the amount by $6,104,000,000.
On page 42, line 6, decrease the amount by $6,891,000,000.
On page 42, line 7, decrease the amount by $6,891,000,000.
On page 42, line 13, decrease the amount by $7,683,000,000.
On page 42, line 14, decrease the amount by $7,683,000,000.
On page 42, line 20, decrease the amount by $8,462,000,000.
On page 42, line 21, decrease the amount by $8,462,000,000.
On page 50, line 9, decrease the amount by $2,859,000,000.
On page 50, line 10, decrease the amount by $31,999,000,000.
On page 57, line 18, decrease the amount by $2,859,000,000.
On page 57, line 19, decrease the amount by $31,999,000,000.
On page 71, line 13, decrease the amount by $6,891,000,000.
On page 71, line 14, decrease the amount by $6,891,000,000.
On page 71, line 16, decrease the amount by $7,683,000,000.
On page 71, line 17, decrease the amount by $7,683,000,000.
On page 71, line 20, decrease the amount by $8,462,000,000.
On page 71, line 21, decrease the amount by $8,462,000,000.

WALLOP (AND OTHERS) AMENDMENT NO. 241

(Ordered to lie on the table.)

Mr. WALLOP (for himself, Mr. DOMENICI, Mr. DOLE, and Mr. FAIRCLOTH) submitted an amendment intended to be proposed by them to the concurrent resolution (S. Con. Res. 18), supra, as follows:

At the appropriate place add the following:

SEC. . SENSE OF THE SENATE REGARDING THE BTU TAX.

It is the sense of the Senate that, to the extent that the revenue figure set forth in this resolution assumes the imposition and collection of any Btu tax or other tax on any form of energy, that in order to obtain the full energy conservation benefits of any such tax that the reconciliation response would be based on the assumption that consumers should be notified on a monthly and an annual basis of the amount of the tax, and should be provided through posting, as on a gasoline pump, or through entries on consumer natural gas and electric utility bills.

NOTICE OF HEARING POSTPONEMENT

SUBCOMMITTEE ON RENEWABLE ENERGY, ENERGY EFFICIENCY, AND COMPETITIVENESS

Mr. BINGAMAN. Mr. President, I would like to announce for my colleagues and the public that a hearing scheduled before the Subcommittee on Renewable Energy, Energy Efficiency and Competitiveness of the Committee on Energy and Natural Resources has been postponed.

The purpose of the hearing is to receive testimony on opportunities and barriers to commercialization of renewable energy and energy efficiency technologies.

The hearing was originally scheduled for April 1, 1993, at 2 p.m., and has been rescheduled to take place on April 22, 1993 at 2:30 p.m., in room SD-366 of the Dirksen Senate Office Building, First and C Streets, NE, Washington, DC.

For further information, please contact Leslie Black Cordes of the subcommittee staff at 202/224-9607.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, March 23, at 10:30 a.m. to hold a business meeting.

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

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 2:30 p.m., March 23, 1993, to receive tes-

timony on radio and television broadcast use fees on public lands.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, March 23, at 2 p.m. to hold a nomination hearing on Strobe Talbott, to be Ambassador at Large and Special Adviser to the Secretary of State on the New Independent States.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, March 23, at 9 a.m. to hold a nomination hearing on Stephen Oxman, to be Assistant Secretary of State for European and Canadian Affairs.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 9:30 a.m., March 23, 1993, to receive testimony on S. 473, the Department of Energy National Competitiveness Technology Partnership Act of 1993.

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

SUBCOMMITTEE ON ANTITRUST, MONOPOLIES AND BUSINESS RIGHTS

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Antitrust, Monopolies and Business Rights, of the Committee on the Judiciary, be authorized to meet during the session of the Senate on Tuesday, March 23, 1993, at 9:30 a.m. to hold a hearing on antitrust exemptions and health care.

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

ADDITIONAL STATEMENTS

EXCEPTIONAL CITIES IN SOUTH CAROLINA

• Mr. HOLLINGS. Mr. President, I rise today to commend 3 very exceptional cities in my home State of South Carolina—3 cities which have been chosen as among the best 100 cities in the Nation in which to live.

Mr. President, I have always known that South Carolina has the best to offer in terms of the quality of life—but then, I am biased. I was raised in South Carolina and nowhere on Earth compares to it. So, when I read that Norman Crampton's book, "The 100 Best Small Towns in America" rated Beaufort, Georgetown, and Newberry, SC, among its best in America, I was not surprised.

Georgetown ranked 46 out of 100 in Mr. Crampton's survey. It is a small coastal community located between Charleston and Myrtle Beach. It has a population of only 9,517 that relies upon the incomes of commercial fishing, tourism, and a paper manufacturing plant. But, the cost of living is low and the community is close-knit. You can put your kids in the back yard and not worry. Everyone goes to a favorite bakery and barber shop. And, like most small towns, Georgetown has that quiet, peaceful feel to it, enhanced by the warm southern climate and gentle ocean breezes.

But Georgetown is also an up-and-coming small town. They are keeping pace with change by investing in the town—with a new $4.5 million Front Street renovation project to attract more tourism. And that translates into increased revenues for Georgetown, which in turn means better schools, law enforcement, libraries, and parks—all for a better tomorrow.

Beaufort ranked 23d in the survey and it's another coastal town just south of Charleston and north of Hilton Head. Beaufort is steeped in history. Visitors come to see the magnificent ante bellum mansions and, on St. Helena Island just off the coast, we have some of the finest examples of African-American history in the country. The very first school for newly freed slaves is here in the heart of Gullah country.

Beaufort is also a military town. Nearby is Parris Island where our U.S. Marines have been training since 1891. Military personnel frequent the local restaurants and stores, adding revenues to the local economy.

As is true of all our low-country coastal towns, Beaufort life revolves around the sea—shrimpers haul in the day's catch; crabbers pick along the beaches and inlets. Tourists flock to the local beaches and nearby Hilton Head to swim, play golf, and enjoy the laid-back atmosphere of the deep South. And those tourism dollars help Beaufort provide the services needed to make the town a safe, clean community.

Beaufort also capitalizes on its unique and unspoiled scenery through the film industry. Some of Beaufort's more attractive homes and inns have been backdrops for famous films like "The Big Chill," "The Great Santini," and "The Prince of Tides." The movie industry loves the hometown ambiance of Beaufort and the town benefits from their presence.

The third town cited in "The 100 Best Small Towns in America" is Newberry, a small community northwest of the State capital, Columbia. Newberry ranked 76th overall. Historically, Newberry is an agricultural community dating back to the mid-18th century. Today, Newberry still relies on agriculture and it leads the State in dairy and egg production.

But Newberry is moving in the direction of the 21st century by attracting more manufacturing, wholesale and retail industries. Newberry also has a special school program to provide startup training for industries. The schools work in partnership with industry to provide specialized high-technology training for employees. This unique program tailors the local work force to the needs of the industry helping assure employment for the area.

Newberry has its share of historic homes and Revolutionary War battle sites to attract tourists, but the best attraction is Newberry's fishing and water sports. Newberry County is located at the fork of Broad and Saluda Rivers. The Tyger and Enoree Rivers also flow through the area and lakes Greenwood and Murray are nearby. All this makes for great camping and outdoor recreation that is some of the best in the State.

Mr. President, I am very proud of the distinction bestowed upon Georgetown, Beaufort, and Newberry, and I commend the citizens, the local government, and the chambers of commerce for their hard work in making their communities such examples of excellence.•

EXPORT CONTROLS—THE NEED FOR A SENSIBLE U.S. POLICY

• Mr. DURENBERGER. Mr. President, many of our colleagues may have seen the article in the Washington Post on Friday, March 19, 1993, entitled "Cray Deal a Casualty of Atomic Weapons Fears." The article is a cruel reminder of how outdated export control laws can seriously injure the competitiveness of U.S. companies.

For some time I have been concerned that the U.S. Government, including the Congress, has been administering U.S. export controls without a complete understanding of the economic, political, and strategic impact these policies and procedures can have on our own companies as well as our own national security interests.

The case of Cray Research, Inc.'s efforts to sell a small supercomputer to a customer in India is just one example of a licensing process run amuck. In that case, delays in the export licensing process for the Cray system lasted 4 years, and created such frustration within the Indian Government that it actually funded and developed an indigenous Indian supercomputer while waiting for United States Government approval.

Indian officials have stated in public forums that the only reason they developed their own supercomputer is because they couldn't get ours. We certainly didn't do a very good job in this

case either of promoting American exports or preventing potentially destabilizing proliferation.

Not only will this indigenous supercomputer become the politically appropriate supplier for customers within India, it will also compete in other markets outside India. In fact, the Indian system has already been installed in four countries, including two sites in Russia.

One should consider what was accomplished by the 4 year delay in this export license for Cray Research:

First, the customer has found an alternative solution that will enable it to use the indigenously developed system, which I understand is some 30 times faster than the system Cray wanted to export.

Second, this new Indian system will have none of the safeguards, physical and software restrictions, that are imposed on American supercomputer exports going to countries such as India. India certainly does not have export controls as stringent as ours. We will have no means of controlling the sale of advanced, potentially dual-use Indian technologies to questionable end users.

Third, the Indian supercomputer can be expected to compete with Cray Research and other American manufacturers both in India and in third countries.

Fourth, countries that previously had no hope of obtaining high performance computers may now turn to India as an alternative source to Western systems.

Mr. President, we have neither denied India the technology nor prevented the diversion of that technology to other countries of concern. All that has been accomplished is to virtually obliterate Cray Research's chances of doing business in India.

Cray Research, Inc. is a small, publicly held company with fewer than 5,000 employees. Cray does all its manufacturing in the United States. I consider them an example of what America does right—a small entrepreneurial company that produces an excellent, highly competitive product. Cray Research has kept ahead of the challenges of the Japanese mega-companies such as Fujitsu, NEC, and Hitachi by doing one thing very well—constantly developing and improving its supercomputers, pushing the technological envelope further and further outward.

To date, Cray has successfully established and continues to hold two-thirds of the world supercomputer market. Ironically, it appears that it might well be the policies of the United States Government, rather than the competence of Japanese competitors, that will erode Cray's worldwide market share.

We in Congress, and those in the Clinton administration, must use a new approach in dealing with export controls. The system was originally established at a time when we were the only source of much of the world's high technology products. Today's export control system must reflect the changes both in the high technology capabilities in the global marketplace as well as new geopolitical realities. Both have an impact on our foreign policy and national security objectives.

Supercomputer exports face restrictive and expensive controls. These controls are imposed to prevent the proliferation or misuse of the highly sophisticated technology. We must ensure, however, that these controls have the desired effect. Cray's experience with the India sale demonstrate a total failure of the United States export licensing process. Let us further ensure that the licensing process is transparent for the U.S. companies involved; consistently applied to all competitors; and timely in reaching its conclusions. In the opinion of this Senator, that's not asking too much.

Let us show a little courage in standing up to calls for unilateral controls that might send a message, but serve only to shoot ourselves in the foot.

Mr. President, I ask to include the attached article from the Washington Post in the RECORD immediately following my remarks.

The article follows:

CRAY DEAL A CASUALTY OF ATOMIC WEAPON FEARS

(By Stuart Auerbach)

The $10 million supercomputer sits unwanted on the floor of the Wisconsin factory of Cray Research Corp., its shiny skin removed and its high-technology innards used only to test replacement parts to upgrade other machines.

The supercomputer, designated No. 1205 by Cray, was built three years ago for the Indian Institute of Science in Bangalore. But the deal fell through in December, after India got tired of waiting for the Bush administration to resolve a two-year dispute over how to make sure the super-fast computing power of the Cray machine would not be diverted to make nuclear weapons and the missiles to deliver them.

Now Cray cannot find another buyer for the machine, which uses 11-year-old technology, because most institutions want more powerful, state-of-the-art supercomputers—the fastest, most powerful class of computers in the world.

And India has built its own supercomputers, which are taking over its home market and competing with Cray around the world. India can use its homemade supercomputers without restrictions in its nuclear program and, if it wants, sell to nations such as Iran, Iraq and Libya, which have been suspected of trying to built atomic weapons.

The debate over the sale to India illustrates the stresses within the U.S. government over selling advanced technology products—the country's edge in an increasingly competitive world—while trying to keep a lid on the spread of nuclear weapons.

The debate was never resolved by the Bush administration, and now the nation's proliferation concerns are likely to run head-on into President Clinton's oft-stated objective of increasing overseas sales of superior U.S. goods in order to boost the economy and create high-skilled, high-wage jobs. In many cases, though, the nation's technological edge lies in advanced products such as supercomputers or aviation electronics that can be used equally for peaceful or military purposes.

"This is a horror story that hurts U.S. commercial interests and its nonproliferation concerns as well," Willard Workman, international vice president of the U.S. Chamber of Commerce and a former government specialist on export controls, said of Cray's Indian deal.

Despite the end of the Cold War, restrictions on technology exports have not eased as U.S. fears that the country's high technology would bolster the Soviet military machine have been replaced by concerns over the spread of nuclear weapons to nations such as Iran, Iraq and Libya.

Proliferation foes hailed the breakdown of the Indian sale as a victory.

"The fact that India had to develop its own supercomputer vindicates our policy" of making it difficult for that country to buy a Cray, said Gary Milhollin, director of the Wisconsin Project on Nuclear Arms Control, a Washington-based think tank. "Just because somebody can make a pistol on his own doesn't mean you sell him an AK-47 assault rifle."

India has steadfastly denied that it is trying to develop an atomic bomb, but it did unleash what it termed "a peaceful nuclear explosion" in 1974 that U.S. intelligence analysts said was a major step in an ongoing, clandestine program to build nuclear weapons.

Furthermore, as part of its space program, India is building and testing missiles that have the capability to carry an atomic warhead and the opposition Hindu nationalist party, the BJP, has declared its support for the construction of nuclear weapons to brandish against the neighboring nations of Pakistan, which reportedly also has a clandestine nuclear weapons program, and China, which already has nuclear weapons.

Cray officials said enough safeguards were built into the sale of supercomputer No. 1205 to make sure its powers were not diverted. As evidence, they point to articles in the Indian press last May that detailed how "American highhandedness" denied Indian aeronautical engineers access to the Cray computer bought by the weather service to track monsoons.

According to the Times of India report, scientists were turned back when they sought to use the supercomputer for "urgent calculations" needed for the development of light combat aircraft and surface-to-surface missiles.

Nonetheless, stubborn foot dragging by arms control specialists, egged on by nonproliferation forces outside of government, tied up the licensing process and in the end caused India to pull out of the deal.

"It was very painful for Cray to lose the sale," said Lisa Kjaer, director of international trade affairs in Cray's Washington office.

Cray still leads the world in designing and building supercomputers, but it faces increased competition from U.S. firms such as Control Data Corp. and International Business Machines Corp., as well as some Japanese electronic giants. Now, countries such as India and Bulgaria are succeeding on the less powerful end of the market.

"The notion that the United States is the only supplier of supercomputers went out with the buggy whip," Workman said.

Tired of fighting licensing battles in Washington, the Indian government appropriated $10 million—coincidently the cost of the Cray machine—to develop its own supercomputers. Within three years, Indian scientists succeeded in creating a supercomputer known as the Param. The latest model of the Param is 28 times more powerful than the Cray that India had agreed to buy, but far less powerful than the most advanced Cray models.

Among the 14 Param buyers are universities in Canada, Britain and Germany, as well as two research institutes in Russia that were attracted by Param's relatively low cost—$350,000 compared with the $10 million price tag on a basic Cray model.

The Indian scientists developed their supercomputer by linking together as many as 256 small, readily available computers in a technique known as massive parallel processing. This allows skilled engineers to make machines far cheaper than the methods used by Cray and its Japanese competitors.

"The United States government essentially created competition for Cray and other U.S. computer makers," Kjaer said. "Why should the Indian government or an Indian company buy a Cray now when they can buy something that is cheaper, doesn't require hard currency and supports its high-technology development objects."

"Cray makes a superior product," she continued, "but it is not superior enough to overcome" India's anger over having to give up control over the use of the supercomputer.•

EL SALVADOR'S PEACE AND THE TRUTH COMMISSION

• Mr. HATFIELD. Mr. President, on March 15, an important component of the United Nations-sponsored peace agreement for El Salvador was fulfilled as the three-member Commission on the Truth issued its report on what it calls "some of the worst and most widespread human rights violations of human rights in El Salvador." The Commission found that the overwhelming majority of the cases studied—relating to 18,000 victims—involved the Salvadoran military.

A Spanish Jesuit, Baltasar Gracian, once remarked that "It is harder to tell the truth as to hide it." I fear that those who tried for over 10 years to hide the truth about the bloody record of the Salvadoran military now want to bury it by granting general amnesty to the accused. By ignoring the crying need for justice in the human rights abuse cases investigated by the Truth Commission, El Salvador's political leadership may inflict permanent damage on the reconciliation effort.

The stakes are also high for U.S. foreign policy. The members of the Truth Commission, former Colombian President Belisario Betancur; Reinaldo Figueredo Planchart, former foreign minister of Venezuela; and Thomas Buergenthal, professor of law at George Washington University, have boldly and bravely identified by name the military leadership responsible for atrocities such as the assassination of Archbishop Romero, the killing of four American churchwomen, and the murder of six Jesuits, their cook and her daughter. The Truth Commission has confirmed what many of us have believed for a long time: that the U.S. was bankrolling the Salvador military at a time when it was killing with impunity.

Those who continue to defend the United States role in the Salvadoran civil war take several lines of defense. Many involved in Latin American policy through the 1980's claim ignorance of what was happening around them. Others skip over the bloody history, preferring to argue that the cost of uninvolvement would have been greater. I cannot accept either excuse in light of the truth. For a decade the United States was willing to allow its policy to be shaped by the dictum that the "ends justify the means." This misguided policy must be abandoned.

The civil war in El Salvador brought no gains or freedom to the Salvadoran people. It brought only destruction of the country and death to tens of thousands of men, women and children. This was obvious even 8 years ago, when the Congressional Arms Control and Foreign Policy Caucus, which I have chaired twice, initiated its first report on U.S. involvement in El Salvador. In 1985, I joined with other members of the caucus in issuing a report detailing the effect of U.S. assistance on El Salvador's economy and living standards. We concluded that the U.S. aid programs were not helping end the war. Instead, we were helping to perpetuate the conflict. Our report argued that it was futile to pursue a military solution to a civil conflict which had its roots in poverty and deprivation.

In the frenzy of the Central American "red scare" our report fell on deaf ears. During the mid-1980's, only a handful of us argued against involvement in El Salvador or Nicaragua. Neither Congress or the administration was willing to shut off the pipeline of support to the crippled Salvadoran Government and the corrupt Salvadoran military.

The shameful truth of the military's involvement in the killings did not sink in until the six Jesuits and their assistants were dragged from their beds and shot. From the beginning it was suspected that the attack was a military operation. Yet the early discovery of the military's involvement in these murders was played down. As always, there was a desire to avoid staring at the facts. But some of us could no longer avert our eyes to the truth and when the caucus issued its third report on El Salvador, just 6 months after the Jesuits died, the subject was the military leadership.

In 1990, under supervision of Congressman HOWARD BERMAN and Congressman GEORGE MILLER and me, the caucus staff evaluated the Salvadoran high command and the record of documented human rights abuses carried out by their troops. The staff found that 14 of the 15 officers in El Salvador's primary commands rose to their positions despite the abuses. And in none of the over 50 violent cases listed in the reports was justice served. No officer was brought to trial.

In 1991 Congress began withholding some military aid to El Salvador. But just last year the U.S. Government continued to argue against the complete withdrawal of our support from the Salvadoran military, lest the commanders decide to walk away from the peace accords drafted under the active guidance of the United Nations.

Mr. President, it is time to stop rewarding the brutal and the corrupt. Twelve years and $6 billion in U.S. aid later, it is time to learn and understand the truth. Those who spread tyranny and death throughout this tiny country for 10 years should not be protected under the umbrella of peace. The Salvadoran National Assembly seeks to do this with its passage of legislation providing general amnesty for those who are named by the Commission on the Truth. As Ruben Zamora, the vice president of the assembly said as he walked out on the vote, "Justice must come before forgiving and forgetting." There have been more than 75,000 victims of the Salvadoran conflict. I can only hope that justice will not be the last victim. The United States should press the Salvadoran Government to reconsider the national assembly's vote to provide general amnesty to those identified by the Truth Commission and there should be a full and public accounting of our own Government's knowledge of the record of abuses committed by the Salvadoran military as they were at the same time accepting United States aid.•

APPLAUDING COLT

• Mr. LIEBERMAN. Mr. President, I want to take a few moments to applaud the workers of Colt Manufacturing Co. The Defense Department has just directed the requirements for the M4 carbine contract to Colt. The award could well be the first of a three-phase program that Colt has estimated to include a total of 50,800 rifles with a value of as much as $25 million.

Senator DODD, Congresswoman KENNELLY, and I supported Colt in an effort to win this contract. As a member of the Senate Armed Services Committee, I spoke at length to George Dausman, Acting Assistant Secretary of the Army, about the fine work that Colt had done in the past. I also pointed out to him that awarding a contract to Colt would support the U.S. defense industrial base, a primary concern of mine.

The workers of Colt deserve great credit for this decision. At a time of declining defense budgets, it is never easy to win a new defense contract. But the

Colt workers have shown time and again that they do superb work. As long as we have workmanship of this quality, America will not only hold its own in the world market, it will win.•

COMMENDING ANTHONY JOHNSON

• Mr. FORD. Mr. President, I stand today to recognize the heroic efforts of Anthony Johnson of Augusta, KY.

On February 5, 1993, a student from Augusta High School, where Mr. Johnson is principal, attempted suicide by jumping in the icy water of the Ohio River. Although he cannot swim, Mr. Johnson jumped into the river without hesitation and was able to bring the young woman close enough to the shore to be aided by a local police officer. Mr. Johnson suffered from shock and hypothermia. I would like at this point to insert for the RECORD a news report from the Maysville Ledger-Independent of February 6, 1993, detailing the incident.

We hear a lot these days about what is wrong with our society, Mr. President, so I am pleased to have this opportunity to take a few minutes to show what is right and good with it. Mr. Johnson's quick thinking and selflessness saved a young woman's life, and I commend him for his bravery and valor.

The article follows:

PRINCIPAL, COP THWART SUICIDE ATTEMPT

(By Margaret Bortz)

AUGUSTA.—A high school principal and a police officer thwarted an attempted suicide Friday, rescuing a drowning girl from the icy water of the Ohio River.

Augusta High School Principal Tony Johnson plunged into the river to save the 17-year old about 2 p.m., according to Augusta Police Chief Phil Cummins. Augusta police officer Joe Kiskaden then pulled Johnson, who apparently cannot swim, and the girl from the river at a steep, inaccessible site three miles west of Augusta, Cummins said.

Johnson contacted the police department about 11 a.m. Friday, and requested help in locating a group of students absent from school, officials said.

Johnson and Cummins quickly located two of the missing girls, who told them that three other girls "had left Augusta walking along the railroad tracks and intended to run away," Cummins said. They found the girls walking along the railroad tracks about three miles west of Augusta, where the embankment is steep and rocky.

"It's about the roughest area I can think of to get from the highway to the river," Cummins said.

From the roadside, Johnson tried to persuade the girls to return to school, Cummins said. After about an hour, one of the girls agreed to return with him. But when Johnson climbed down the embankment to the railroad tracks, one of the girls brandished a pair of scissors and made stabbing gestures, Cummins said.

"She was adamant about not coming back," Cummins said. "She was wild and distraught and (Johnson) backed off. Then all of a sudden, she dove into the river, with the scissors still in her hand.

"Mr. Johnson jumped into the river without hesitation—he couldn't swim himself," Cummins said. "I believe they would have both drowned if one of my officers, Joe Kiskaden, hadn't gone in and got hold of Mr. Johnson's hand.

"Johnson saved the girl's life and (Kiskaden) saved Johnson's."

It took rescue workers about 45 minutes to move the girl, who was in shock from hypothermia, from the riverside to the highway, Cummins said.

"It was a major rescue to get her out of the area," he said. The girl was strapped to a backboard and pulled up the embankment by the Augusta Fire Department Rescue Squad.

The girl was taken to Meadowview Regional Hospital. She was to be transferred to Bourbon General Hospital in Paris Friday night, according to a relative, who asked not to be identified. Her condition could not be ascertained late Friday.

Cummins said that Johnson also suffered from hypothermia shock and was treated by his physician.•

UNITED STATES-JAPAN SEMICONDUCTOR TRADE

• Mr. BAUCUS. Mr. President, I rise today to talk about the status of our semiconductor chip trade with Japan.

As you know, Mr. President, figures released Friday showed that United States and foreign exports of semiconductor chips to Japan finally exceeded the magic 20-percent market share target. In the fourth quarter of 1992, United States and foreign semiconductors gained 20.2 percent of that market.

I've been waiting for this happy piece of news for 7 years. During that time, the promises of a 1986 trade agreement were broken, and a second one was negotiated. Finally, a milestone has been passed.

Though long overdue, this event is truly welcome on several fronts. First, it shows the United States semiconductor industry's commitment to selling their quality goods in Japan. Second, it shows that with perseverance, we can make progress with Tokyo. With hard work, we can help competitive United States industries to realize their potential in the Japanese market.

The U.S. semiconductor industry is the most competitive in the world. The United States supplies Europe's $11.4 billion market with 47 percent of its chips. It supplies the United States $18.6 billion market with 70 percent of its chips. It's about time it reached 20 percent in Japan, the world's biggest market.

But to get even that far in Japan, the United States industry has had to work long and hard. And it has done it against all odds. In the late 1980's, it had to struggle to regain its market here at home after Japan's predatory pricing decimated the industry early in the decade.

And, if that wasn't enough, cross-shareholder relationships in Japan between chip makers and their suppliers, known as keiretsu, squelched United States imports from 1978 on.

In the late 1980's—with the help of our tough trade laws—we corrected Japan's unfair semiconductor pricing tactics in our own market. But tackling keiretsu in Japan has proven to be a much bigger job.

By way of example, United States and foreign market share in Japan was only 9 percent when we reached our first chip agreement in 1986. Under that agreement, Japan promised us a 20-percent market share by 1990. Yet, by 1990, imports had only reached the 14- to 16-percent range.

It took a second, tougher agreement to put us over the edge. When it negotiated its new chip agreement in 1991, the United States pledged it would walk away from the deal if Japan did not buy 20 percent of its semiconductor chips from United States and other sources by the end of 1992.

In short, Japan knew that if it didn't meet this 20-percent target this time, it was all over. And it worked.

I should note that market share targets are not my favorite way to open markets. But, when everything else has been tried, I believe targets must be used as a last resort. After years of frustration, I believe this was the right way to go.

Mr. President, as I said before, a milestone has been passed. But the road stretches out many miles before us. Now that a 20-percent share has been reached, let's move beyond.

I will be watching to make sure that the 20-percent share is just the beginning. That, after all, was part of Japan's promise, too. And, in my mind, a failure to go beyond would go against the spirit of the agreement.

In the future, I look forward to watching the United States industry reach new milestones in the Japanese market.•

RECOGNITION OF HEROIC DEED—IN HONOR OF DOUGLAS RICE, KRIS ZOOK, AND MARVIN PUSTINGER

• Mr. WOFFORD. Mr. President, I rise today to salute Douglas Rice of Hermitage, PA, Kris Zook of Sharpsville, PA, Marvin Pustinger of Farrell, PA, along with Joshua Jamison of Topside, MA. On February 6, 1993, these young scholars rescued two Westminster students, who had fallen through ice into a lake on the college campus.

Several of the students are Eagle Scouts in Custaloga District. In addition, Mr. Zook and Mr. Pustinger currently serve as assistant Scoutmasters in Sharon, PA.

As suggested by Friedrich Schopenhauer, in moments of life and death, the oneness of humankind becomes apparent, and one becomes cognizant that our individual separation is but an aberration of time and space. The selfless actions of Douglas, Kris, Marvin, and Joshua clearly give flesh

to this notion. The extraordinary courage and character of these young men is a tremendous source of pride for their schools, families, and our great Commonwealth. Again, I salute these brave individuals and offer my good wishes to all those involved in this heroic effort.•

BUDGET SCOREKEEPING REPORT

• Mr. SASSER. Mr. President, I hereby submit to the Senate the budget scorekeeping report prepared by the Congressional Budget Office under section 308(b) and in aid of section 311 of the Congressional Budget Act of 1974, as amended. This report meets the requirements for Senate scorekeeping of section 5 of Senate Concurrent Resolution 32, the first concurrent resolution on the budget for 1986.

This report shows the effects of congressional action on the budget through March 19, 1993. The estimates of budget authority outlays, and revenues, which are consistent with the technical and economic assumptions of the concurrent resolution on the budget—House Concurrent Resolution 287—show that current level spending is below the budget resolution by $2.1 billion in budget authority and $0.5 billion in outlays. Current level is $0.5 billion above the revenue floor in 1993 and above by $1.4 billion over the 5 years, 1993–97. The current estimate of the deficit for purposes of calculating the maximum deficit amount is $392.4 billion, $28.4 billion below the maximum deficit amount for 1993 of $420.8 billion.

There has been no action that affects the current level of budget authority, outlays, or revenues since the last report, dated March 16, 1993.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 22, 1993.

Hon. JIM SASSER,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of Congressional action on the budget for fiscal year 1993 and is current through March 19, 1993. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of the Concurrent Resolution on the Budget (H. Con. Res. 287). This report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended, and meets the requirements for Senate scorekeeping of Section 5 of S. Con. Res. 32, the 1986 First Concurrent Resolution on the Budget.

Since my last report, dated March 15, 1993, there has been no action that affects the current level of budget authority, outlays, or revenues.

Sincerely,

JAMES L. BLUM,
(For Robert D. Reischauer).

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, 103D CONG., 1ST SESS. AS OF MAR. 19, 1993

[In billions of dollars]

	Budget resolution (H. Con. Res. 287)	Current level [1]	Current level +/− resolution
On-budget:			
Budget authority	1,250.0	1,247.9	−2.1
Outlays	1,242.3	1,241.8	−.5
Revenues:			
1993	848.9	849.4	+.5
1993–97	4,818.6	4,820.0	+1.4
Maximum deficit amount	420.8	392.4	−28.4
Debt subject to limit	4,461.2	4,123.8	−337.4
Off-budget:			
Social Security outlays:			
1993	260.0	260.0	
1993–97	1,415.0	1,415.0	
Social Security revenues:			
1993	328.1	328.1	(2)
1993–97	1,865.0	1,865.0	(2)

[1] Current level represents the estimated revenue and direct spending effects of all legislation that Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates under current law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[2] Less than $50,000,000.

Note.—Detail may not add due to rounding.

THE ON-BUDGET CURRENT LEVEL REPORT FOR THE U.S. SENATE, 103D CONG., 1ST SESS, SENATE SUPPORTING DETAIL FOR FISCAL YEAR 1993 AS OF CLOSE OF BUSINESS MAR. 19, 1993

	Budget authority	Outlays	Revenues
ENACTED IN PREVIOUS SESSIONS			
Revenues			849,425
Permanents and other spending legislation	764,283	737,413	
Appropriation legislation	732,061	743,943	
Offsetting receipts	(240,524)	(240,524)	
Total previously enacted	1,255,820	1,240,833	849,425
ENACTED THIS SESSION			
Entitlements and mandatories Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted	(7,928)	962	
Total current level [1]	1,247,892	1,241,794	849,425
Total budget resolution [2]	1,249,990	1,242,290	848,890
Amount remaining:			
Under budget resolution	2,098	496	
Over budget resolution			535

[1] In accordance with the Budget Enforcement Act, the total does not include the following in emergency funding:

[In millions of dollars]

	Budget authority	Outlays
Public Law:		
102–229		712
102–266		33
102–302		380
102–368	926	5,850
102,381	218	13
103–6	3,322	3,322
Total	4,467	10,310

[2] Includes revision under section 9 of the concurrent resolution on the budget.

Note.—Amounts in parentheses are negative. Detail may not add due to rounding.•

A TRIBUTE TO METCALFE COUNTY

• Mr. MCCONNELL. Mr. President, I rise today to pay tribute to Metcalfe County, an outstanding county located among the rolling hills of south-central Kentucky.

Metcalfe County was named for the famed stonemason, Thomas Metcalfe, who served as Governor of Kentucky from 1828 to 1832. Governor Metcalfe was known throughout the State as Old Stone Hammer. He earned this name while on the Presidential campaign trail for William Henry Harrison in 1840. A town along Metcalfe's campaign route presented him with a stone hammer in appreciation for his work. Metcalfe considered the presentation of the hammer to be quite an honor and wore the hammer on his belt for the rest of the campaign.

Metcalfe County has changed little since the days when Thomas Metcalfe governed the State. Agriculture is still an important part of the community's economic base, although a few industries have located in Edmonton. This combination has been outstanding for workers. The county's unemployment rate is near 4 percent, which is significantly lower than many communities in the United States.

Metcalfe County residents gather at the Bel-Air Restaurant, Jim's Grill, and Gene's Freeze each day to discuss local and world news. These daily gatherings promote a sense of community which is hard to find in most cities. Visitors are treated like neighbors, and long-time residents proclaim there is no better place to live than Metcalfe County. In fact, when the local country-rock band, the Kentucky Headhunters, found fame and fortune, members shunned suggestions to move and stayed in Metcalfe County where their family ties are strong.

Mr. President, I honor the good people of Metcalfe County for their dedication to preserving a tight knit community. Their perseverance truly is an inspiration to all.

Mr. President, I ask that an article from Louisville's Courier-Journal be submitted in today's CONGRESSIONAL RECORD.

The article follows:

(From the Louisville Courier-Journal, Mar. 22, 1993]

EDMONTON

(By Cynthia Crossley)

Recently, during a concert stop in California, the Edmonton-based Kentucky Head-Hunters were walking around town doing a little sightseeing.

Guitarist Richard Young soon realized that the locals were doing a little sightseeing of their own—getting an eyeful of his brother Fred, the band's drummer.

"I've seen more people with purple hair turn back and look at Fred and those werewolf-looking' whiskers of his," Young said, shaking his own head of long hair. "You know they're thinking, "What's the world coming to?"

Young told the story over coffee at Gene's Freeze in Edmonton. He had come from his home in Wisdom, just west of Edmonton, and was headed to his son's Boy Scout dinner.

His brother Fred also comes home to Metcalfe County when he gets a chance. Last fall he married a local girl, and they plan to build a house on a farm owned by the Youngs' father. The bass drum Fred uses in concerts is the same one given him by

Metcalfe County High School, complete with the school name.

The HeadHunters may look a little unusual, but in their songs and their behavior, they stay true to their Metcalfe County roots. Since the Young brothers are known for being genuinely nice guys, perhaps one could argue that most people, including some purple-coiffed Californians, could benefit from a dose of the Metcalfe County lifestyle.

Just imagine starting your day on a dairy or tobacco farm, then driving over to the Bel-Air Restaurant for coffee, breakfast and the local gossip. If you go to the Bel-Air, you ought to go in a pickup; the parking lot is full of them.

Livestock and tobacco prices are frequent topics, as are "politics, taxes and the new school building," said Gabriel "Burns" Romines, as he sat recently at the Bel-Air's "Liars Table," a coffee-cup littered table off to the side of the dining room.

Then you would ease on back to your farm or to your "public" job. A public job is anything you do off the farm.

After toiling for a while, you might go to lunch on the square at Jim's Grill and head back to the Bel-Air in the afternoon for a coffee break.

In the summertime, you might go to the shady courthouse yard and sit on a bench with the whittlers, who swap knives when they're not adding to the mounds of wood shavings at their feet.

"The courthouse yard just seems to draw people into it," said Tom Emberton, an Edmonton resident and a judge on the Kentucky Court of Appeals. "It's a wonderful place."

Ah, the low-stress life. There aren't any traffic jams, since there's never enough traffic to support more than one flashing red light in the whole county.

And there aren't many controversies, since few things seem to rile folks.

There was a time, before Metcalfe County voted itself dry in the 1920's, when Edmonton had trouble with rowdies. The town "just couldn't handle it," said James Howard Young, a retired schoolteacher and raconteur who is the father of the two HeadHunters. "There were so damn many hoodlums they had to vote it dry."

One locally famous troublemaker of a century ago was a character named Dode Dowell. Dowell, who carried on a sort of Hatfield and McCoy feud with a man who lives across a ridge from him, is said to have shot a deputy marshal named Stotts at the courthouse in such a manner that the body rolled down some steps and stopped in front of the judge's bench.

There used to be a bullet hole in the courthouse from that incident, but several residents said the county had made "a big mistake" by covering it up during a refurbishing.

But now times are quiet and few things grow into big controversies. For example, several people shrugged when asked about the sinkhole problems at the new Metcalfe County High School. Metcalfe County isn't all that far from the heart of Kentucky's cave country, so folks say that's the way the land is around here.

Then there's the long tenure of Metcalfe County's elected officials. County Judge-Executive Woodrow Wilson is planning to retire at year's end, after 28 years in office. (Yes, he is named for the 28th president.) And Edmonton Mayor M. W. "Pat" Patterson, a retired driver for Greyhound Bus Lines, has served as mayor or as a City Council member since the early 1960s.

"The complaints are few and far between," Patterson said. "The council and myself have always gotten along."

(Retired Circuit Judge Cas Walden, 90, who held office for 20 years, knows of an exception to this rule. A county attorney by the name of G.B. Stone served one term around the turn of the century, and lost his re-election bid. However, Stone refused to move out of his one-room office in the courthouse, and the county allowed him to live there until he died, Walden said. You could say that Stone had a long tenure of sorts, because, as Walden notes, "he never did leave his ofice.")

Edmonton attorney Barry Gilley thinks there are few political controversies because "politics here is a hobby, as opposed to a part of life."

Of course, there could be another reason. Fowler Branstetter, a Metcalfe County dairy farmer and owner of an Edmonton farm-supply store, says a lot of people "don't have the time and don't want the responsibility and headaches" that come with holding a public office.

Unlike other towns, Edmonton shows little demand for economic growth. Edmonton, which sits just off the Cumberland Parkway, has two industrial parks that have lured some clothing factories and a couple of companies with Japanese ties—Sumitomo Electric Wiring Systems, which makes wiring harnesses for cars, and SPD Magnet Wire Co., a joint venture of Sumitomo Electric Industries and Phelps Dodge Magnet Wire company, a North American producer of magnet wire.

"That parkway has been a blessing for us. It's opened us up," said attorney Herb Sparks, chairman of Metcalfe's industrial-development authority.

Now most Metcalfe residents have jobs, according to unemployment statistics, although few of them are prospering by national standards. The unemployment rate has been around 4 percent, but per capita income is well below the state average.

Still, "if you're at the poverty level, you don't have much problem living here," said Walden, the retired judge.

Perhaps that's because of retailers like Bill Wilson, whose dry-goods store faces the courthouse square. Wilson spent a recent rainy day perched on his stool behind the counter, wearing a tweed hat and jacket. Ruby Garrett, the store's clerk, stood nearby. All but two of the 48-year-old store's hanging globe lights were off.

All around Wilson and Garrett lay clothing items stacked in mounds. Shoe boxes. Lingerie boxes. Hat boxes. Pants. Dress shirts. Work shirts. Bolts of material. There appeared to be three prices, generally penciled on the boxes: $9.95, $14.95 and $24.95.

Clearly, the retailing theories of late-20th-century chains and shopping malls had never been a source of merchandising inspiration for Wilson.

"Let's say you're looking for something you haven't seen in a store for 10 years. If you can't find it anywhere else, you can find it at Wilson's," said Clay Scott, publisher and editor of The Herald-News, the local newspaper.

Finding something does not mean browsing. If he allowed shoppers to wander the aisles, Wilson would have to turn the lights on. So people usually tell Wilson or Garrett what they need as soon as they come in and for the most part, one or the other can pull the item out of some pile fairly quickly.

The dressing "room" is in the back; if you aren't too tall, a stack of boxes will keep other shoppers from seeing you in your skivvies.

It may sound odd, but people quickly defend Wilson's method.

"That's the way retailers used to be," said Emberton, whose Court of Appeals office is next to Wilson's store. "Mr. Wilson goes out of his way to help you."

Several people in Metcalfe County believe that making the effort to help others is something most folks there do without a second thought.

"Very few people here would not treat you like you're their neighbor, whether they knew you or not," said Scott, "It's a very small, close-knit community."

One manifestation of that close-knit feeling is the response a visitor gets when asking about getting in touch with the HeadHunters. Without fail, the person being asked responds warmly, as if you have just asked about getting in touch with a favorite brother. People know when the group is on the road, where its members live, the first names of their wives, even the progress on the renovations of their homes.

"Well, you know, they were an overnight success after 15 to 20 years of hard work," said Sparks, who said he does some legal work for the group, "Those guys worked so hard, and when somebody does hit it like that, you're really happy that all that hard work paid off.

"And when they hit, they didn't choose to go somewhere else. They stayed in Edmonton, they married local girls * * *. They're just nice, genuine folks. Everybody's got a connection to them."

HeadHunter Richard Young, noting that the HeadHunters travel with a Kentucky state flag, returned the compliment.

"More than anything, we want people to know what a great place we're from," he said. "I travel constantly, and when I get to Kentucky, I can walk home. Metcalfe County is our base, what keeps us going, what keeps our sanity, when we're out in Timbuktu."

FAMOUS FACTS AND FIGURES

Metcalfe County is named for stonemason Thomas Metcalfe, the governor of Kentucky from 1828 to 1832. Metcalfe, known as "Old Stone Hammer," helped lay the foundation for the old Governor's Mansion in Frankfort. According to a local history, when Metcalfe campaigned in 1840 on behalf of then-presidential candidate William Henry Harrison, one town presented Metcalfe with a polished-steel stone hammer. Metcalfe considered the gift "the highest honor" and wore it swinging from his belt the rest of the campaign.

Edmonton was called Edmunton, after founder Edmund Rogers. When or why the spelling changed isn't known. Rogers, a surveyor, came to Kentucky in 1783 and laid out Edmunton around 1800.

Folks in Metcalfe County claim many of their crossroad communities were named by the old postmasters. That's true for Wisdom, Subtle and Summer Shade. But what about Goodluck? Is the mud of Mud Splash still there? Perhaps Alone was a complaint—or a wish. Alas, those postmarks are disappearing, as have another source of colorful names, the one-room schools. Who wouldn't want a diploma from the "Frog College" or "Possum Scratch" schools on the wall?

In his book "Alice, Let's Eat," writer Calvin Trillin talks about eating country ham at Porter's restaurant. The restaurant is across from the sulfur well of Sulphur Well. Trillin writes that he sampled the well water and told his companions of "my suspicion that the reputation of Porter's might rest on the fact that anything would taste good after that water." But Trilllin considered the meal "a triumph." The restaurant has

changed owners, and the name has been changed to The Lighthouse, but the May 1991 issue of Travel & Leisure magazine says the country ham is worth the drive.

Population (1990): Edmonton, 1,477; Metcalfe County, 8,963.

Per capita income (1990): $10,553, or $4,412 below the state average.

Jobs (Metcalfe County, 1991): Manufacturing, 1,432; wholesale/retail, 364; services, 117; state/local government, 426; finance and insurance, 61; mining, 29; construction, 29.

Big employers: Sumitomo Electric Wiring Systems, 750; Metcalfe County Board of Education, 240; Kentucky Apparel and Laundry, 190; Edmonton Manufacturing Co., 155; Carhartt Inc., 141.

Media: Newspaper—The Herald-News, weekly. Radio—WKNK (country). Television: Cable available.

Education: Metcalfe County schools, 1,694 students.

Transportation: Air—Glasgow's Moore Field, 18 miles west of Edmonton. Nearest scheduled airline service available at either Standiford Field in Louisville, 113 miles north of Edmonton, or at Nashville International Airport, 117 miles southwest of Edmonton. Rail—CSX service available at Glasgow, 16 miles from Edmonton. Trucking—12 truck lines serve Edmonton.

Topography: Rolling hills with occasional sinkholes; the sinkholes are a reflection of the underlying limestone caves.●

RICHARD E. DISBROW RETIRES FROM AMERICAN ELECTRIC POWER

● Mr. GLENN. Mr. President, a nationally recognized leader in the electric utility industry, Richard E. Disbrow, is retiring as chairman and chief executive officer of the American Electric Power Co. at the end of April. Mr. Disbrow is the seventh chairman of the board in the 86-year history of American Electric Power. Under his leadership, AEP has taken major steps in environmental compliance and energy technology.

With Mr. Disbrow's leadership, AEP has achieved an international first by successfully converting the Wm. H. Zimmer Generating Station near Cincinnati, OH, from a nuclear to a coal-fired facility while still using a large portion of the equipment intended for the original nuclear plant. Since it began commercial operation in 1991, the Zimmer facility has received a number of awards, including the U.S. EPA's Region V Award for Excellence in Sulfur Dioxide Control.

With his direction, AEP has also advanced in the development of its clean-coal technology. AEP is now demonstrating the capability of the pressurized fluidized bed [PFBC] process at its Tidd PFBC demonstration plant near Steubenville, OH. This method has the ability to burn high-sulfur coal while eliminating 90 percent of the sulfur dioxide emissions and approximately half of the nitrogen oxide emissions.

In addition, under Mr. Disbrow's leadership, AEP has made a significant investment in development of the E-lamp, a new generation of lighting technology that was publicly introduced last year. This technology combines the light intensity of incandescent light bulbs and the energy efficiency of fluorescent lamps in a bulb with a 20,000-hour life.

Finally, Mr. Disbrow is proud of AEP's participation in U.S. EPA's Green Lights Program which encourages the nationwide use of energy efficient lighting. AEP is the largest coal-fired utility to have joined in the program and was the first electric utility to join Green Lights in six of the seven States it serves.

Throughout his 39-year career with the AEP system, Mr. Disbrow has made significant contributions to the reliability and dependability of the electric energy supply in the United States. I wish him continued success and much happiness in his retirement.●

ORDERS FOR WEDNESDAY

Mr. FORD. Madam President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 a.m., Wednesday, March 24; that following the prayer, the Journal of proceedings be deemed approve to date and the time for the two leaders be reserved for their use later in the day; that the Senate then resume consideration of Calendar No. 34 (S. Con. Res. 18), the concurrent budget resolution.

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

RECESS UNTIL 9 A.M. WEDNESDAY

Mr. FORD. Madam President, if there is no further business to come before the Senate today, I now ask unanimous consent the Senate stand in recess as previously ordered.

There being no objection, the Senate, at 12:18 a.m., recessed until Wednesday, March 24, 1993, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate March 23, 1993:

DEPARTMENT OF STATE

WINSTON LORD, OF NEW YORK, TO BE AN ASSISTANT SECRETARY OF STATE, VICE WILLIAM CLARK, JR., RESIGNED.

EXTENSIONS OF REMARKS

REMARKS OF GOV. ROBERT P. CASEY

HON. JAMES M. TALENT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1993

Mr. TALENT. Mr. Speaker, on March 11, 1993, I was in St. Louis, MO, where the Honorable Robert P. Casey, the Democratic Governor of Pennsylvania, delivered a thoughtful speech to the Conference on Abortion and Public Policy. Governor Casey has been a leading voice on this important issue, and I think his thoughts on abortion deserve to be heard. For this reason, I would like to submit a copy of his speech for the RECORD.

REMARKS BY GOV. ROBERT P. CASEY

All of us are joined in our conviction that abortion is a bad thing. And although many of us are Catholics, we are also joined in the conviction that abortion is not simply a Catholic concern. It's a catholic concern with the small "c"—the concern of anyone who rejects the idea of human life as a disposable commodity. The concern of anyone with eyes to see, a mind to reason, and a heart to feel.

It is not an arrogant boast, but a demographic fact, that most Americans share this conviction. Anytime the question is put squarely to them, "Do you oppose abortion on demand?" more than two out of three Americans answer yes. Asked if they favor restrictions on abortion such as we have enacted in Pennsylvania, again a majority of 70 to 80 percent say yes. Perhaps the most telling survey of all found that 78 percent of the people would outlaw 93 percent of all abortions—all but the familiar hard cases. Even in the last election, in which all sides sought to shelve the issue of abortion, exit polls revealed its central importance in the minds of most voters.

To those who favor liberal abortion policies, this persistent opposition is a mystery, a disturbing sign of something backward and intolerant in our society. Sometimes the abortion lobby pretty much concedes that Americans by and large favor restrictions on abortion—as when Pennsylvania's abortion laws were upheld by the Supreme Court. Such setbacks to their cause leave abortion advocates bewildered and alarmed, convinced that Americans still need to be "educated on the issue."

Other times—like right now—their tactic is to obscure public opinion by marginalizing the pro-life side, dismissing critics of their cause as a handful of fanatics resisting the tide of opinion. A quarter of a million people may gather to protest abortion on the Washington Mall, and if the media notice them at all, they're treated almost in a tone of pity, like some narrow fringe estranged from modern realities. As I discovered, even the governor of a major state, who holds pro-life views, can be denied a hearing at his party's convention without the national media protesting it. The success of this tactic is truly a public relations triumph, only possible in an environment which constantly marginalizes and suppresses the pro-life message. And despite 20 years of brainwashing, the American people have not been fooled. If the majority of Americans support abortion, why have three of the last four presidential elections been won resoundingly by pro-life candidates? If my position is irrelevant, then so, I'm afraid, are the views of some 80 to 85 percent of the people of Pennsylvania and the United States.

As I read the polls showing our continuing unease with abortion, nothing makes me more proud to call myself an American. Among the "herd of independent minds" who make up our opinion leaders, abortion may be taken as a mark of progress. But most Americans have not followed. In the abortion lobby's strange sense of the word, America has never been a "progressive" nation. For we know—and this used to be the credo of my party—that progress can never come by exploiting or sacrificing any one class of people. Progress is a hollow word unless everyone is counted in and no one written off, especially the most weak and vulnerable among us.

You cannot stifle this debate with a piece of paper. No edict, no federal mandate can put to rest the grave doubts of the American people. Legal abortion will never rest easy on this nation's conscience. It will continue to haunt the consciences of men and women everywhere. The plain facts of biology, the profound appeals of the heart, are far too unsettling to ever fade away.

The abortion issue has intersected with my public life from the very beginning. It started in 1966, seven years before *Roe v. Wade*.

The occasion was the Pennsylvania Democratic gubernatorial primary. New York had just passed a very liberal abortion law, and the question was, Would I sign such a law in Pennsylvania if it were to pass? My opponent's answer was that this was an issue only women fully understood; that he would appoint a women's commission to study the issue, if elected; and that he would sign such a law, if enacted, in Pennsylvania. My response was simple and unequivocal: If the law were to pass, I would veto it.

I lost that primary by a narrow margin. I am fairly certain that my abortion position hurt me, because in a Democratic primary, where turnout is relatively low, liberal voters turn out in disproportionately large numbers and thus exercise a disproportionate influence on the outcome.

The point I want to make about my decisional process in 1966 is this: I took the position against a liberal abortion law instinctively. I did not consider it to be a position dictated by my Catholic faith. As a matter of fact, the Catholic Church made it clear that it took no position in the primary. And many Catholics worked openly and actively for my opponent.

For me, the imperative of protecting unborn human life has always been a self-evident proposition. I cannot recall the subject of abortion ever being mentioned, much less discussed in depth, in school or at home. My position was simply a part of me from the very beginning.

When I was elected Governor in 1986, both my Democratic primary opponent and general election Republican opponent were pro-choice. The general election was a photo finish. When my opponent and I debated on statewide television shortly before the election, the inevitable question was asked: "If the Supreme court overruled *Roe v. Wade*, and the Pennsylvania Legislature passed a law banning all abortions except to save the life of the mother, would you sign it?" My opponent said that, while there were "too many" abortions in our country, and we should work to reduce that number, he would veto the law banning abortion. My answer was: "Yes, I would sign such a law."

My campaign people thought that my answer, with no qualifiers—no ifs, no ands, and no buts—had lost the election. I won by about 75,000 votes.

When I ran for reelection in 1990, my Republican opponent was stridently pro-choice. The abortion issue was the motivating factor behind her candidacy. She was banking on the conventional wisdom of that period—the post-*Webster* period—when the pro-choice groups tried to convince the country that women, shocked by the *Webster* decision, would rise up and drive all pro-life candidates from public life. And their message was as cruel as it was direct. The leader of the National Organization for Women in Pittsburgh said that I was sick, and would probably be dead before the election. (I had had open-heart surgery in 1987.) My opponent called me "a rednecked Irishman." The National Abortion Rights Action League released a poll purporting to show the election a dead heat when people were informed of my position on abortion. Pro-choice groups sent several dozen of their supporters to the Governor's Residence where they chanted, "Get your rosaries off my ovaries," as the television cameras whirred. And my opponent, who spent two million dollars, ran a television commercial purporting to depict a rape, to dramatize my position of refusing to recognize an exception for rape, in which it was difficult to distinguish me from the rapist.

I won by over one million votes, the largest winning margin in Pennsylvania gubernatorial political history. I am convinced the abortion issue was a key factor in that victory.

But, in between the 1986 and 1990 campaigns, I came face to face for the first time with a conflict between my personal and public position on abortion, and what I regarded as the duty imposed by my oath of office to "support, obey and defend" the Constitution of the United States. As a lawyer, I was trained to believe that the Constitution means what the United States Supreme Court says it means. The consequence of that line of reasoning was that I could not sign a law which was, on its face, in direct conflict with what the Supreme Court had decided, even when I personally did not agree with the Court's ruling.

That issue was squarely presented when our legislature, in December 1987, and before the *Webster* ruling, passed an abortion control law which required the woman to notify the father of the child. This meant the biological father, whether or not he was the spouse of the woman. The Supreme Court had already struck down as unconstitutional even a spousal notification requirement, where the biological father was the woman's husband, and the two were living together in a normal domestic relationship.

I vetoed the law, pointing to my constitutional duty, under my oath, and the futility—from the standpoint of protecting unborn human life—of passing laws which had no chance of ever taking effect to help the unborn.

This is what I said in my veto message:

"Let me restate in summary tbe distinction between personal belief and constitutional duty as it applies to this legislation. I believe abortion to be the ultimate violence. I believe strongly that *Roe v. Wade* was incorrectly decided as a matter of law and represents a national public policy both divisive and destructive. It has unleashed a tidal wave that has swept away the lives of millions of defenseless, innocent unborn children. In according the woman's right of privacy in the abortion decision both exclusivity and finality, the Supreme Court has not only disregarded the right of the unborn child to life itself, but has deprived parents, spouses, and the state of the right to participate in a decision in which they all have a vital interest. This interest ought to be protected, rather than denied, by the law. This policy has had, and will continue to have, a profoundly destructive effect upon the fabric of American life. But these personal beliefs must yield to the duty, imposed by my oath of office, to follow the Constitution as interpreted by the Supreme Court of the United States. . . .

"Most importantly, I emphasize again that we must—and we will—enact a strong and sustainable Abortion Control Act that forms a humane and constitutional foundation for our efforts to ensure that no child is denied his or her chance to walk in the sun and make the most out of life. I will sign this bill when it reaches the end of the legislative process and attains those standards."

Following the veto, my staff and I worked closely with pro-life groups and legislative leaders to draft the Abortion Control Act of 1989 within the framework of the Supreme Court cases, including the *Webster* decision. The law requires parental consent for minors, informed consent and a 24-hour waiting period. These limitations were upheld in *Planned Parenthood of Southeastern Pennsylvania v. Casey*. A spousal notification requirement in the law was struck down.

Thus, while concluding that my oath of office precluded me from signing an unconstitutional law, I also recognized a right, if not a duty, to work to change the law within the democratic process. First, by enacting a law that was designed to limit and reduce abortions within the constitutional authority of the states. Second, to speak out in favor of the protection of human life so as to influence others, including federal and state policymakers, so that they too would adopt this view.

I have described how I understood my position in 1987. But now, six years later, I feel compelled to inquire further: What exactly *is* the relationship between the rulings of the United States Supreme Court and the Constitution I am bound to uphold?

As everyone knows, the Court can be—and has been—seriously wrong. The Court erred in the case of Dred Scott. And I believe that the Court erred in the case of *Roe v. Wade*.

In this context, in this place, one cannot help but recall Abraham Lincoln's attitude toward the Supreme Court's Dred Scott decision, which he and so many others believed to be disastrously wrong.

Lincoln viewed the Dred Scott decision as, "not having yet quite established a settled doctrine for the country." A year after the decision, he said, "If I were in Congress, and a vote should come up on a question whether slavery should be prohibited in a new territory, in spite of the Dred Scott decision, I would vote that it should." Several years later, Congress did precisely that. In open defiance of Dred Scott, Congress outlawed slavery in the territories.

In his first inaugural address, Abraham Lincoln, in referring to the Dred Scott case, expressed the view that other officers of the government could not be obligated to accept any new laws created by the Court unless they, too, were persuaded by the force of the Court's reasoning. Any other position would mean, in his view, that "the policies of the government upon vital questions, affecting the whole people, [could] be irrevocably fixed by decisions of the Supreme Court, the instant they are made, in ordinary litigation between parties, in personal actions." If that were to occur, said Lincoln, "the people will have ceased to be their own rulers, having to that extent practically resigned the government into the hands of that eminent tribunal."

After much thought and reflection since 1987, I must confess that I am more and more persuaded that Lincoln's view should be the standard for pro-life elected officials in 1993 and beyond.

The question I want to address tonight, then, is this: What are the responsibilities of a pro-life politician?

For no matter what the majority sentiments may be, the drift of law favors abortion. Our courts, which do not operate on majority rule, say abortion is legal, an implied constitutional right to privacy found nowhere in the text of the Constitution. For a politician like myself, opposition to abortion may thus become opposition to the existing laws one is sworn to uphold.

What then do conscience and duty require?

I believe the first step is to understand that such dilemmas are not new to our day. Any man who has ever tried to use political power for the common good has felt an awful sense of powerlessness. There are always limits on what we can do, always obstacles, always frustrations and bitter disappointments. This was the drama a future president once studied in *Profiles in Courage*, a book that now seems quaint in its simple moral idealism. The founders of our country understood the limits of political power when they swore allegiance to something higher, their "sacred honor." Lincoln felt this tension when he sought to uphold the equality of men. His real greatness was in seeing that political reform alone wasn't enough; not only the slave had to be freed, but the slave owner from the bonds of his own moral blindness. Likewise, Thomas More expressed the dilemma when, faced with the raw power of the state, he declared, "I die the king's good servant but God's first." Far from being a new problem, this tension goes all the way back to the Pharisees and their challenge to declare for or against Caesar.

Just as the problem is an old one, so are the alternatives. One of these alternatives is accommodation with power, a pragmatic acceptance of "the facts." In the abortion question, this position is summed up in familiar disavowal, "I'm personally opposed, but . . ."

The hard facts—so runs this view—are against us. However we might oppose it, abortion is a sad feature of modern life. Tolerance is the price we pay for living in a free, pluralistic society. For the Catholic politician to "impose" his moral views would be an act of theocratic arrogance, violating our democratic trust. The proper and prudent course is therefore to bring change by "persuasion, not coercion." Absent a "consensus," it is not the place of any politician to change our laws permitting abortion.

I want to be careful here not to caricature this position. Some very honorable people hold it, and it is not my purpose to challenge their motives. Yet, as some politicians advance this view it does seem an evasion, a finesse rather than an honest argument. But that, so far as I am concerned, is the secret of their own individual hearts. Here I mean only to challenge the argument on its own intellectual grounds, with the presumption of good faith extended all around.

We can dispense easily with the charge of theocratic arrogance. That would certainly apply if we were trying to impose some uniquely Catholic stricture like church attendance or fast days on the general population. But the stricture to refrain from killing is not uniquely Catholic. And that, as a purely empirical assertion, is how nearly all people of all faiths at all times have regarded abortion—as killing. Just listen, for example, to Frank Sussman, the lawyer who represented Missouri abortion clinics in *Webster*.

"Neither side in this debate"—he said—"would ever disagree on the physiological facts. Both sides would agree as to when a heartbeat can first be detected. Both sides would agree as to when brain waves can first be detected. But when you try to place the emotional labels on what you call that collection of physiological facts, that is where people part company."

Or listen to former New York Mayor Ed Koch, a fellow Democrat: "I support *Roe v. Wade* wholeheartedly," he wrote in a column. "And I do it even while acknowledging to myself that at some point, perhaps even after the first trimester, abortion becomes infanticide . . ."

Or, for that matter, just listen to President Clinton speaking last month in Chillicothe, Ohio: "Very few Americans believe that all abortions all the time are all right. Almost all Americans believe that abortions should be illegal when the children can live without the mother's assistance, when the children can live outside the mother's womb."

By referring to the unborn as "children," the President was not making a theological claim; he was just putting all the physiological facts together. The same is true when we say abortion "kills." We don't say it in meanness. It's a unique kind of killing, for the motive may not be homicidal; it may be done in ignorance of what actually is occurring. We reserve a special compassion for women who find themselves contemplating abortion. But as an objective fact, that is what abortion is, and so mankind has always regarded it. Science, history, philosophy, religion, and common intuition all speak with one voice in asserting the humanity of the unborn. Only our current laws say otherwise.

So much for theocratic arrogance. That is the more obvious fallacy underlying the "personally opposed, but . . ." line of reasoning.

But I believe it arises from a deeper intellectual confusion. It confuses prudence with pragmatism, and mistakes power for authority.

Prudence we all know to be a virtue. Classical thinkers rated it the supreme political virtue. Roughly defined, it's the ability to distinguish the desirable from the possible. It's a sense of the good, joined with a practical knowledge of the means by which to accomplish the good. A world in which every unborn child survives to take his first breath is desirable. But we know that such a world has never been. And prudence cautions us never to expect such a world. Abortion is but one of many evils that, to one extent or another, is to be found at all times and places. Men can make good laws, but laws cannot make men good.

But the point is that after facing up to such facts, the basic facts of our human condition, prudence does not fall silent. It is not an attitude of noble resignation; it is an active virtue. The voice that says, "Ah, well, there is no consensus. We must take the world as it is. There is nothing further to be done"—that is not the voice of prudence. It is the voice of expediency.

Prudence compromises—it doesn't capitulate. It's tolerant, but not timid.

Prudence asks: "If there is no consensus, how do we form one? What means of reform are available to us? How, lawfully, can we change the law?"

And here is where the difference between power and authority comes in. In the best of worlds, the law commands both. The law confers power or rightful authority, and invests authority with power. The integrity of our laws rests on a continuity, a corpus juris reflecting the accumulated experience of our civilization. Laws are the conventional application of permanent principles. And if democratic government depends on any one central idea, it's that raw power alone, laws that flout those permanent principles, cannot command our respect. Our obedience, yes. Our allegiance, no.

Alexander Hamilton put it this way: "The sacred rights of mankind are not to be rummaged for among old parchments or musty records. They are written, as with a sunbeam, in the whole volume of human nature, by the hand of Divinity, itself; and can never be erased or obscured by mortal power." Even the more secular-minded Thomas Jefferson agreed: The "only firm basis" of freedom, he wrote, is "a conviction in the minds of people that their liberties are the gift of God."

American history has had its dark moments, but only twice has this principle been radically betrayed. Only twice has mortal power, using the instrument of the law itself, sought to exclude an entire class of people from their most sacred human rights.

This place in which we meet today marks the first time.

One hundred and thirty-six years ago, a human being was declared a piece of property, literally led off in chains as people of good conscience sat paralyzed by a ruling of the court.

The other time was January 21, 1973. An entire class of human beings was excluded from the protection of the state, their fate declared a "private" matter. That "sunbeam" Hamilton envisioned, the Creator's signature on each new life, was deflected by human hands. No one has ever described what happened more concisely than Justice Byron White in his dissent. It was an act of "raw judicial power"—power stripped of all moral and constitutional authority.

Roe v. Wade was not, then, one more natural adaptation in our constitutional evolution. It was not like *Brown v. Board of Education*, a refinement extending law and liberty to an excluded class. Just the opposite: It was an abrupt mutation, a defiance of all precedent, a disjuncture of law and authority. Where we used to think of law as above politics, in *Roe* law and politics became indistinguishable. How strange it is to hear abortion now defended in the name of "consensus." *Roe* itself, the product of a contrived and fraudulent test case, was a judicial decree overruling a consensus expressed in the laws of most states. It arose not from the wisdom of the ages or from the voice of the people, but from the ideology of the day and the will of a determined minority. It compels us to ignore the consensus of mankind about the treatment of the unborn. It commands us to disregard the clearest of Commandments. After twenty long years, the people of the United States have refused to heed that command.

Roe v. Wade is a law we must observe but never honor. In Hamilton's phrase, it's a piece of "parchment," a musty record bearing raw coercive power and devoid of moral authority. It has done its harm and will do much more. But those who say we must learn to live with it still don't get it. Ultimately, *Roe* cannot survive alongside our enduring, unshakable sense of justice. It is no more permanent than any other act of human arrogance. It is no more unchangeable than the laws which sent Dred Scott back to his master.

This has been the generation of what Malcolm Muggeridge called "the humane holocaust." The loss can never be recovered. Indeed, it can't even be calculated. Not even the familiar statistic—1.6 million a year—begins to express the enormity of it. One person's life touches so many others. How can you measure the void left when so many people aren't even permitted to live among us?

The best we can do is change what can be changed, and, most importantly, stay the course.

And there is no need to wait for some political consensus to form. That consensus is here, and it grows every time someone looks for the first time at a sonogram. It needs only leaders—prudent, patient leaders. It doesn't need apologists to soothe us into inaction. It needs statesmen who will work for change—change here and now.

So, we must ask ourselves, what must the role of the pro-life public official be in 1993 in the face of the catastrophic human carnage of abortion?

Let me be specific.

First, relentless, outspoken opposition to passage of the so-called Freedom of Choice Act.

Second, continuous effort to expand and enlarge the protection of human life in state and national laws and policies.

Third, a continuous drumbeat of public expression which makes the American people confront the facts about abortion in all of its evil.

Fourth, advocacy of a New American Compact in this country which seeks to involve all public and private institutions in a fight for policies and programs to offer women meaningful alternatives to abortion and to offer children and families the help they need to live decent, healthy and happy lives.

Fifth, political action which challenges both major parties and their candidates to protect human life and works for change in national elections.

The need for constancy, activism and relentless effort cannot be overstated. In light of recent events, there is no doubt that this country faces a crisis of awesome dimensions.

National commentators want to treat this issue as settled. We can never let them get away with that. This issue will never die. It will never be "over."

We live in a time of anarchy—when those who claim the right to choose deny pro-life advocates the right to speak. Our voices must be even more determined in response.

In summary, the role of the public official must be to lead—to stand up and say to the people of this country who believe in protecting human life: Press On!

Let this, then, be our clarion call, our call to arms, the keynote of this gathering: Press On!

TRIBUTE TO MARGARET WEGNER

HON. DAVE CAMP

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1993

Mr. CAMP. Mr. Speaker, it is with great pleasure that I rise today to recognize a special individual, Margaret Wegner, from Midland, Michigan. Margaret is being honored at the Midland Exchange Club's "Book of Golden Deeds" presentation. As I describe to you Margaret's contributions to and involvement in the community, you will see why she is so deserving of this honor.

Margaret has been a hardworking and generous individual, giving unselfishly of her time to benefit the Midland County Fair Board. The first woman elected President of the Midland County Agricultural and Horticultural Society in 1980 (as the Fair Board is formally known), she is now in her 13th term and is instrumental in organizing the Midland County Fair. There are hundreds of details that go into organizing this event each year, over which Margaret has shown incredible mastery.

Margaret has been responsible for the master plan and upgrading of the fairgrounds. She implemented the purchase of 40 additional acres of property, saw the completion of a new water system for the grounds, and supervised the construction of two livestock buildings and the Hugh Glover arena. She has also computerized the managing facilities.

Margaret's ongoing commitment and dedication to the betterment of the fair allow for hundreds of hours of enjoyment for the people of Midland County. She is a leader in the Larkin Livestock 4–H group and an advisor to the Junior Fairboard, a group of teen-agers who serve as an advisory panel to the fair association's Board of Directors. Through the 4–H, Margaret acts as a liaison among the different age groups attending the fair to see to it that all needs are met.

Margaret is an outstanding role model that others look to because of her community dedi-

cation and involvement. She states that she does her work "for the kids." She strongly believes that children need good direction and encouragement—two characteristics that are vital elements in the building blocks of our communities.

Mr. Speaker, Margaret Wegner is truly a remarkable individual. I know that you will join with me in congratulating Margaret on receiving this truly outstanding recognition and wishing her success in future endeavors.

RECYCLING MARKETS IN WESTERN NORTH CAROLINA

HON. CHARLES H. TAYLOR

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1993

Mr. TAYLOR of North Carolina. Mr. Speaker, on February 3, I entered into the RECORD a report on recycling markets in western North Carolina prepared by the Western North Carolina Environmental Council. The end of the report, however, which included the council's recommendations, was mistakenly excluded. I would like to have those recommendations entered into the RECORD at this time:

RECYCLING MARKETS IN WESTERN NORTH CAROLINA

III. RECOMMENDATIONS

Resulting from the presentations given to the Western North Carolina Environmental Council, the sub-committee formulated the following recommendations concerning recycling:

1. Both federal and state governments should pursue alternatives to traditional regulation. Change the primary emphasis of government environmental agencies in dealing with small business from regulator to ombudsman/consultant.

2. To encourage the use of new technologies, restore research and development tax credits at both the state and federal levels.

3. Investigate methods of long-term storage and segregation of used tires until such time as a cost-effective recycling process has been developed.

4. Encourage the purchase of compost equipment by providing tax credits to individuals, businesses, or local governments who utilize such equipment to process yard refuse.

5. Encourage industries and utilities to reuse parts of the waste stream as fuel to offset use of natural resources by publicizing cost-effective, environmentally benign programs that have been used successfully in the past.

6. Review Federal Procurement Specifications and state generated standards to ensure that they do not inhibit use of recycled materials (e.g., use performance-oriented requirements).

7. Increase government purchase of recycled goods.

8. Encourage industries with incentives to develop comprehensive programs such as Dayco's.

9. Institute a moratorium on new legislation impacting recycling until existing regulations can be implemented and tested.

10. Increase public awareness of the impact of existing governmental positions and of the status of solid-waste disposal systems in North Carolina. The state could contact a number of residents by including an educational mail piece in on-going state mailing such as tax forms.

11. Encourage firms to conduct waste-stream analyses by publicizing the waste reductions and cost savings achieved by companies who have performed audits.

IV. CONCLUSION

Federal, state and local governments are reviewing their respective roles in the management of municipal solid waste. According to the Congressional Research Service, reauthorization of the Resource Conservation and Recovery Act, the Nation's principal law regulating the management of solid and hazardous waste is one of the top environmental priorities of the 102nd Congress. The CRS says, "The key issues in the RERA debate concern the management of municipal solid waste. About 70% of MSW goes to landfills, but the number of active landfills has declined from 20,000 in 1979 to fewer than 6,000 today (McCarthy 1)."

States are considering mandatory recycled content legislation; and local governments must continue to cope with public objections to landfills and incinerators. Within this broad setting, the recycling industry plays a small role.

However, Russ Duffner holds the view that, "The best thing for a recycling market is to keep government out of it." He continued, "Simple government regulations change the whole market-place." Even the federal Office of Management and Budget concedes:

"Traditional formal rulemaking procedures may not always be the best tools available to EPA to accomplish its goals of reducing environmental risk and protecting human health.

"(The) EPA will continue to experiment with negotiation and other forms of consultation to enable all interested parties to participate more fully in environmental rulemaking" (OMB 514).

To quote J. Winston Porter:

"Aiming for unrealistic recycling rates will not only discourage the public, but may lead to a fool's paradise where needed landfills and waste-to-energy facilities are dismissed. A national goal of 25-30% recycling is plenty ambitious for now. Also, we need to understand that local recycling rates will vary significantly due to market conditions as well as costs of local waste management alternatives.

"We've got a good thing going in recycling. Let's ride this wave awhile and see what we can rationally do before trying to further legislate the law of supply and demand" (Environmental Science and Technology September 1991).

ESSAY BY KENDRA TRACY

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1993

Mr. HUNTER. Mr. Speaker, I am proud today to insert into the CONGRESSIONAL RECORD an essay written by a very special constituent, Kendra Tracy. Kendra is making her first visit to our Nation's Capitol with the Lakeside Middle School. Her essay is a very touching explanation of why she would like to represent her school in the wreath ceremony at the Tomb of the Unknown Soldier. I urge my colleagues to read Kendra's essay as she talks of her grandfather and grandmother and all others who have sacrificed for our country. It is indeed a wonderful essay.

ESSAY BY KENDRA TRACY OF LAKESIDE MIDDLE SCHOOL

There are three main reasons that I would like to represent Lakeside Middle School in the Wreath Ceremony at the Tomb of the Unknown Soldier. Each of them is very important to me. I would be very proud to be allowed to be a part of the ceremony.

My first reason is that my grandfather served in the Navy during World War Two. He was stationed on a ship in the South Pacific. My grandfather lost a lot of good friends, many who were lost at sea and never buried so that their families could visit them. My grandfather was never able to visit the Tomb of the Unknown Soldier, and I would like to do this for him.

My grandma served in the Army during World War Two, working as General Patton's secretary. She was with General Patton in Germany, and knew many people who never came home from that war. A lot of those people are buried somewhere in Europe in unmarked graves. One of her friends could be the unknown soldier who represents those lost in the 2nd World War. My grandma would be very proud if I was able to place the wreath on the Tomb of the Unknown Soldier.

I know how sad it must be for the people who have lost someone in a war and do not have a grave that they can visit when they need to feel close to that person. It's tragic enough that their loved ones died far away from home while serving their country. After what those soldiers went through, and after they've given their lives for their country, they deserve to have a place where their families can come. It's sad that most of these families aren't able to visit the Tomb of the Unknown Soldier. I would be proud to represent these families by honoring their heroes at the Tomb of the Unknown Soldier.

These are my reasons for wanting to be in the Wreath Ceremony at the Tomb of the Unknown Soldier. I would be representing my grandfather, my grandma, and the many families who have lost someone in the war, as well as Lakeside Middle School. It would be a great honor, one that I'd always remember proudly.

RADIO FREE EUROPE/RADIO LIBERTY

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1993

Mr. SOLOMON. Mr. Speaker, freedom and independence in Russia and Eastern Europe are not yet assured. As the recent events in Russia have so clearly displayed, the democrats in that part of the world still live a precarious existence. The Russian ex-Communist nomenklatura is resurgent, desperately clinging to what power it still has and longing to regain that which it has lost. A victory by these forces could have extremely deleterious consequences not only for Russia, but for all of the former Soviet empire.

This is why I consider efforts to consolidate away the existence of Radio Free Europe and Radio Liberty to be such utter folly. It is by now well known what a key role these organizations played in lighting the way to freedom for the former prisoners behind the iron curtain. The efforts of RFE/RL have been lavished with praise by such notables as Lech Walesa, Vaclav Havel, and Boris Yeltsin. The Estonian Foreign Ministry has even nominated RFE/RL for a Novel Peace Prize.

The broadcasts of RFE/RL were for years the only source of truth for those who endured the long night of communism. RFE/RL correspondents are afforded the highest levels of trust by politicians, journalists, and the general public in that part of the world. Less known, but no less important, is RFE/RL's unparalleled research and analysis ability. For years, scholars, journalists, and Western policymakers have relied on RFE/RL's research reports as an invaluable source of information on Soviet and East European developments.

Now, however, it seems as though the Clinton administration and Senator RUSS FEINGOLD no longer see the need for this unique and invaluable organization. I could not disagree more. Those forces in Russia that have recently been on the ascendancy have already moved to take some of the media under their thumb. Some hardliners there have called for jamming Radio Liberty again. What is this other than proof that Radio Liberty is still doing something right?

In many of the other former Soviet Republics, especially in the Caucuses and Central Asia, the free press still does not exist or, at best, is one decree away from extinction. Slovak Premier Meciar has tried to intimidate the nascent free press in his country. And, of course, Serbian strongman Slobodan Milosevic has used iron-fisted control of the press to stoke the ethnic embers of the Balkans.

The repression in Yugoslavia and Bosnia has led some to call for the establishment of RFE service in the Balkans. My esteemed colleague HELEN BENTLEY of Maryland has once again sponsored a bill to establish a Radio Free Asia. Mr. Speaker, I ask you, would not it be easier to implement both of these sensible ideas if RFE/RL retained its independence, instead of going through a wrenching consolidation process which would suck it into the labyrinth of the State Department bureaucracy?

Several leading authorities on this subject have registered their opposition to this idea. Former U.N. Ambassador Jeanne Kirkpatrick argued forcefully in a March 8 Washington Post article for retaining the independence of RFE/RL. Likewise, the noted historian and Soviet scholar Walter Laqueur devastated the idea of abolishing the independence of RFE/RL in a March 4 article in the Wall Street Journal. Also, last week, right here in these halls, Yelena Bonner, the heroic human rights activist in the former Soviet Union, said that the disestablishment of Radio Liberty would be a big mistake. Mr. Speaker, you just could not get a more enlightened opinion on this subject than Yelena Bonner's.

Yes, the cold war is over. Yes, all budgets must come under intense scrutiny in this time of record deficits. But the efforts of the Clinton administration and Senator FEINGOLD are hasty and premature. Both the broadcasting and research arms of this unique organization can still play a key role in assisting the democratic transformations in the former Soviet Union and Eastern Europe.

Mr. Speaker, I would like to insert into the RECORD the aforementioned articles by Ambassador Kirkpatrick and Mr. Laqueur:

NEEDED THEN, NEEDED NOW: RADIO FREE EUROPE AND RADIO LIBERTY GIVE INFORMATION ABOUT INTERNAL AFFAIRS THAT IS ESPECIALLY USEFUL DURING THIS TRANSITION TO DEMOCRACY

(By Jeane Kirkpatrick)

Once again the most successful international information-broadcasting programs ever run by the U.S. government are facing extinction. The Clinton administration is planning to phase out Radio Free Europe and Radio Liberty this year.

From their founding in 1949 and 1951, Radio Free Europe (which broadcasts to Eastern Europe) and Radio Liberty (which broadcasts to the Soviet Union) have had a precarious, controversial, gloriously successful existence—and made some powerful enemies. The diplomats of the State Department have always found them a nuisance and an interference with the department's management of foreign policy. The myth makers who saw Communist repression as a higher form of liberation have found the "radios" a dangerous provocation. The bureaucrats of the United States Information Agency have simultaneously envied the freedom and coveted the budgets of Radio Free Europe and Radio Liberty. Only their audiences have been enthusiastic about these independently run, U.S.-financed radios.

By now, so many leaders of so many new democracies in Eastern Europe have heaped so much credit on Radio Free Europe and Radio Liberty that no one publicly questions their essential contribution to ending the Cold War. Lech Walesa, now the president of Poland, described RFE as indispensable to Solidarity: "The degree [of RFE's importance] cannot even be described. Can you conceive the Earth without the sun?" And Vaclav Havel, now president of the Czech Republic, said of RFE, "You are the surrogate of the free and independent communication media that ought to exist over here, but don't." With this comment Havel described the radios as being exactly what they are intended to be: surrogates for providing the indigenous news and information that would have circulated in Eastern European and Soviet societies had they not fallen under totalitarian controls.

But who needs surrogate media now that the Cold War is over? Can't the countries do the job themselves? Can't the Voice of America do the job, as recommended by a presidential commission that reported to George Bush in August 1992? Its chairman, Tom C. Korologos, concluded, "RFE/RL served the country well, but with political changes, these programs increasingly resemble those of the Voice of America." Apparently, the Clinton administration agrees with George Bush and his commission that the radios have outlived their usefulness.

I believe the presidential commission and the Clinton administration are mistaken when they conclude, first, that the radios are no longer needed, and, second, that the Voice of America can do the same job anyway.

The Cold War is over, but democracy is not yet firmly rooted in formerly Communist societies. Information, news and public discussion are needed now in this time of transition. The radios can fill this need while local independent journalists and media are developing.

The VOA does not and cannot do the same job as RFE and RL. It does not provide news and information from inside the countries it serves, but works from American perspectives and policies. But it is information about internal affairs that is especially needed in this time of transition to democracy.

Studies in 1991 of the two U.S.-sponsored broadcasting systems make the point: A random sample of RFE programs in Hungary found that they devoted more than 42 items, or 40 percent of their first-run broadcast time, to Hungarian affairs, as compared to three items, or 4 percent, of VOA's first-run time. A comparable survey of Russian broadcasting revealed the same pattern. VOA dealt mainly with American topics, but 85 percent of RL's day had a Soviet focus. It is this local focus that makes the broadcasts of the independent radios more interesting and believable to Hungarian and Russian audiences.

RFE and RL will not be needed in Eastern Europe forever, but they are needed now while democratic media take root in the countries that they have served for four decades. And they are urgently needed now in the former Yugoslavia to provide reliable information and news to these societies closed by repression and torn by war.

That is not all. If the Clinton administration is seriously committed to strengthening and extending democracy, then it will want Radio Free Asia to do for China, Tibet, Vietnam, Burma, Laos, Cambodia, and other closed Asian countries what RFE and RL did for Eastern Europe. That will require an approach like that of RFE/RL. It will not be achieved with a cautious approach fashioned inside the U.S. government. It is not a job for the Department of State—or any other foreign office. It is a job for an independent agency with its own priorities.

The incompatibility of conducting foreign policy and running international broadcasting led the British to make the BBC World Service an independent agency. Should the Clinton administration desire to make a substantial, substantive contribution to the quality of U.S.-financed international broadcasting, it should consider moving the Voice of America out of the U.S. government rather than phasing out Radio Free Europe and Radio Liberty.

THE DANGERS OF RADIO SILENCE

(By Walter Laqueur)

Last week in Moscow a collection of essays was published devoted to vilifying Radio Liberty, the Munich-based broadcasting service that beams into the former Soviet Union. One essayist called Radio Liberty a "tool of Satan scheduled to destroy the world."

In the olden days, these campaigns were launched by the Communist Party of the Soviet Union. Now they are sponsored by the extreme nationalist, antidemocratic forces in the Russian capital. Meanwhile, the Moscow group that functions as the propaganda center of this political camp has called for the renewed jamming of Radio Liberty and its sister station, Radio Free Europe.

These demands are perfectly logical. Radio Liberty and Radio Free Europe played an enormous role in the outcome of the Cold

War. Now they are the main bulwark against the strong forces opposing democratization in the newly independent states of the former Soviet Union and in Eastern Europe.

These forces are gaining strength. Because of terrible economic difficulties, antidemocratic extremists are once again trying to control the flow of information in these regions; independent newspapers and TV stations in Russia, Ukraine and elsewhere have been forced to shut down for lack of funds. Yesterday's Communist Party officials, together with some defectors from the democratic camp, feel that victory is in their grasp.

PHASE OUT THREATENED

The greatest danger facing the Munich radios, however, comes from Washington, not Moscow. The new administration apparently wants to close the stations. Mid-level officials, it has been reported, have decided to phase out Radio Liberty and Radio Free Europe by 1994 and 1995 through a process of "consolidation" and "streamlining," as outlined in the president's economic plan. The Cold War, they argue, is over, and in any case the Voice of America can take over America's broadcasting tasks.

The two radios never had an easy life. In the 1970s, Sens. William Fulbright and Frank Church tried to close them down and almost succeeded. They thought Leonid Brezhnev would be annoyed by the broadcasts. According to official guidelines issued in the 1970s, the radios "had no mandate to advocate the establishment or disestablishment of any particular system, form of state organization, or ideology in the areas to which they broadcast." How the radios survived I do not know, but survive they did. Nor were they deterred by a few bombs at their broadcast facilities or by the infiltration of some KGB agents.

The new administration's apparent decision to shut down the stations—a decision that requires an executive order to become official, or an act of Congress—is based on several misunderstandings. One is purely tactical. It assumes that closing the stations would result in major savings in the near future. But the entire cost of the stations is negligible as these things go; it is less than the cost of one F-16 airplane, a fraction of the cost of a submarine. Moreover, the stations have contractual commitments that they cannot discard from one day to the next.

In any case, potential savings, or a lack of them, should not be the decisive issue. If the radios do not fulfill a useful function any longer, they should be closed down irrespective of the fact that only the next administration's budget will feel the benefit. On the other hand, if geopolitical realities warrant their continued existence, they deserve the relatively small amount of money their operations require.

In my view, the present situation in Eastern Europe and in the former Soviet states is critical and more than justifies a commitment to America's Munich-based radios. That this critical situation has a direct bearing on U.S. security and interests is known to President Clinton, at least in general terms. In a speech last Friday he said that if America had been willing to spend trillions of dollars to ensure communism's defeat in the Cold War, "surely we should be willing to spend a tiny fraction of that to support democracy's success where communism failed."

Unfortunately, it is not at all clear that the president, his chief advisers and legislators like Sen. Russ Feingold (D., Wis.), who has introduced legislation to "consolidate" the radios, know about the seriousness of the situation in the East. And how would they? I doubt whether there are more than seven or eight analysts in this country closely following the antidemocratic forces in Eastern Europe and Russia right now. None of them is in government. If tomorrow the president wanted a full and reliable report on this threat, he would not get it from the State Department or the CIA. The only place where this information is available (as any Russian expert would tell him) is the research department of Radio Liberty in Munich, the very entity his administration wants to "consolidate" and "streamline" out of existence.

But why continue the radios, some ask, if they overlap with the Voice of America? This question betrays yet another misunderstanding. There is no overlap. The task of VOA is, to put it inelegantly, to "sell America." The assignment of the Munich radios is to act as a surrogate source of information in countries where the media are not yet free—or where their freedom is threatened. This troubling media-condition can be found in all of Eastern Europe and the former Soviet Union, with the possible exception of the Czech Republic, Bulgaria, Slovenia and perhaps one or two others—out of 27 countries. VOA has many merits, but its direct political impact in Russia and Eastern Europe is almost nil, whereas that of the Munich radios is immense.

What is more, the Munich radios have built up an unrivaled network of correspondents and a unique research library that VOA does not need and cannot use. In any case, the division of labor between the two operations is obvious; the attempt to abolish it would probably ruin them both.

TIME IS RUNNING OUT

Democracy does not have that many weapons against its enemies. Why destroy the few that exist, especially two that have proved themselves so effective in the struggle against tyranny? If a proposal to end the radios had been mooted two or three years ago, it would still have been wrong but at least superficially plausible: The Cold War seemed over, the end of history was at hand. Today Eastern Europe and Russia face a critical period that may decide their fates and that of the world for years to come. To a certain extent America can influence the current struggle, but time is running out fast.

What has the new administration done so far? Short of an executive order or congressional action eliminating the radios, it has made a "negative" decision not to back them. And yes, it has appointed a "coordinator" for its policy vis-a-vis Russia. Poor man, he is likely to coordinate a policy and a budget that will not exist.

LANL FINDS HAPPY UNION WITH PRIVATE SECTOR

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1993

Mr. RICHARDSON. Mr. Speaker, I commend to my colleagues the following article from the Santa Fe New Mexican regarding the future of Los Alamos National Laboratory. As one of the Nation's premier nuclear weapons research facilities, Los Alamos has an impressive record of achievement. In these days of defense cutbacks, I am pleased to report that Los Alamos has found ways to diversify and utilize the unique talents of the men and women employed there.

As the article illustrates, Los Alamos will retain its commitment to basic science and maintenance of the nuclear weapons arsenal, but lab scientists have also branched out into energy research and development and environmental restoration and management activities. By utilizing cooperative research agreements, Los Alamos and other national laboratories have proven their value to the future of American research and development. I urge my colleagues to read the article that follows.

LANL FINDS HAPPY UNION WITH PRIVATE SECTOR

(By Ann Lolordo)

LOS ALAMOS.—Twice a year, a Maryland biotechnology company's top researcher visits a mountaintop compound here—the birthplace of the atomic bomb—to provide updates on a joint venture that could reduce a day's work mapping human genes to seconds.

The unusual venture links John D. Harding of Gaithersburg, Md.-based Life Technologies Inc. with scientists at one of the nation's top nuclear weapons laboratories. And that blending of skills and lab techniques could revolutionize technology and profits in the drive to tie nuclear weapons architects more closely to business.

The legacy of the Los Alamos National Laboratory has been the Manhattan Project and 50 years of nuclear weapons research, but its future might increasingly depend on linking nuclear, computer, laser and other technologies to the needs of commerce.

President Clinton wants three nuclear weapons labs—Los Alamos, Sandia and Lawrence Livermore in California—to earmark 20 percent of their budgets for research not connected to weapons and that can be transferred to industry.

Los Alamos officials say their lab can meet that challenge. About 40 percent of its $1.1 billion budget involves nonweapons research, including mapping human genes, disposing of nuclear materials and detecting fingerprints with gold flecks. But only about 3 percent of the budget goes to public-private ventures.

"We want American industry to recognize these labs, which they have felt have been closed to them" said Michael G. Stevenson, Los Alamos' associate director for energy and environment. "We want them to recognize our value."

But Lawrence J. Korb, a defense policy specialist at the Brookings Institution in Washington, is concerned that nuclear weapons experts might be making decisions better left to marketing executives.

"It's an agency like any government bureaucracy trying to stay in business after their basic job is over," Korb said. "You have to realize those folks may understand how to blow up the world, but they don't know what you and I want to buy."

Edward A. Knapp, a former director of the National Science Foundation, summarizes the lab's challenge this way: Can scientists skilled in basic research meet the specialized needs of industry?

"It can be done, but it will be hard," said Knapp, who heads the Santa Fe Institute, an interdisciplinary research forum. "I don't

think there are any opponents to making the shift. I think there are people who are very worried about having some competency in nuclear technology in case the world became a hot spot again."

Los Alamos officials say their commitment to basic research will continue and that the labs will remain "stewards" of the nuclear weapons arsenal. Their priorities, however, will shift toward maintaining the weapons arsenal and, more importantly, toward cleaning up their own nuclear waste dumps, which it is estimated will cost $100 billion and take decades to complete.

Amid the pinons and cedars of the Jemez Mountains, LANL scientists are working to harness energy from hot rocks at the earth's core, to virtually eliminate the radioactivity of nuclear wastes and to track the movement of radioactive material in air, water and soil.

Supercomputer software once used to determine the ability of a projectile to pierce armor is being adapted to research and transport and storage of nuclear materials, oil exploration and chemical refining.

In the past two years, LANL has entered into 35 research and development agreements worth about $89 million, a cost shared by the lab and its corporate partners. Those partners include big companies such as Hughes Aircraft Co. and small ones such as Life Technologies.

"The labs have gotten off to a very fast start. They have gone out and solicited cooperative working arrangements with industry," said Rep. George E. Brown Jr., D–Calif., chairman of the House Committee on Science, Space and Technology. "What we don't have at this point is a measure of how successful they have been in terms of transferring technology" to develop products and create jobs.

But Los Alamos has not been in the technology transfer business that long. Most cooperative research agreements were signed last year and cover two to three years.

And the lab has yet to undergo what its director, Siegfried S. Hecker, calls "a business revolution," a fundamental change in the way officials manage the lab's operations.

"There are not many people in the lab that understand the commercial culture of a business corporation," Brown said.

In recent years, Los Alamos' fledgling industrial partnerships have earned a small amount in royalties through such licensing agreements—about $100,000 annually. But officials say the payoff to lab scientists is usually in research dollars rather than royalty checks.

If lab scientists seek big money, they usually leave the federal payroll to start their own businesses, officials say. At least 38 spinoff companies, almost all in the Los Alamos area, have been formed by former lab researchers. Their work includes selling computer security technology to banks, manufacturing propane valves and marketing lasers.

TRIBUTE TO MONSERRATE FLORES

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1993

Mr. SERRANO. Mr. Speaker, it is with great joy that I rise today to pay tribute to my dear friend Monserrate Flores, a man who will return to Puerto Rico this summer after having exerted outstanding community leadership in New York for the last 37 years.

Monserrate Flores arrived on the United States mainland at the age of 19 just at the end of World War II, when the return of U.S. service men and women brought unemployment to a post-depression peak. His first jobs were simple ones: washing dishes for a local hotel, distributing telephone directories, and working as the only Puerto Rican employee of the Ronay Handbags Corp. at a salary of $24 per week. By dint of hard work and dedication, Monserrate rose to become production manager at Ronay for a work force of 100 employees.

Monserrate Flores' activist career began in 1956, when he and several other members of the Puerto Rican community began organizing the first New York Puerto Rican Parade, which was held in 1958. Around that same time he joined the Spanish American Representation Movement, was soon elected chairman of the Bronx chapter, and later became the organization's national president.

While leading a fundraising drive in New York for a hospital in his hometown of San German, PR, Monserrate Flores discovered that a great many people from his hometown were living in New York. Impressed by their public spiritedness, he organized many of them into the Sociedad Civica de Sangermenos Ausentes, a civic society comprised of New Yorkers from San German.

Mr. Speaker, in 1960 Monserrate Flores helped found and was later elected the first president of United Organizations of the Bronx [OUB], a federation of Hispanic organizations that very soon proved to be one of New York's most valuable public interest organizations.

Under Monserrate Flores' leadership the OUB undertook a number of important initiatives with lasting impact, such as a successful drive to end capital punishment in New York State, and a police-community program to provide bilingual translators to local police precincts that has attained permanent status in the New York City Police Department. The OUB runs a blood bank which serves the entire United States and has been rated by the American Red Cross one of the best organized blood banks in the world. The organization also sponsors a 361-unit housing complex called OUB Gardens.

In 1962 Monserrate Flores, as president of the OUB, acted upon community complaints to launch an intensive investigation of the old Lincoln Hospital. The investigation revealed that the services being rendered by the hospital were well below acceptable standards, that the building itself was inadequate, and that the hospital's community advisory board did not include and was not accessible to Hispanics and African-Americans.

Monserrate Flores pressed for sweeping changes at Lincoln Hospital, and succeeded in instigating the hospital's reconstruction, and in having Dr. Nasry Michelen appointed the hospital's executive director—the first Hispanic executive director affiliated with the the City of New York. Monserrate himself was the first Hispanic appointed to the community advisory board and became the board's chairman.

When Dr. Michelen left Lincoln Hospital in 1969, the commissioner of the Department of Hospitals appointed Monserrate head of the search committee, but then inexplicably rejected Dr. Antero Lacot, the candidate the search committee, the medical board, and all local community groups endorsed.

Mr. Speaker, Monserrate Flores defied a court restraining order and led 500 citizens of the community in a takeover of the hospital that ultimately led to then-Mayor Lindsay overruling the hospitals commissioner and appointing Dr. Lacot the new administrator of the hospital.

In 1972 Monserrate Flores resigned as chairman of the Lincoln Hospital Advisory Board to develop a comprehensive election plan for a new community advisory board. After the election he joined the hospital administration as director of community and public affairs. From that time until he joined Metropolitan Hospital in 1990, Monserrate Flores developed innumerable constructive innovations, including the Patient Advocate Program, which he directed until July 1990 and which was used as a model for hospitals throughout New York City.

Mr. Speaker, over the years Monserrate Flores has been a consistent voice for the people. From 1964 to 1975 he produced a daily 15-minute news and commentary program for a local radio station. He has been a frequent columnist for newspaper in New York and Puerto Rico, and for many years was the editor of a weekly newspaper called Pueblo.

He was the first director of community affairs for the school that was later to be called Hostos Community College. He served as a special liaison between Governor Rockefeller, the Puerto Rican community in New York and the Governor of Puerto Rico. He served on the board of directors of the Metropolitan Museum and the U.S. Selective Service System. He was twice elected assembly Democratic leader for New York's District 73.

Mr. Speaker, Monserrate Flores is the recipient of over 300 awards, including the John F. Kennedy Award, the Roberto Clemente Award, and the Distinguished Service to the Nation Award, which was presented by President Gerald Ford. He was appointed to the Equal Opportunity Housing Commission by President Richard Nixon, and was sought by President Jimmy Carter for advice on urban affairs.

In summary, Mr. Speaker, Monserrate is a giant of New York's Hispanic community whose accomplishments can be and are appreciated across the Nation. I am personally very grateful to him for all the wisdom and leadership and love that he has shown me.

I hope my colleagues will join me in paying tribute and wishing the best of luck to this very special man.

TRIBUTE TO MAUREEN STANLEY

HON. DAVE CAMP

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1993

Mr. CAMP. Mr. Speaker, it is with great pleasure that I rise today to recognize a spe-

cial individual, Mrs. Maureen Stanley, from Laingsburg, MI. Maureen is being honored as the 1992 Teacher of the Year by the Corunna Public School System.

Maureen has been active in teaching for 20 years, and has served in her current position for 10 years. She has taught in many different areas within the high school since 1981, including pre-school, 5th grade, elementary special education, chapter 1 reading and high school special education. With a concentration in special education, Maureen has contributed much throughout her career to the special needs children of the Corunna school system.

Her educational achievements are many. Beginning with graduation from Owosso High School in 1969, she then went on to obtain a B.A. from Central Michigan University, and an M.A. from Michigan State University. She has also completed pre-med requirements while attending Michigan State, the University of Michigan, and Oakland Universities.

Maureen's involvement goes beyond the classroom. She has been a part of the respiratory therapy team at the Owosso Health Care Center for many years. She is also involved with the American Cancer Society, United Way, Students Against Drunk Drivers, and adult literacy programs. She is also very supportive of a number of her students outside of the classroom as she is the high school coach for the pom-pom squad and the girl's varsity tennis team.

In addition to all of this, Maureen enjoys time with her family, which includes her husband Paul, two stepchildren Melissa and Penney, and her 100-pound English Lab. She and her family enjoy such hobbies as sports, reading, travel, and photography.

Maureen has provided leadership and direction for the students of the Corunna Public School system, and her contributions will reach far beyond their childhood and adolescent years. Through her immeasurable commitment and dedication, Maureen has become a trusted individual to the friends and families of students throughout the area. She continues to actively give of her time towards the betterment of the community through her dedication to education.

Mr. Speaker, Maureen Stanley is truly an amazing individual. I know that you will join with me and the Shiawasse County community in congratulating Maureen on receiving this outstanding award and wishing her continued success in future endeavors.

PROF. SIDNEY FINE RECEIVES THE GOLDEN APPLE AWARD

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1993

Mr. FORD of Michigan. Mr. Speaker, I rise today to salute Sidney Fine, a history professor at the University of Michigan. The Students Honoring Outstanding University Teaching [SHOUT] have awarded him the 1993 Golden Apple Award. Michigan's student body has honored Professor Fine for providing the best possible education and learning environment for students. As part of the award process, Professor Fine will present his ideal last lecture to the university community.

The debate over college professors' duties and responsibilities to their students and their research rages on campuses nationwide—the University of Michigan is no exception. University of Michigan students sought to emphasize the importance of professors' teaching responsibilities when they established SHOUT.

Sidney Fine's research is formidable. He has contributed to the history of our State and our Nation. His work has centered on Michigan and the labor movement. His scholarship includes work on Frank Murphy, who served as mayor of Detroit, Governor of Michigan, and U.S. Supreme Court Justice, on the General Motors sitdown strike of 1936–37, and on Detroit during the Great Society era and the 1967 riots.

Mr. Speaker, as a Member of Congress and a Michigander, I have the greatest respect for Professor Fine's research. Members of Congress have the greatest respect for Professor Fine's research. Members of Congress rely on the historical record to make decisions. Professor Fine has made a significant contribution to this record on labor and on Michigan.

But, Mr. Speaker, to achieve a well-functioning democracy we must make the historical record useful to all citizens. This process takes a good teacher. Sidney Fine is such a teacher. He has taught at the University of Michigan since earning his doctorate there in 1948. His teaching has brought to students a sense of how our Nation has evolved and a sense of the people who helped shape our Nation. From this, students have been able to better understand present day society and how to help it continue to change for the better.

Professor Fine is known across the campus and across the State for his excellent teaching. He teaches the university's most popular nonrequired classes, U.S. History from 1901 to 1933 and U.S. History since 1933. The first question a University of Michigan history major receives from a fellow alumni is: "Did you have Sidney Fine?" In Professor Fine's lecture hall, the aisles are crowded with students. Many students who previously claimed no interest in history have been converted to history by Professor Fine's classes.

Professor Fine brings history alive. Let me give you an example. Professor Fine lectures on World War II in Michigan's Haven Hall to his undergraduates. He tells them of one of their predecessors, an architecture student who studied in the West engineering building, just across the diag. This architecture student, Raoul Wallenberg, went on to become the University of Michigan's most accomplished student for his work saving Jews in World War II. A Swede, he was honored by the Congress in 1981 as an honorary American. Professor Fine's lectures teach students to know history for they may well be a part of it.

Professor Fine has taught over 25,000 students. His students have not forgotten the value of his work. Working for a State institution, Professor Fine falls under State law regarding retirement. State law had stated that all public employees must retire when they reach 70 years old. A few years ago, just before his 70th birthday, he prepared for his retirement from the classroom.

No one received this news well. Undergraduates were upset that they would not be able to take his class. His former students could not believe that this man, as much a Michigan institution as the little brown jug, would no longer teach.

So, his students, some of whom served in the State legislature and who learned the right thing to do, changed the retirement law. Sidney Fine, at the age of 72, continues to teach History 466 and History 467. He plans to continue to teach as long as he is able to give all his work 110 percent.

We, Members of Congress, constantly see in this Capitol reminders of our Nation's history. We know the importance of history's lessons. Professor Fine has given his students the same appreciation of and inspiration from history. I can think of no greater compliment than to say that the University of Michigan is a better institution because Sidney Fine teaches there and his students are better off for having him as a teacher.

Mr. Speaker, because I am and will always be a student of history, I plan to read the last lecture that he will present Friday. I will then be privileged to say that I, too, am a student of Prof. Sidney Fine.

NEW YORK TELEPHONE RESPONSE TO WORLD TRADE CENTER BOMBING

HON. JERROLD NADLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1993

Mr. NADLER. Mr. Speaker, I have addressed the House to condemn the bombing of the World Trade Center and honor heroic New Yorkers who were personally involved in this tragedy. Today, I wish to commend New York Telephone, which kept the lines of communication open on the day of the bombing, providing the only lifeline for trapped and terrified workers after the tragic bombing on February 26, 1993. The staff of New York Telephone planned effectively and worked swiftly to ensure that the network continued to function. I applaud the company and staff for their excellent response to this crisis.

Following the blast, New York Telephone's network continued to function despite the loss of electrical power and the subsequent shutdown of backup diesel generators. Backup batteries kicked in and allowed New York Telephone's three switches in the World Trade Center to operate in the critical hours following the blast. The network never went down.

At great risk, New York Telephone personnel entered the building within 3 hours after the explosion to reduce the power drain on the batteries by eliminating redundant systems. The risk was taken because if the batteries had lost power before commercial electricity could be restored, thousands of people trapped in the twin towers would be severed

from the outside world. By 7 p.m., the lights on the switches were dying, signaling the end of communication with the victims in the towers. Then, at 7:20, light burst from the switches as power was channeled in by Consolidated Edison.

While work proceeded in the World Trade Center, New York Telephone established a special command center at 140 West Street, a company location across the street from the towers. Agencies including the New York Police Department, Fire Department, Emergency Medical Services, the Port authority, and the NYC Transit Authority used the command center to control their emergency operations. This saved on duplication of time and effort and speeded up the rescue process.

New York City's Department of Telecommunications and Energy had led a creation of a mutual aid agreement among the area's telecommunications providers, who worked closely to keep the customers connected. The plan was activated within 26 minutes of the explosion. This cooperation among competitors resulted in New York Telephone providing circuits to many companies. Thousands of new lines were installed, and thousands of displaced customers received services.

The New York City 911 system functioned flawlessly. An additional 30 lines were activated at 1 Police Plaza for 911 operators. A special emergency hotline was also activated for the New York City Police Department.

In light of the extent of the tragedy in Manhattan, business is as close to normal as can be expected thanks to the flexibility of New Yorkers. The people of New York City have reason to be grateful to the New York Telephone Co. for so quickly and skillfully adapting to this crisis. The work done by New York Telephone services as a fine example for those planning emergency response to follow.

CONGRATULATIONS AND THANKS TO NICHOLAS GOLDWARE

HON. KEN CALVERT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1993

Mr. CALVERT. Mr. Speaker, in his book, "Democracy in America," Alexis de Tocqueville wrote with admiration of the many voluntary associations in which Americans participate, and of the willingness of our citizens to give freely and unselfishly of their time and talents to help make their communities better places in which to live.

Perhaps nowhere in the country is this wonderful American spirit more in evidence than in the county of Riverside, CA, which has been fortunate to have a long line of outstanding men and women willing to accept roles of leadership in our community. They have served without compensation, seeking only to improve life for their families, friends, and neighbors.

One such individual is Mr. Nicholas H. Goldware, who will step down this week as the chairman of the board of the Greater Riverside Chambers of Commerce. Mr. Goldware is native of Riverside, and a graduate of the University of California at Riverside, where he received a bachelor of science in economics in 1969.

In addition to serving as chairman of the board of the chambers of commerce, Nick has served as chairman of Riverside Community Ventures Corp., Riverside Community Hospital, as an executive board-member of the economic development partnership, as president of the University of California Riverside Athletic Association, as an executive board member of the United Way, and as a past board member of the Riverside City and County YMCA's.

In recognition of his contributions to our community, Mr. Goldware has received numerous awards, including recognition by the Riverside Junior Chamber of Commerce as Man of the Year in 1978, the Riverside Police Department's recognition as Reserve Officer of the Year in 1983, and election to UCR's Athletic Hall of Fame in 1988.

With great appreciation for his many years of service to our community, I wish to express the gratitude of the people of Riverside County to Mr. Nicholas Goldware for his leadership as chairman of the board of the Greater Riverside Chambers of Commerce from 1992 to 1993. Thanks for a job well done.

INTRODUCTION OF LEGISLATION REGARDING FEDERAL BRIDGE FUNDS

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1993

Mr. MINETA. Mr. Speaker, today I am introducing legislation to rectify a serious inequity in the interpretation of provisions enacted in the Intermodal Surface Transportation Efficiency Act [ISTEA] of 1991 relating to the use of Federal bridge funds for the seismic retrofitting of bridges.

During the development of ISTEA, it was our intent to make bridge funds eligible for seismic retrofitting activities. However, the Federal Highway Administration [FHWA] has interpreted the ISTEA language as prohibiting the use of bridge program funds for seismic retrofitting activities unless the particular bridge is determined to be structurally deficient.

The legislation I am introducing today amends the bridge rehabilitation and replacement program to permit the use of funds for the seismic retrofit of bridges without regard to whether the bridge is determined to require replacement or rehabilitation.

Mr. Speaker, it is vital that the bridge funds continue to fulfill bridge rehabilitation and replacement needs nationwide. This legislation addresses any concern about depletion of funds for rehabilitation work by adjusting future apportionments to reflect the amounts expended for a State's seismic retrofit activities.

Mr. Speaker, by adopting this measure, the House of Representatives will be affirming an important policy tenet: the value of investment and preventative maintenance. By making relatively minor investments in bridge structures now, we will inevitably save money, and more importantly, lives, in the future. I urge the passage of this commonsense, cost-effective legislation.

TRIBUTE TO LUTHER J. BATTISTE

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1993

Mr. MATSUI. Mr. Speaker, I rise today to recognize and honor an outstanding individual, Luther J. Battiste, who is being honored on April 10, 1993, at a dinner of family and friends.

Luther graduated from Tomlinson High School in Kingstree, SC. In September 1944, he enrolled at South Carolina State College where he earned both a B.S. and an M.S. degree. Upon graduation, Luther remained at the college to pursue a career. He began as a supply clerk at the college in the Department of Buildings and Grounds and rose to the position of assistant superintendent of buildings and grounds. He presently holds the position of director of physical plant. Luther's creativity, loyalty, and expertise has transformed the campus into a model of beauty for all other institutions to emulate. Since Luther entered the college as a student in 1944, he has witnessed and, in his present role, overseen the construction of 70 campus buildings.

In addition to his achievements at South Carolina State College, Luther has been a leader in his church and community. Luther has served as the senior warden of St. Paul's Episcopal Church and as the polemarch of the Orangeburg Chapter of Kappa Alpha Psi Fraternity. Luther is also the vice chairman of the South Carolina Association of State Planning and Construction Officials. He is a member of the National Association of Physical Plant Administrators of Colleges and Universities; the Southern Regional Association of Physical Plant Administrators of Universities and Schools; the National Association of Educational Buyers; and the South Carolina Commission on Higher Education's Task Force on Facilities.

The numerous awards Luther has won over the years are further testimony to his dedication and success. A few of the many awards he has received include the Kappa Man of the Year Award and the Army ROTC Award. He also was the first recipient from South Carolina to be given a citation by the National Landscape Association for contributions to environmental and community improvement through landscaping which he received in 1974. In addition Luther received the Distinguished Alumnus Award on Founder's Day, February 25, 1987, from the South Carolina State College. Luther's achievements and contributions to South Carolina have been recognized by Governor Carroll Campbell.

Mr. Speaker, I ask my colleagues to join me in honoring Luther J. Battiste for his commit-

ment to service to South Carolina State College, his community, and his family. He is a citizen worthy of recognition and praise.

THE NEED FOR PBGC REFORM

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1993

Mr. GOODLING. Mr. Speaker, a week does not go by without our hearing one story or another about the financial problems faced by the Government agency known as the PBGC. The Pension Benefit Guaranty Corporation [PBGC] was created in 1974 under ERISA title IV in order to guarantee the private pension benefits of employees and retirees in the event their company goes bankrupt and leaves their pension plans less than fully funded.

But now the 1992 financial statement released by the PBGC shows the single-employer fund established to make up any pension shortfall to also be underfunded to the tune of over $2.7 billion. Another S&L crisis in the making? Some critics of the status quo say that, if no action is taken, a taxpayer bailout in the range of $25 to $40 billion over the next 30 to 40 years may be necessary. Of course, it should be understood that this pessimistic view of the future course of the PBGC program is by no means a certainty. Subcommittees of both my Committee on Education and Labor and the Ways and Means Committee have held oversight hearings to determine the true extent of PBGC's problems and the remedies that may be needed to avoid such a taxpayer bailout.

At these hearings, the U.S. General Accounting Office [GAO] testified that the PBGC has made significant progress in financial management in the last several years under the leadership of the former PBGC Executive Director, James B. Lockhart III, because of these improvements, the GAO now hopes to be able to certify PBGC's financial statement later this year. However, the GAO considers more important the fact that problems beyond the PBGC's control continue to mount, posing multi-billion-dollar risks, thus creating a need for Congress to act.

That is not to say that PBGC today faces an overnight collapse. Retirees already receiving PBGC guaranteed pensions need reassurance, and should know that the PBGC already has $6.3 billion in assets on hand to pay out annual benefits of about $700 million. The GAP testified that the PBGC does not face cash flow problems in the short term. Unlike the savings and loan situation, the PBGC is like a giant pension fund which pays out its pension obligations in monthly installments, not in one lump sum. You might say that PBGC's safety tire can go flat with leaks, but is not likely to incur a sudden blowout.

However, the current cash flow accounting used in the Federal budget to measure the effect of PBGC's evolving obligations is also inadequate. For example, the number of PBGC insured plans has already declined 43 percent, so that only 67,000 defined benefit plans remain in the system. This presents an additional challenge to maintaining the program on a self-supporting basis that is maintained solely from the premiums levied on all covered defined benefit plans, and initially set in 1974 at $1 per plan participant, to pay for any PBGC shortfall. In fact, per capita premiums have escalated to $19 for fully-funded plans and to $72 for badly funded ones. These 2,000-plus percent increases have not stemmed PBGC's flow of red ink. The increasing risk which has to be carefully weighed is that merely increasing premiums on the well-funded plans may accelerate their exit from the system, this shrinking the tax base on which to levy the premiums necessary to finance present and future deficits.

As a result, alternative legislative approaches have been proposed. Last year, the Bush administration, representative JAKE PICKLE, and Senator JIM JEFFORDS proposed legislation to help address PBGC's growing financial problems. Even though the bills differed in their exact approach, they all encouraged faster funding for underfunded pension plans. I am cosponsoring the bill reintroduced by Representative PICKLE, H.R. 298, to encourage my colleagues to take a closer look at the problems of pension underfunding and to consider measures which will put the PBGC on a more sound and insurance-like basis.

Our Nation's pensioners and taxpayers deserve both a full accounting of the PBGC problem and effective and timely legislative action which might prove necessary. I look forward to any recommendations that the newly chosen PBGC Executive Director, Martin Slate, will provide to the Congress on this matter. I urge my colleagues to closely study and participate in the debate over this important retirement income security issue.

PRESCRIPTION DRUG PRICE REFORM

HON. RICHARD J. DURBIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1993

Mr. DURBIN. Mr. Speaker, today I am introducing legislation to protect American consumers from the high and rising costs of prescription drugs.

On February 17, the General Accounting Office released its assessment of the efficacy of Canada's Patented Medicine Prices Review Board in restraining prescription drug costs.

GAO concluded that Canada's board not only restrained price increases for existing drugs, but that drug prices in Canada would be a third higher if their board did not exist.

It's time for the American consumer to have the same protection from excessive prescription drug prices as our Canadian neighbors. It's time for us to protect senior citizens from having to ration their prescriptions to make them last longer. It's time for us to protect cancer patients who can't afford innovative new drugs, even though they were developed in Federal laboratories. And it's time to make the pharmaceutical manufacturers accountable for their promises to hold down the rate of prescription drug price increases.

My legislation creates a Prescription Drug Price Review Board, modeled after the Canadian board, to review drug prices, determine if they are excessive, and take action against those manufacturers that continue to price their products excessively. The Board will publish pricing information on brand name and generic prescription drugs to assist consumers and health care providers in identifying safe, cost-effective prescription drug options.

I urge my colleagues to join me in cosponsoring this legislation, which will restore a measure of reason to the pricing of prescription drugs.

I include my summary of the legislation to appear in the RECORD following these remarks.

THE PRESCRIPTION DRUG CONSUMER PROTECTION ACT OF 1993

1. Creates a Prescription Drug Price Review Board modeled after the Canadian Board.

2. Requires that the Board be made up of 5 members, appointed by the President with the advice and consent of the Senate, selected from experts in the fields of consumer advocacy, medicine, pharmacology, pharmacy, and prescription drug reimbursement.

3. Empowers the Board to collect from pharmaceutical manufacturers information regarding domestic and international prescription drug pricing, research and development costs, and manufacturing and marketing costs. Requires manufacturers to report each new drug price and price increases to the Board.

4. Requires the Board to determine whether the prices and subsequent price increases of each prescription drug are excessive based upon the following criteria:

Changes in the Bureau of Labor Statistics' Producer Price Index and the prescription drug component of the Producer Price Index,

The price at which the drug was sold to wholesalers in the United States and abroad during the preceding 10 years,

The price at which other drugs in the same therapeutic class were sold to wholesalers in the United States during the preceding 10 years,

The drug's Food and Drug Administration therapeutic potential rating,

The percentage of the drug's research and development costs contributed by the Federal government, and

The cost of manufacturing and marketing the drug.

5. Requires the Board to publish the results of its determinations of whether prescription drug prices are excessive in an easy to understand guide targeted to consumers and health care providers.

6. Requires the Board to notify the manufacturer of an excessively priced drug of the Board's recommendation for pricing the drug such that its price would no longer be considered excessive.

7. Empowers the Board to revoke the patent of an excessively priced drug, if that drug is under patent, or to revoke the patent of another of that manufacturer's drugs, if the excessively priced drug is not under patent.

8. Provides a mechanism for resolving differences between the Board and manufacturers through the use of public hearings.

9. Provides for a study by the National Academy of Sciences' Institute of Medicine to examine critical issues in the development, regulation, marketing and provision of pharmaceutical products.

TRIBUTE TO RUTH ECK

HON. JOEL HEFLEY

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1993

Mr. HEFLEY. Mr. Speaker, as Members of Congress, we are all familiar with the inevitable staff turnover which occurs with some frequency in our offices. At the same time, we cannot help but feel a sense of loss when faced with the retirement of a dedicated, longtime staff member who has played such a significant role in the successes we have had.

I rise today in recognition of one such member of our team, Ruth Eck.

Ruth dedicated herself to the Republican Party in Colorado after hearing then-Congressman Ken Kramer speak at a local town meeting. Her volunteer work for Ken eventually led to a permanent receptionist job in 1979. After 3 years, she was promoted to office manager.

When I was elected to represent the Fifth District in 1986, I sought Ruth's expertise and asked her to join my staff in Colorado Springs as district director. She agreed and came on board in February 1987.

Thanks to Ruth and her flair for organization and management, my district office has an excellent reputation for responding to the many people who come to us for assistance. Whether it was the man whose Social Security was terminated because the Social Security Administration had erroneously declared him dead or the small company caught in a jurisdictional dispute between the Government agencies, Ruth was on top of every situation. She brought the cases to my attention and, together, we worked on solving the problems.

Ruth and I share the philosophy that one of the most important jobs of a Congressman is to make Government work for the people. Without exception, Ruth conveyed a sense of compassion and concern for everyone who came to us seeking assistance and instilled that same attitude in those she supervised.

It was Ruth who made sure I was where I needed to be when I was supposed to be there. It was Ruth who kept me informed about what was happening in the district while I was in Washington. And, it was Ruth who gave selflessly of her time, her energy, and her loyalty to serve the people of the Fifth District.

For all of this and so much more, I want to thank Ruth—a true public servant in the best sense of the term—and wish her well as she begins retirement with her husband John, with whom she celebrates 37 years of marriage on April 7, 1993.

Ruth, you will be missed.

HONORING SHARON E. SIGESMUND

HON. JAMES H. BILBRAY

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1993

Mr. BILBRAY. Mr. Speaker, I rise today to recognize the magnanimous gift of a generous American to the Jewish Federation of Las Vegas. Sharon E. Sigesmund is a native of Detroit, MI, who has adopted southern Nevada and the city of Las Vegas as her home. Ms. Sigesmund is a strong supporter of the interests of the worldwide Jewish community.

Sharon has played an active role in supporting the community of southern Nevada, taking a particularly vigorous interest in the Las Vegas Jewish community. She has served as president of Temple Beth Shalom Sisterhood and the Silver Meadows B'nai B'rith Women. Sharon is also a member of the regional board of B'nai B'rith Women.

Ms. Sigesmund's generosity and devotion recently made it possible for the Jewish Federation of Las Vegas to acquire a 21,000-square-foot building. The structure will be utilized as headquarters for the federation, as well as by several other affiliated organizations. As a way of recognizing her outstanding support for the many members of the Las Vegas community, the newly acquired building will be dedicated in the name of Sharon E. and Raymond H. Sigesmund.

So today I ask my colleagues to stand and recognize a truly generous Nevadan who has, through her work, made a genuine mark on the First District of Nevada, the Nation, and the world. Her contributions and accomplishments are worthy of recognition by this body.

TURKEY'S HUMANITARIAN EFFORTS IN ARMENIA

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1993

Mr. CLEMENT. Mr. Speaker, each day we learn more about the terrible plight of the citizens of Armenia who are enduring unbelievable hardships because of hostilities with their neighboring country of Azerbaijan.

A very good Armenian friend of mine, who lives in Memphis, has shared his own concerns with me, and told me of the humanitarian efforts which are focused on his fellow countrymen. Of particular interest are the efforts being made by Armenia's neighbor, the Republic of Turkey.

Mr. Speaker, the Turks are shipping their own grain to Armenia. This grain is part of a shipment of 100,000 tons that Armenians asked of Turkey when hostilities began. Turkey agreed, and as of March 4 had delivered 47,330 tons of Turkish wheat.

The Turks have done other things to insure the free flow of humanitarian aid to Armenia, including expediting a train carrying 300 tons of French assistance through Turkey to Armenia and passing through 16.5 tons of clothing from the Swedish Red Cross.

Last year, Turkey forwarded 1,690 tons of milk powder and 500 tons of baby food from the European economic community, 6,000 tons of wheat from Syria and other private organizations, and more tons of assistance from Project Hope.

The need continues to be great in Armenia. But countries like Turkey are helping by providing aid and expediting the shipment of assistance from others. Their efforts are greatly appreciated.

TRIBUTE TO THE ORDER OF DEMOLAY

HON. TIM HOLDEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1993

Mr. HOLDEN. Mr. Speaker, I rise today to recognize the Order of DeMolay, an active young men's organization in my district. DeMolay helps build character in young men and boys who are striving to become better citizens and leaders for our future. Through civic participation, charitable projects, athletic competition, and social activity, these young men have learned and will continue to learn valuable lessons about themselves and the world around them.

And in Reading, PA, the DeMolay chapter is the largest of the 38 DeMolay groups throughout the State. This is a testament to the commitment, strength, and enthusiasm of the local DeMolay chapter. The DeMolay leaders help instill a sense of pride in the accomplishments of all their members.

The Order of DeMolay has declared March 1993 as International DeMolay Month. And, the Reading chapter has announced that they are celebrating their 74th anniversary this year. I would like to honor the Reading chapter of DeMolay on the floor of the House, and commend the members for their fine contributions to the community.

HONORING THE TEXAS TECH UNIVERSITY RED RAIDER MEN'S AND WOMEN'S BASKETBALL TEAMS

HON. BILL SARPALIUS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1993

Mr. SARPALIUS. Mr. Speaker, I would like to ask my colleagues to join me in congratulating the Texas Tech Red Raiders and their victories at the Southwest Conference Basketball Tournament. Both the women's and men's teams did an outstanding job in clinching the tournament championships. Mr. Speaker, it is important to note this is only the second time in Southwest Conference history that teams from the same university have swept the championships.

The Lady Raiders, under the direction of Head Coach Marsha Sharp, had several impressive wins including the 78–71 victory against the University of Texas which assured their placing at the NCAA Tournament. There

is no question the Lady Raiders are blessed with talented young women, however, there is a catalyst to their motivation and her name is Sheryl Swoopes. Ms. Swoopes was named 1992–93 women's basketball player of the year by the Women's Basketball News Service. Another of the Lady Raider's assets was Head Coach Marsha Sharp. Marsha has many reasons to be proud of her team, but she can also be proud of her accomplishment of being named coach of the year by the Women's Basketball News Service. The Lady Raiders sparked Texas Tech University at the SWC Tournament and the men were next to follow.

Under the direction of Head Coach James Dickey, the Texas Tech Red Raiders have had an exciting season. They entered the SWC tournament ranked fifth and went on to upset the University of Houston in the SWC Championship. The win assured them a place at the NCAA Tournament. One thing which is most impressive about The Red Raiders is the depth of their talent, and their youth. Lance Hughes, a sophomore guard, led the Raider's scoring drive with 27 points and he will be returning to the Red Raider squad. Also, Mr. Hughes was named the SWC Tournament MVP which his numbers clearly represent. Lance is not alone—freshmen like Lenny Holly, Koy Smith, and Jason Sasser were no strangers to Tech's win, and they undoubtedly will be a part of Tech's success in years to come.

I've heard it said that a kite rises against the wind and not with it. But to rise, the kite must be anchored to a firm foundation and Texas Tech's young players had two foundations to cling to—seniors Will Flemons and Barron Brown. Mr. Flemons was named to the all-tournament team selection and Mr. Brown's leadership in the guard position was a winning combination for Tech. Head Coach Dickey should be complimented for a job well done.

Mr. Speaker, Texas Tech basketball has been exciting in 1993 and there is no question that the Red Raiders will provide much excitement in 1994. I ask my colleagues to join me in congratulating the Red Raiders for a very successful season.